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Assistant Secretary for Indian Affairs Forrest J. Gerard announced today Department approval of a coal mining and reclamation plan in the Navajo Nation Reservation in New Mexico.

The Restructured Mining and Reclamation Plan submitted by the Consolidation Coal Company and approved by the Navajo Nation calls for the mining of over 9,000 acres near the reservation's Burnham Chapter in New Mexico. The lease provides a royalty of 12~ percent of the value of each ton of coal. The company paid a bonus to the Navajo Nation of $5.6 million when the lease was approved in August 1977.

Assistant Secretary Gerard, in approving the plan, said it was an affirmation of the Department's commitment to the concept of trust responsibility. "Our approval of this lease and mining plan was contingent on the passing of tough tests-- tests designed to insure the balance of benefits to the Navajo people," he said.

Environmental considerations-- such as post-mining use of the land-- are included in the lease and stipulations. Stringent testing is required as part of this process. The land is expected under the plan to return to much of the same use as now, primarily grazing.

This is the first mine plan approved on Indian lands since the enactment of the Surface Mining Reclamation and Control Act of 1977. A renegotiated lease was approved between Consolidation and the Navajo Nation-- the same month that the Act became law-- making it necessary for the company to return with a plan in compliance with that law. The plan was approved with additional stipulations, agreed to by the mining company to insure compliance with the Act.

Mining under the plan will be over a 38 year period. During the first seven years about 900 acres will be mined. The production rate is anticipated to be at the rate of 300,000 tons the first year; 750,000 tons the second year; 1 million tons the third year; 4. 4 million tons the fourth year; and 6.4 million tons the fifth through thirty-eighth year.

The mining operation is expected to employ 363 people during the initial phases of operation and 245 to 335 people when in full operation. Consolidation Coal has committed to allocating at least 70 percent of the positions at the mine to Navajo tribal members.