



## **Filing Receipt**

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**SOAH DOCKET NO. 473-24-22136  
DOCKET NO. 56643**

APPLICATION OF SOUTHWESTERN ELECTRIC POWER COMPANY FOR AUTHORITY TO RECONCILE FUEL COSTS	§ § § § §	BEFORE THE STATE OFFICE  OF  ADMINISTRATIVE HEARINGS
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**SOUTHWESTERN ELECTRIC POWER COMPANY'S RESPONSE TO OFFICE OF  
PUBLIC UTILITY COUNSEL'S SECOND REQUEST FOR INFORMATION**

**OCTOBER 28, 2024**

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**Files Provided Electronically on PUC Interchange**

OPUC\_2-2\_Attachment\_1.xlsx

OPUC\_2-3\_Attachment\_1.xlsx

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**Question No. OPUC 2-1:**

Please refer to Chilcote Direct at 18:7-13, please describe each occurrence during the reconciliation period when SWEPCO was able to lease out rail cars and the corresponding lease revenues it received. Please indicate where these lease revenues are reflected in the fuel schedules.

**Response No. OPUC 2-1:**

As discussed in Company witness Chilcotes' testimony on page 17 and 18, railcars are utilized per the terms of the AEP System Rail Car Use Agreement and all revenues received by SWEPCO are credited to reduce eligible fuel expenses which benefits SWEPCO customers. Per Schedule FR-19.5, SWEPCO received \$2,084,796 from Railcar Lease Revenues per the terms of the AEP System Railcar Use Agreement. SWEPCO railcars were not sub-leased to third parties during the reconciliation period.

Prepared By: Eder A. Ayala Anzurez

Title: Regulatory Consultant Sr

Sponsored By: Kimberly K. Chilcote

Title: Director Coal and Reagent Procurement

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**Question No. OPUC 2-2:**

Please refer to Chilcote Direct at 6, Table KKC-1. Please provide for each coal plant, by month during the reconciliation period the beginning coal inventory in tons and dollars, the monthly additions or reductions to inventory in tons and dollars, and the month ending balance of the coal inventory in tons and dollars.

**Response No. OPUC 2-2:**

Please see OPUC 2-2 Attachment 1.

Prepared By: Eder A. Ayala Anzurez

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**Question No. OPUC 2-3:**

Please refer to Schedule FR-16 (Summary – Eligible Fuel Costs) under Natural Gas, please explain the transactions that resulted in the gains/losses on gas sales. Please provide detailed support for each transaction.

**Response No. OPUC 2-3:**

The particular line item in question represents natural gas sales and pipeline cashouts/cashins. Please see OPUC 2-3 Attachment 1 for the monthly accounting entries. Any gas sales as part of these entries were necessary to balance the position and to maintain the integrity of pipeline system.

Prepared By: Eder A. Ayala Anzurez

Title: Regulatory Consultant Sr

Sponsored By: Michelle L. Rutledge

Title: Fuel Buyer Staff

Sponsored By: Jared A. Schmied

Title: Regulatory Acctg Case Mgr

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**Question No. OPUC 2-4:**

Please refer to Schedule FR-16.1 (NC) Coal. Please explain and provide detailed support for the negative 72,405 tons of coal burned in May 2023 at Welsh and how that resulted in a positive cost.

**Response No. OPUC 2-4:**

The negative consumption and positive cost reflected in FR-16.1 (NC) referenced herein was the result of a coal pile survey adjustment that exceeded the actual consumption. Please see the table below for the actual consumption and coal pile survey.

	Tons	Dollars
Coal Pile Survey Adjustment	-137,592	-\$6,787,413.36
Actual May 2023 Consumption	65,187	\$3,103,956.42

Prepared By: Eder A. Ayala Anzures

Title: Regulatory Consultant Sr

Sponsored By: Kimberly K. Chilcote

Title: Director Coal and Reagent Procurement

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Title: Regulatory Acctg Case Mgr

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**Question No. OPUC 2-5:**

Please refer to WP 555 per Book included in Excel Exhibits FKB2 – FKB 5, please explain in detail the purposes of accounts 5550156 and 5550330 as these two accounts do not have header descriptions included.

**Response No. OPUC 2-5:**

Account 5550156: Purch Power Capacity LA - To record capacity deals to include SWEPCO's Louisiana fuel balances but not in Arkansas and Texas balances.

Account 5550330: SPP Ramp Capability LSE - To accommodate load serving entity ramp capability products in SPP.

Prepared By: Jared A. Schmied

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**Question No. OPUC 2-6:**

Please refer to WP Consumables SO2 included in Excel Exhibits FKB2 – FKB 5. Please provide detailed support and an explanation for the following:

- a. The increase to Activated Carbon in March 2023;
- b. The increase to Potassium Iodide in March 2023;
- c. The increase to Lime/Limestone in March 2023;
- d. The increase to NOx in August and September of 2022; and
- e. Why Potassium Iodide expense ceased after March 2023.

**Response No. OPUC 2-6:**

- a. The Pirkey Plant was retired in March 2023. Due to this retirement, remaining consumables inventories associated with the Pirkey Plant (including activated carbon, potassium iodide, and lime/limestone) were expensed.
- b. See response to OPUC 2-6 (a).
- c. See response to OPUC 2-6 (a).
- d. "NOx" is an emissions allowance tracked in FERC 509 accounts. The August/September 2022 NOx expense increase is due to an increase of NOx emissions that required the consumption of allowances to comply with Federal NOx regulations.
- e. During the review period, potassium iodide was only utilized at the Pirkey Plant, which was retired in March 2023. Consequently, potassium iodide expense ceased after March 2023.

Prepared By: Jared A. Schmied

Title: Regulatory Acctg Case Mgr

Sponsored By: Jared A. Schmied

Title: Regulatory Acctg Case Mgr



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**Question No. OPUC 2-7:**

Please refer to WP Consumables SO2 included in Excel Exhibits FKB2 – FKB 5. Please provide an explanation as to how the Consumables are charged to FERC 502 accounts. Please specify whether consumables are expensed upon receipt or expensed based off usage from an inventory balance.

**Response No. OPUC 2-7:**

See table below. Note that "SO2" and "Nox" shown in 'WP Consumables SO2' are emissions allowances charged to FERC 509 accounts and not listed with FERC 502 consumables above.

Lime/limestone	Expense usage from inventory
Polymer	Expense upon receipt
Lime Hydrate	Expense upon receipt
Dolet Hills Misc Reagents	Expense upon receipt
Activated Carbon	Expense usage from inventory
Anhydrous Ammonia	Expense usage from inventory
Potassium Iodide	Expense usage from inventory

Prepared By: Jared A. Schmied

Title: Regulatory Acctg Case Mgr

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**Question No. OPUC 2-8:**

Please refer to Bourland Direct, Exhibit FKB-5. Please explain in detail the types of sales that are included in the Non-Eligible Sales.

- a. Please provide supporting documentation to support the monthly values included.
- b. Please provide a detailed explanation for the approximately negative \$10.5 million of eligible sales for resale in September 2023.

**Response No. OPUC 2-8:**

- a. Please refer to "WP Non-Elig SFR" included in Excel Exhibits FKB2 - FKB5 for types of sales included in Non-Eligible Sales and monthly values.
- b. Sales for Resale-Nonassociated (account 4470002) is recorded on an estimate/actual cycle, with estimates booked and reversed 2 months later with actual amounts. The September 2023 negative \$10.5m of eligible sales for resale was primarily due to the true-up of the July 2023 estimate.

Prepared By: Jared A. Schmied

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**Question No. OPUC 2-9:**

Please refer to Rutledge Direct at 6, footnote 2. For each month of the reconciliation period, please indicate whether SWEPCO participated in Bid-week. For months that SWEPCO participated, please identify the resulting contracts that were executed. For months that SWEPCO did not participate, please explain why not.

**Response No. OPUC 2-9:**

Please see OPUC 2-9 Highly Sensitive Attachment 1 for the requested information. The Stall Plant is the only SWEPCO natural gas-fired plant that has a capacity factor greater than 50 percent; the balance of the SWEPCO natural gas-fired units have capacity factors of less than 20 percent. The strategy of purchasing more baseload volume has been contingent on the Stall Plant being available to the market, with no significant planned/maintenance outages on the horizon. In the months SWEPCO did not participate in Bid Week, it was due to Stall's unavailability, or the position already being covered from a previously awarded RFP.

Prepared By: Eder A. Ayala Anzures

Title: Regulatory Consultant Sr

Sponsored By: Michelle L. Rutledge

Title: Fuel Buyer Staff

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**Question No. OPUC 2-10:**

Please refer to the Direct Testimony of M. Casey Koenig at 10:14. Please provide the budget variance report SMC submitted to SWEPCO each month during the reconciliation period.

**Response No. OPUC 2-10:**

Please see OPUC 2-10 Attachments 1-24.

Prepared By: Michael C. Koenig

Title: Land and Mineral Development Sr Mgr

Sponsored By: Michael C. Koenig

Title: Land and Mineral Development Sr Mgr

## THE SABINE MINING COMPANY

### January 2022

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	2,505,938	2,923,463	417,525	2,505,938	2,923,463	417,525
Tons Delivered	191,849	218,986	27,137	191,849	218,986	27,137
Tons Uncovered	203,600	215,359	11,759	203,600	215,359	11,759
Tons Burned	190,700	216,169	25,469	190,700	216,169	25,469

The power plant had 0 down days in January. This resulted in a slightly higher than plan burn for the month of January.

#### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,596,144	\$1,631,889	\$35,745	\$1,596,144	\$1,631,889	\$35,745

Labor was under budget MTD and YTD due to fewer full time employees through January. However, labor burden was higher than projected.

#### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$421,586	\$500,688	\$79,102	\$421,586	\$500,688	\$79,102

Outside services were over budget MTD and YTD due to timing of tree planting and more temporary employees.

#### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$40,198	\$45,881	\$5,684	\$40,198	\$45,881	\$5,684

Office expenses were over budget MTD and YTD due to office power costs.

### **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$140,700	\$7,580	(\$133,120)	\$140,700	\$7,580	(\$133,120)

Field operating expenses were under budget both MTD and YTD due to rock, water treatment chemicals and safety supply costs being lower than budgeted.

### **Equipment Lease/Rental**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$58,986	\$19,629	(\$39,356)	\$58,986	\$19,629	(\$39,356)

Equipment lease rentals were under budget MTD and YTD due to timing of invoices for the rented D71PX wide pad dozers.

### **Maintenance Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$58,373	\$63,300	\$4,927	\$58,373	\$63,300	\$4,927

Maintenance expenses were over budget MTD and YTD due to increased mobile, field and electrical supplies utilized in the field.

### **Equipment Operating Cost**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$3,595,828	\$2,416,461	(\$1,179,367)	\$3,595,828	\$2,416,461	(\$1,179,367)

<b>Equipment</b>	<b>MTD Variance Amount</b>	<b>YTD Variance Amount</b>	<b>Variance Explanation</b>
Draglines	(\$648,470)	(\$648,470)	Dragline fleet over budget MTD and YTD due to timing of major repair on DL 101
Dozer Fleet	(\$363,854)	(\$363,854)	Dozer fleet under budget MTD and YTD due to timing of major repairs on 537 and 540
End Dumps	(\$7,544)	(\$7,544)	End Dump fleet slightly under budget MTD due to repair cost on 732
Motor Grader Fleet	\$1,634	\$1,634	Motor grader fleet is slightly over budget MTD and YTD due to lower repair costs on 409
Dragline Electric Power	(\$112,742)	(\$112,742)	Dragline electric power was under budget MTD and YTD due to lower cost/KWH as well slightly less KWH than planned.
Diesel Fuel	(\$29,343)	(\$29,343)	Diesel fuel was under budget MTD and YTD due to the price per gallon early in the month being less than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$3,125	\$1,901	(\$1,224)	\$3,125	\$1,901	(\$1,224)

Travel expenses were under budget MTD and YTD due to fewer meetings than planned last month.

#### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$63,480	\$55,563	(\$7,917)	\$63,480	\$55,563	(\$7,917)

A & G expenses were under budget MTD and YTD due to lower enviro legal consulting fees.

#### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$114,764	\$2,830,011	\$2,715,247	\$114,764	\$2,830,011	\$2,715,247

The Work Plan projected the ending inventory for the stockpile would be 215,476 tons in January, but the actual ending inventory was 173,629 tons. It projected 8,851 tons would be added to the stockpile in January. There were actually 32,996 tons removed during the month. Also, the inventory was valued at \$59.53/ton in January instead of \$60.57 as projected in the Work Plan.

## THE SABINE MINING COMPANY

### February 2022

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	2,297,217	1,964,020	(333,197)	4,803,155	4,887,483	84,328
Tons Delivered	178,995	146,263	(32,732)	370,844	365,249	(5,595)
Tons Uncovered	195,400	148,215	(47,185)	399,000	363,574	(35,426)
Tons Burned	179,000	153,000	(26,000)	370,800	369,169	(1,631)

The power plant had 9 down days in February. This resulted in a slightly lower than plan burn for the month of February.

#### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,503,645	\$1,270,609	(\$233,036)	\$3,099,789	\$2,902,498	(\$197,291)

Labor was under budget MTD and YTD due to fewer full time employees through February.

#### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$414,599	\$516,828	\$102,229	\$836,185	\$1,017,515	\$181,330

Outside services were over budget MTD and YTD primarily due to more temporary employees. In addition, the revegetation was over slightly for January and February due to tree planting.

#### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$46,448	\$63,763	\$17,315	\$86,646	\$109,644	\$22,998

Office expenses were over budget MTD and YTD due to timing of software purchase for the year.

#### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$159,400	\$99,787	(\$59,613)	\$300,100	\$107,367	(\$192,733)

Field operating expenses were under budget both MTD and YTD due to rock, water treatment chemicals and safety supply costs being lower than budgeted.



### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$58,986	\$34,025	(\$24,961)	\$117,971	\$53,654	(\$64,317)

Equipment lease rentals were under budget MTD and YTD due to lower actual rental cost for January and February than was projected in the budget.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$53,373	\$64,657	\$11,284	\$111,746	\$127,958	\$16,212

Maintenance expenses were over budget MTD and YTD due to increased mobile, field and electrical supplies utilized in the field.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$2,111,376	\$2,245,744	\$134,368	\$5,707,204	\$4,662,204	(\$1,045,000)

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	(\$364,550)	(\$1,013,019)	Dragline fleet under budget MTD and YTD due to supply cost and timing of DL101 major repair
Dozer Fleet	(\$234,611)	(\$598,465)	Dozer fleet under budget MTD and YTD due to timing of major repairs on 539, 541 and 542
End Dumps	\$502,876	\$495,332	End Dump fleet over budget MTD & YTD due to timing of major rebuild on 730
Motor Grader Fleet	\$6,829	\$8,464	Motor grader fleet is slightly over budget MTD and YTD due to unplanned hours on 408
Dragline Electric Power	(\$111,687)	(\$224,429)	Dragline electric power was under budget MTD and YTD due to lower cost/KWH as well slightly less KWH than planned.
Diesel Fuel	\$57,093	\$27,750	Diesel fuel was over budget MTD and YTD due to burning more gallons than planned.

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$3,875	\$1,353	(\$2,522)	\$7,000	\$3,254	(\$3,746)

Travel expenses were under budget MTD and YTD due to fewer meetings than planned.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$65,950	\$66,037	\$87	\$129,430	\$121,600	(\$7,830)

A & G expenses were over budget MTD due to E&Y audit fees. YTD is under budget due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$503,284	(\$1,463,201)	(\$1,966,485)	\$618,048	\$1,366,810	\$748,762

The Work Plan projected the ending inventory for the stockpile would be 215,381 tons in February, but the actual ending inventory was 219,686 tons. It projected 95 tons would be removed from the stockpile in February. There were actually 46,057 tons added during the month. Also, the inventory was valued at \$53.71/ton in February instead of \$58.26 as projected in the Work Plan.

## THE SABINE MINING COMPANY

### March 2022

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	1,422,394	540,923	(881,471)	6,225,549	5,428,406	(797,143)
Tons Delivered	111,806	40,622	(71,184)	482,650	405,871	(76,779)
Tons Uncovered	138,200	240,226	102,026	537,200	603,800	66,600
Tons Burned	100,981	39,877	(61,104)	471,781	409,046	(62,735)

The power plant had 26 down days in March, 14 for a planned outage and 12 for DNR. This resulted in a lower than plan burn for the month of March.

#### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,638,140	\$2,025,004	\$386,864	\$4,737,929	\$4,927,503	\$189,574

Although there are fewer employees compared to plan this category is over due to higher Benefits/Burdens cost in March. This higher cost in March is also driving the YTD variance as well.

#### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$419,614	\$514,267	\$94,653	\$1,255,799	\$1,522,428	\$266,629

Outside services were over budget MTD and YTD primarily due to more temporary employees. In addition, the revegetation was slightly over plan January through March.

#### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$43,848	\$48,540	\$4,692	\$130,494	\$158,184	\$27,690

Office expenses were over budget MTD and YTD due to timing of software purchase for the year.

### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$189,700	\$109,374	(\$80,326)	\$489,800	\$226,095	(\$263,705)

Field operating expenses were under budget both MTD and YTD due to rock, water treatment chemicals and safety supply costs being lower than budgeted.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$68,208	\$100,684	\$32,476	\$186,179	\$154,338	(\$31,841)

Equipment lease rentals were over budget MTD due to invoice timing for rental D71PX dozers. This item is under YTD due to lower actual rental cost for trackhoes and water pumps for water management.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$53,373	\$48,663	(\$4,710)	\$165,119	\$176,621	\$11,502

Maintenance expenses were over budget YTD due to increased mobile, field and electrical supplies utilized in the field.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$2,036,418	\$2,174,654	\$138,236	\$7,743,622	\$6,836,858	(\$906,764)

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	(\$525,806)	(\$1,538,825)	Dragline fleet under budget MTD and YTD due to timing of DL102 major repair (motors) and DL104 hoist rope replacement
Dozer Fleet	\$292,269	(\$306,196)	Dozer fleet over budget MTD due to major repair timing on 532, 540 and 541 and under YTD due to timing of major repairs on 534, 539 and 542
End Dumps	\$81,518	\$576,850	End Dump fleet over budget MTD & YTD due to timing of major rebuild on 730
Motor Grader Fleet	\$31,793	\$40,257	Motor grader fleet is over budget MTD due to repairs on 410 and YTD due to unplanned hours on 408
Dragline Electric Power	(\$28,790)	(\$253,219)	Dragline electric power was under budget MTD and YTD due to lower cost/KWH as well slightly less KWH than planned.
Diesel Fuel	\$214,340	\$242,090	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$6,725	\$4,689	(\$2,036)	\$13,725	\$7,942	(\$5,783)

Travel expenses were under budget MTD and YTD due to fewer meetings than planned.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$74,030	\$65,884	(\$8,146)	\$203,460	\$187,484	(\$15,976)

A & G expenses were under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
(\$3,057,028)	(\$7,692,738)	(\$4,635,710)	(\$2,438,980)	(\$6,325,928)	(\$3,886,948)

The Work Plan projected the ending inventory for the stockpile would be 225,475 tons in March, but the actual ending inventory was 351,082 tons. It projected 10,094 tons would be added to the stockpile in March. There were actually 131,396 tons added during the month. Also, the inventory was valued at \$55.52/ton in March instead of \$69.21 as projected in the Work Plan.

**THE SABINE MINING COMPANY**  
**April 2022**

<b>Description</b>	<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
MMBtu's Delivered	2,694,044	2,670,882	(23,162)	8,919,593	8,099,288	(820,305)
Tons Delivered	206,219	200,156	(6,063)	688,869	606,027	(82,842)
Tons Uncovered	160,500	154,895	(5,605)	697,700	758,695	60,995
Tons Burned	192,453	197,055	4,601	675,053	606,101	(68,953)

The power plant had 8 down days in April due to chloride issues in the plant water supply. Even with the unplanned down days the tons burned were still slightly higher for the month of April.

**Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,602,423	\$1,225,460	(\$376,963)	\$6,340,352	\$6,152,963	(\$187,389)

Labor is under budget MTD due to timing of medical benefit expenses. Labor is under YTD due to fewer employees.

**Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$424,330	\$485,062	\$60,732	\$1,680,129	\$2,007,490	\$327,361

Outside services were over budget MTD and YTD primarily due to more temporary employees. In addition, the revegetation was slightly over plan January through April and is driving the YTD variance.

**Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$43,048	\$59,441	\$16,393	\$173,541	\$217,624	\$44,083

Office expenses were over budget MTD and YTD due to timing of software purchase for the year.

**Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$174,200	\$109,453	(\$64,747)	\$664,000	\$335,549	(\$328,451)

Field operating expenses were under budget both MTD and YTD due to rock, water treatment chemicals and safety supply costs being lower than budgeted.

### **Equipment Lease/Rental**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$56,586	\$55,425	(\$1,161)	\$242,764	\$209,763	(\$33,002)

Equipment lease rentals were slightly under budget MTD. This item is under YTD due to lower actual rental cost for trackhoes and water pumps for water management.

### **Maintenance Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$43,373	\$31,918	(\$11,455)	\$208,492	\$208,539	\$47

Maintenance expenses were under budget MTD due to lower facility supplies and decreased mobile, field and electrical supplies utilized in the field.

### **Equipment Operating Cost**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$2,924,339	\$2,375,324	(\$549,015)	\$10,667,961	\$9,212,182	(\$1,455,779)

<b>Equipment</b>	<b>MTD Variance Amount</b>	<b>YTD Variance Amount</b>	<b>Variance Explanation</b>
Draglines	(\$645,084)	(\$2,807,287)	Dragline fleet under budget MTD and YTD due to timing of DL102 major repair on motor, drag case rebuild and DL104 hoist rope replacement
Dozer Fleet	(\$457,227)	(\$1,068,646)	Dozer fleet under budget MTD and YTD due to engine repair timing on 542 and undercarriage replacement on 536, 537, 541
End Dumps	\$371,460	\$384,426	End Dump fleet over budget MTD for engine rebuild on 733 & YTD due to timing of major rebuild on 730
Motor Grader Fleet	\$5,117	(\$8,503)	Motor grader fleet is over budget MTD due to diff repair on 411 and under YTD due to timing on major repairs
Dragline Electric Power	(\$53,863)	(\$307,083)	Dragline electric power was under budget MTD and YTD due to lower cost/KWH as well slightly less KWH than planned.
Diesel Fuel	\$167,694	\$409,784	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$4,451	\$7,427	\$2,976	\$18,176	\$15,369	(\$2,807)

Travel expenses were slightly over budget MTD but are expected to be slightly under YTD due to careful planning of travel opportunities.

#### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$55,180	\$56,715	\$1,535	\$258,640	\$244,199	(\$14,441)

A & G expenses were slightly over budget MTD and under YTD due to lower enviro legal consulting fees.

#### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$2,093,879	\$1,267,826	(\$826,053)	(\$345,101)	(\$5,058,101)	(\$4,713,001)

The Work Plan projected the ending inventory for the stockpile would be 215,456 tons in April, but the actual ending inventory was 343,724 tons. It projected 10,019 tons would be removed to the stockpile in April. There were actually 7,358 tons removed during the month. Also, the inventory was valued at \$53.02/ton in April instead of \$62.71 as projected in the Work Plan.



**THE SABINE MINING COMPANY**  
**May 2022**

<b>Description</b>	<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
MMBTu's Delivered	2,228,366	2,625,268	396,902	11,147,959	10,724,556	(423,403)
Tons Delivered	169,200	197,181	27,981	858,069	803,208	(54,861)
Tons Uncovered	204,700	242,295	37,595	902,400	1,000,990	98,590
Tons Burned	170,890	233,688	62,798	859,690	839,789	(19,901)

The power plant had 6 down days in May due to tube leaks on 2 separate occasions. Even with the unplanned down days the tons burned were higher for the month of May.

**Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,638,140	\$1,382,863	(\$255,277)	\$7,978,492	\$7,535,826	(\$442,666)

There are fewer employees than planned. This, along with the stop/loss coverage for insurance payments results in lower labor cost for the month as well as YTD.

**Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$500,943	\$444,113	(\$56,830)	\$2,181,072	\$2,451,603	\$270,531

Outside services were under budget MTD due to deferring clean out of V6 Pond until dryer weather. Outside services is over budget YTD primarily due to the revegetation contract being over plan January through April. The revegetation contract was slightly under budget for the month of May.

**Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$45,748	\$38,056	(\$7,692)	\$219,289	\$255,680	\$36,391

Office expenses were under budget MTD over budget YTD due to timing of software purchase for the year.

### **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$157,400	\$125,368	(\$32,032)	\$821,400	\$460,917	(\$360,483)

Field operating expenses were under budget both MTD and YTD due to water treatment chemicals and safety supply costs being lower than budgeted.

### **Equipment Lease/Rental**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$62,586	\$57,348	(\$5,237)	\$305,350	\$267,111	(\$38,239)

Equipment lease rentals were slightly under budget MTD. This item is under YTD due to lower actual rental cost for trackhoes and water pumps for water management.

### **Maintenance Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$43,373	\$46,285	\$2,912	\$251,865	\$254,824	\$2,959

Maintenance expenses were over budget MTD and YTD due to lube waste recycling cost for the month of May.

### **Equipment Operating Cost**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$2,766,097	\$2,913,634	\$147,537	\$13,434,058	\$12,125,816	(\$1,308,242)

<b>Equipment</b>	<b>MTD Variance Amount</b>	<b>YTD Variance Amount</b>	<b>Variance Explanation</b>
Draglines	\$78,645	(\$2,105,264)	Dragline fleet over budget MTD due to DL 101 swing case rebuild and under YTD due to timing of DL102 major repair on motor and drag case rebuild
Dozer Fleet	\$380,614	(\$382,809)	Dozer fleet over budget MTD due to timing of u/c on 534 & 536 and an engine in 542, under budget YTD due to undercarriage replacement timing on 539, 541, 542
End Dumps	(\$556,713)	\$391,597	End Dump fleet under budget MTD for major rebuild on 730 & over YTD due to unplanned engine replacement on 733
Motor Grader Fleet	\$5,751	\$51,125	Motor grader fleet is over budget MTD due to unplanned run time on 408 and over YTD due to timing on major repairs
Dragline Electric Power	\$34,241	(\$272,841)	Dragline electric power was over budget MTD due to more hours on draglines and under YTD due to lower cost/KWH
Diesel Fuel	\$267,310	\$677,279	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$7,916	\$6,894	(\$1,022)	\$26,092	\$22,264	(\$3,828)

Travel expenses were under budget MTD and YTD due to fewer meetings than planned.

**A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$63,569	\$57,012	(\$6,557)	\$322,209	\$301,211	(\$20,998)

A & G expenses were under budget MTD and YTD due to lower enviro legal consulting fees.

**Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
(\$105,573)	\$175,973	\$281,546	(\$450,674)	(\$4,882,129)	(\$4,431,454)

The Work Plan projected the ending inventory for the stockpile would be 215,456 tons in May, but the actual ending inventory was 350,112 tons. It projected 0 tons would be removed from the stockpile in May. There were actually 6,388 tons added during the month. Also, the inventory was valued at \$51.55/ton in May instead of \$63.20 as projected in the Work Plan.

## THE SABINE MINING COMPANY

### June 2022

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	2,108,224	3,296,342	1,188,118	13,256,183	14,020,898	764,715
Tons Delivered	162,271	251,706	89,435	1,020,340	1,054,914	34,574
Tons Uncovered	186,300	217,561	31,261	1,088,700	1,218,551	129,851
Tons Burned	192,547	302,611	110,064	1,070,547	1,142,400	71,853

The power plant had 3 down days in June due to transformer issues in the switch yard. Even with the unplanned down days the tons burned were higher for the month of June.

#### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,602,423	\$8,011,526	\$6,409,103	\$9,580,915	\$15,547,352	\$5,966,437

The cost of the employee severance was accrued this month. This \$6,537,000 cost is responsible for the MTD as well as the YTD overage

#### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$511,616	\$419,538	(\$92,077)	\$2,692,688	\$2,871,142	\$178,454

Outside services were under budget MTD due to deferring clean out of V6 Pond until dryer weather. Outside services is over budget YTD primarily due to the revegetation contract being over plan January through April. The revegetation contract was slightly under budget for the month of May and June.

#### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$46,148	\$47,151	\$1,003	\$265,437	\$302,831	\$37,394

Office expenses were slightly over budget MTD and YTD due to timing of software purchase for the year.

### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$162,400	\$61,691	(\$100,709)	\$983,800	\$522,607	(\$461,193)

Field operating expenses were under budget both MTD and YTD due to water treatment chemicals and safety supply costs being lower than budgeted.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$64,208	\$50,040	(\$14,167)	\$369,558	\$317,152	(\$52,406)

Equipment lease rentals were under budget MTD and YTD due to lower actual rental cost for trackhoes and water pumps for water management.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$43,373	\$36,408	(\$6,965)	\$295,238	\$291,232	(\$4,006)

Maintenance expenses were under budget MTD and YTD due to facility repair cost being lower than anticipated.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$2,137,967	\$2,680,151	\$542,184	\$15,572,025	\$14,805,967	(\$766,058)

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	\$81,396	(\$2,023,868)	Dragline fleet over budget MTD due to DL 101 swing case rebuild and under YTD due to timing of DL102 major repair on motor and drag case rebuild
Dozer Fleet	\$70,492	(\$312,317)	Dozer fleet over budget MTD due to timing of u/c on 534 & 536 and an engine in 542, under budget YTD due to undercarriage replacement timing on 539, 541, 542
End Dumps	\$4,355	\$395,952	End Dump fleet under budget MTD for major rebuild on 730 & over YTD due to unplanned engine replacement on 733
Motor Grader Fleet	\$4,522	\$55,647	Motor grader fleet is over budget MTD due to unplanned run time on 408 and over YTD due to timing on major repairs
Dragline Electric Power	\$1,037,141	\$2,006,853	Dragline electric power was over budget MTD due to more hours on draglines and under YTD due to lower cost/KWH
Diesel Fuel	(\$15,991)	\$28,944	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$6,766	\$3,286	(\$3,480)	\$32,858	\$25,549	(\$7,309)

Travel expenses were under budget MTD and YTD due to fewer meetings than planned.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$63,430	\$51,943	(\$11,487)	\$385,639	\$353,154	(\$32,485)

A & G expenses were under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
(\$918,170)	(\$1,686,202)	(\$768,031)	(\$1,368,845)	(\$6,568,330)	(\$5,199,486)

The Work Plan projected the ending inventory for the stockpile would be 215,456 tons in June, but the actual ending inventory was 340,955 tons. It projected 14,929 tons would be added from the stockpile in June. There were actually 9,157 tons removed during the month. Also, the inventory was valued at \$57.88/ton in May instead of \$63.09 as projected in the Work Plan.

## THE SABINE MINING COMPANY July 2022

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	2,292,429	3,211,728	919,299	15,548,612	17,232,626	1,684,014
Tons Delivered	176,967	245,921	68,954	1,197,307	1,300,835	103,528
Tons Uncovered	183,600	266,745	83,145	1,272,300	1,485,296	212,996
Tons Burned	205,032	310,792	105,760	1,289,332	1,453,192	163,860

The power plant was down a total of three days during the month of July. The plant went down at the end of June due to transformer issues in the switch yard. The plant remained down at the first of July due to maintenance being performed on the gas line that provides start up fuel. Even with the unplanned down days the plant continues to run above plan.

### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,638,140	\$1,274,915	(\$363,225)	\$11,219,055	\$16,822,267	\$5,603,212

Labor was under for the month due to fewer full-time employees. The \$6,537,000 employee severance cost is responsible for the YTD overage.

### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$524,396	\$483,823	(\$40,572)	\$3,217,083	\$3,354,965	\$137,882

Outside services were under budget MTD due to fewer yards moved for the month out of V6 Pond cleanout project. This project will be completed in August. Outside services is over budget YTD primarily due to the revegetation contract being over plan January through April. The revegetation contract was slightly under budget for the month of May and July.

### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$76,728	\$58,701	(\$18,027)	\$342,165	\$361,531	\$19,366

Office expenses were under budget MTD and over YTD due to timing of software purchases for the year.

### **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$155,200	\$85,045	(\$70,155)	\$1,139,000	\$607,653	(\$531,347)

Field operating expenses were under budget both MTD and YTD due to water treatment chemicals and safety supply costs being lower than budgeted.

### **Equipment Lease/Rental**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$62,586	\$69,329	\$6,744	\$432,143	\$386,481	(\$45,662)

Equipment lease rentals were over budget MTD due to invoice timing on one of the water management trackhoes. The YTD cost is under due to lower actual rental cost for water pumps for water management.

### **Maintenance Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$43,373	\$42,930	(\$443)	\$338,610	\$334,161	(\$4,449)

Maintenance expenses were under budget MTD and YTD due to facility repair cost being slightly lower than anticipated.

### **Equipment Operating Cost**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,986,221	\$2,312,927	\$326,706	\$17,558,246	\$17,118,894	(\$439,352)

<b>Equipment</b>	<b>MTD Variance Amount</b>	<b>YTD Variance Amount</b>	<b>Variance Explanation</b>
Draglines	(\$31,004)	(\$2,054,872)	Dragline fleet under budget MTD due to timing lower labor cost on 102 & 104 under YTD due to timing of DL102 major repair on motor and drag case rebuild
Dozer Fleet	(\$162,142)	(\$474,459)	Dozer fleet under budget MTD and YTD due to timing of u/c on 535 & 539
End Dumps	(\$84,428)	\$311,524	End Dump fleet under budget MTD due to timing of brake repairs on 734 & over YTD due to unplanned engine replacement on 733
Motor Grader Fleet	\$57,301	\$112,949	Motor grader fleet is over budget MTD and YTD due to unplanned run time on 408
Dragline Electric Power	\$14,206	(\$231,739)	Dragline electric power was slightly over budget MTD due to more hours on draglines and under YTD due to lower cost/KWH
Diesel Fuel	\$165,682	\$1,064,629	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.



### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$6,375	\$4,502	(\$1,873)	\$39,233	\$30,052	(\$9,181)

Travel expenses were under budget MTD and YTD due to fewer meetings than planned.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$55,480	\$47,722	(\$7,758)	\$441,119	\$400,875	(\$40,244)

A & G expenses were under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$355,764	\$3,813,663	\$3,457,899	(\$1,013,081)	(\$2,754,668)	(\$1,741,587)

The Work Plan projected the ending inventory for the stockpile would be 241,245 tons in July, but the actual ending inventory was 289,680 tons. It projected 5,033 tons would be added from the stockpile in July. There were actually 51,275 tons removed during the month. Also, the inventory was valued at \$54.96/ton in July instead of \$60.23 as projected in the Work Plan.

## THE SABINE MINING COMPANY August 2022

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	2,343,704	3,588,688	1,244,984	17,892,316	20,821,314	2,928,998
Tons Delivered	185,273	284,230	98,957	1,382,580	1,585,065	202,485
Tons Uncovered	177,000	179,574	2,574	1,449,300	1,664,870	215,570
Tons Burned	212,529	307,291	94,762	1,523,829	1,760,483	236,654

The power plant was down zero days during the month of August. The plant continues to run above plan.

### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,638,140	\$1,460,866	(\$177,274)	\$12,857,195	\$18,283,133	\$5,425,938

Labor was under for the month due to fewer full-time employees. The \$6,537,000 employee severance cost is responsible for the YTD overage.

### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$557,332	\$625,628	\$68,296	\$3,774,415	\$3,980,593	\$206,179

Outside services were over budget MTD due to timing V6 Pond cleanout project. This project was completed a month later than planned to fit with dryer weather forecasts. Outside services is over budget YTD primarily due to the revegetation contract being over plan January through April and slightly over in August. The revegetation contract was slightly under budget for the month of May and July.

### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$41,348	\$104,316	\$62,968	\$383,513	\$465,847	\$82,334

Office expenses were over budget MTD and over YTD due to timing of software purchases for the year.

### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$143,400	\$113,070	(\$30,330)	\$1,282,400	\$720,723	(\$561,677)

Field operating expenses were under budget both MTD and YTD due to water treatment chemicals, dust suppression chemicals and safety supply costs being lower than budgeted.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$62,586	\$58,942	(\$3,644)	\$494,729	\$445,423	(\$49,306)

Equipment lease rentals were under YTD due to lower actual rental cost for water pumps for water management.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$43,373	\$53,419	\$10,046	\$381,983	\$387,580	\$5,597

Maintenance expenses were over budget MTD due to mobile, field, and electrical supplies being higher than anticipated.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$2,691,045	\$2,447,461	(\$243,584)	\$20,249,291	\$19,566,355	(\$682,936)

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	(\$363,401)	(\$2,418,274)	Dragline fleet under budget MTD due to timing lower labor cost on 102 & 104 under YTD due to timing of DL102 major repair on motor and drag case rebuild
Dozer Fleet	(\$56,835)	(\$531,294)	Dozer fleet under budget MTD and YTD due to timing of u/c on 535 & 539
End Dumps	(\$304,381)	\$7,143	End Dump fleet under budget MTD due to timing of brake repairs on 734 & over YTD due to unplanned engine replacement on 733
Motor Grader Fleet	(\$146,901)	(\$33,952)	Motor grader fleet is over budget MTD and YTD due to unplanned run time on 408
Dragline Electric Power	(\$58,640)	(\$290,379)	Dragline electric power was slightly over budget MTD due to more hours on draglines and under YTD due to lower cost/KWH
Diesel Fuel	\$177,703	\$1,242,332	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$3,775	\$6,386	\$2,611	\$43,008	\$36,438	(\$6,570)

Travel expenses were over budget MTD due to timing of State EMS Training. The YTD is under due to fewer meetings than planned.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$62,730	\$55,184	(\$7,546)	\$503,849	\$456,060	(\$47,789)

A & G expenses were under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$76,043	\$4,107,805	\$4,031,761	(\$937,038)	\$1,353,137	\$2,290,175

The Work Plan projected the ending inventory for the stockpile would be 241,292 tons in August, but the actual ending inventory was 239,372 tons. It projected 5,827 tons would be added from the stockpile in August. There were actually 50,308 tons removed during the month. Also, the inventory was valued at \$49.35/ton in August instead of \$58.46 as projected in the Work Plan.

## THE SABINE MINING COMPANY September 2022

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	2,343,704	3,588,688	1,244,984	17,892,316	20,821,314	2,928,998
Tons Delivered	185,273	284,230	98,957	1,382,580	1,585,065	202,485
Tons Uncovered	177,000	179,574	2,574	1,449,300	1,664,870	215,570
Tons Burned	212,529	307,291	94,762	1,523,829	1,760,483	236,654

The power plant was down two days at the end of the month of September due to tube leaks. The plant continues to run above plan.

### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,602,423	\$1,349,879	(\$252,544)	\$14,459,618	\$19,633,012	\$5,173,394

Labor was under for the month due to fewer full-time employees. The \$6,537,000 employee severance cost is responsible for the YTD overage.

### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$529,937	\$724,528	\$194,592	\$4,304,351	\$4,704,848	\$400,497

Outside services were over budget MTD due to timing of V6 Pond cleanout project. This project was completed a month later than planned to fit with dryer weather forecasts. Outside services is over budget YTD primarily due to the revegetation contract being over plan January through April and slightly over in August and September. The revegetation contract was slightly under budget for the month of May through July.

### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$42,898	\$42,116	(\$782)	\$426,411	\$507,964	\$81,553

Office expenses were slightly under budget MTD and over YTD due to timing of software purchases for the year.

### **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$140,900	\$80,042	(\$60,858)	\$1,423,300	\$800,765	(\$622,535)

Field operating expenses were under budget both MTD and YTD due to water treatment chemicals, dust suppression chemicals and safety supply costs being lower than budgeted.

### **Equipment Lease/Rental**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$58,208	\$57,177	(\$1,030)	\$552,936	\$502,600	(\$50,337)

Equipment lease rentals were under MTD and YTD due to lower actual rental cost for water pumps for water management.

### **Maintenance Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$43,373	\$40,629	(\$2,744)	\$425,356	\$428,210	\$2,853

Maintenance expenses were under budget MTD and slightly over YTD due to mobile, field, and electrical supplies being higher than anticipated.

### **Equipment Operating Cost**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,898,773	\$3,022,055	\$1,123,282	\$22,148,064	\$22,588,410	\$440,346

<b>Equipment</b>	<b>MTD Variance Amount</b>	<b>YTD Variance Amount</b>	<b>Variance Explanation</b>
Draglines	(\$363,401)	(\$2,418,274)	Dragline fleet under budget MTD due to timing lower labor cost on 102 & 104 under YTD due to timing of DL102 major repair on motor and drag case rebuild
Dozer Fleet	(\$56,835)	(\$531,294)	Dozer fleet under budget MTD and YTD due to timing of u/c on 535 & 539
End Dumps	(\$304,381)	\$7,143	End Dump fleet under budget MTD due to timing of brake repairs on 734 & over YTD due to unplanned engine replacement on 733
Motor Grader Fleet	(\$146,901)	(\$33,952)	Motor grader fleet is over budget MTD and YTD due to unplanned run time on 408
Dragline Electric Power	(\$58,640)	(\$290,379)	Dragline electric power was slightly over budget MTD due to more hours on draglines and under YTD due to lower cost/KWH
Diesel Fuel	\$177,703	\$1,242,332	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$7,292	\$1,638	(\$5,654)	\$50,300	\$38,076	(\$12,224)

Travel expenses were under budget MTD and YTD due to fewer meetings than planned.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$67,170	\$59,656	(\$7,514)	\$571,019	\$515,716	(\$55,303)

A & G expenses were under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$518,443	\$1,943,338	\$1,424,895	(\$418,595)	\$3,296,475	\$3,715,070

The Work Plan projected the ending inventory for the stockpile would be 241,292 tons in September, but the actual ending inventory was 177,896 tons. It projected 47 tons would be added from the stockpile in September. There were actually 61,476 tons removed during the month. Also, the inventory was valued at \$55.48/ton in August instead of \$56.30 as projected in the Work Plan.

# **THE SABINE MINING COMPANY** **October 2022**

<b>Description</b>	<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
MMBtu's Delivered	1,323,244	2,456,542	1,133,298	21,814,264	27,112,225	5,297,961
Tons Delivered	153,544	183,928	30,384	1,734,377	2,049,726	315,349
Tons Uncovered	140,600	212,037	71,437	1,798,500	2,037,331	238,831
Tons Burned	150,387	186,809	36,422	1,918,287	2,222,458	304,171

The power plant was down a total of 4 days during the month of October. There was 1 day of downtime on the first of the month due to a tube leak that started in September. The remaining 3 days were for a planned outage at the end of the month. The plant continues to run above plan.

## **Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,638,140	\$1,294,335	(\$343,805)	\$16,097,758	\$20,927,347	\$4,829,589

Labor was under for the month due to fewer full-time employees. The \$6,537,000 employee severance cost is responsible for the YTD overage.

## **Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$427,199	\$636,824	\$209,625	\$4,731,550	\$5,341,672	\$610,122

Outside services were over budget MTD due to the revegetation contract and temp labor contract being over budget. In addition, there was work done to mitigate 2 acid seeps. Outside services is over budget YTD primarily due to the revegetation contract being over plan January through April and slightly over in August and October. The revegetation contract was slightly under budget for the month of May through July.

## **Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$40,948	\$53,820	\$12,872	\$467,359	\$561,783	\$94,425

Office expenses were over budget MTD and YTD due to office power cost, timing of backup system maintenance, and timing of software purchases for the year.



### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$132,200	\$56,061	(\$76,139)	\$1,555,500	\$856,826	(\$698,674)

Field operating expenses were under budget both MTD and YTD due to water treatment chemicals, dust suppression chemicals and safety supply costs being lower than budgeted.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$66,586	\$70,824	\$4,239	\$619,522	\$573,424	(\$46,098)

Equipment lease rentals were under YTD due to lower actual rental cost for water pumps for water management.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$43,373	\$34,453	(\$8,920)	\$468,729	\$462,663	(\$6,067)

Maintenance expenses were under budget MTD and YTD due to mobile, field, and electrical supplies being lower than anticipated.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,542,021	\$2,237,572	\$695,551	\$23,690,085	\$24,825,982	\$1,135,897

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	\$270,304	(\$1,763,044)	Dragline fleet was over budget MTD due to more run time on 102 than planned, bucket rebuild and intermediate bearings on 104. Under YTD due to timing of DL102 major repair on motors and drag case rebuild
Dozer Fleet	(\$153,651)	(\$529,245)	Dozer fleet under budget MTD due u/c replacement on 542 and under YTD due to timing of u/c on 535 & 539
End Dumps	\$122,037	\$95,847	End Dump fleet over budget MTD and YTD due to unplanned run time on 726 and transmission repairs on 729
Motor Grader Fleet	\$606	\$119,802	Motor grader fleet is over budget YTD due to unplanned run time on 408.
Dragline Electric Power	\$177,682	(\$64,049)	Dragline electric power was over budget MTD due to more KWH's than planned and under YTD due to lower cost/KWH
Diesel Fuel	\$257,845	\$1,724,860	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$19,351	\$9,383	(\$9,968)	\$69,651	\$47,459	(\$22,192)

Travel expenses were under budget MTD and YTD due to fewer meetings than planned.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$88,830	\$59,096	(\$29,734)	\$659,849	\$574,812	(\$85,037)

A & G expenses were under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
(\$1,723,140)	(\$117,982)	\$1,605,158	(\$2,141,734)	\$3,178,493	\$5,320,227

The Work Plan projected the ending inventory for the stockpile would be 302,348 tons in October, but the actual ending inventory was 200,515 tons. It projected 61,056 tons would be added to the stockpile in October. There were actually 22,619 tons added during the month. Also, the inventory was valued at \$49.81/ton in October instead of \$50.63 as projected in the Work Plan.

## THE SABINE MINING COMPANY November 2022

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	2,527,841	90,206	(2,437,635)	24,342,105	27,197,941	2,855,836
Tons Delivered	191,242	6,754	(184,488)	1,925,620	2,056,640	131,020
Tons Uncovered	194,500	185,258	(9,242)	1,993,000	2,222,589	229,589
Tons Burned	178,453	11,361	(167,092)	2,112,853	2,233,819	120,966

The power plant was down a total of 28 days during the month of November. The first 13 days were for a planned outage to clean the precipitator. The remaining 15 days the plant was listed as DNR (Down Not Required). The plant continues to run above plan.

### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,602,423	\$1,414,888	(\$187,535)	\$17,700,181	\$22,342,235	\$4,642,054

Labor was under for the month due to fewer full-time employees. The \$6,537,000 employee severance cost is responsible for the YTD overage.

### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$413,205	\$476,279	\$63,074	\$5,144,755	\$5,817,952	\$673,197

Outside services were over budget MTD due to temp labor being over budget. Outside services is over budget YTD primarily due to the revegetation contract being over plan January through April and slightly over in August and October. The revegetation contract was slightly under budget for the month of May through July and near budget for November.

### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$43,098	\$44,358	\$1,260	\$510,456	\$606,141	\$95,685

Office expenses were over budget YTD due to office power cost, timing of backup system maintenance, and timing of software purchases for the year.

### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$107,400	\$31,393	(\$76,007)	\$1,662,900	\$888,219	(\$774,682)

Field operating expenses were under budget both MTD and YTD due to water treatment chemicals, dust suppression chemicals and safety supply costs being lower than budgeted.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$58,986	\$47,722	(\$11,264)	\$678,508	\$621,146	(\$57,361)

Equipment lease rentals were under YTD due to lower actual rental cost for water pumps for water management.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$53,373	\$35,745	(\$17,628)	\$522,102	\$498,407	(\$23,695)

Maintenance expenses were under budget MTD and YTD due to mobile, field, and electrical supplies being lower than anticipated.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$2,184,829	\$1,634,956	(\$549,873)	\$25,874,914	\$26,460,938	\$586,024

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	(\$169,407)	(\$1,932,451)	Dragline fleet was under budget MTD due to reduced supply cost on 102 & 104 than planned. Under YTD due to timing of DL102 major repair on motors and drag case rebuild
Dozer Fleet	(\$20,094)	(\$549,339)	Dozer fleet under budget MTD due major repair timing on 532 and under YTD due to timing of u/c on 535 & 539
End Dumps	(\$397,937)	(\$302,089)	End Dump fleet under budget MTD and YTD primarily due to timing of major repairs on 729 & 731
Motor Grader Fleet	\$4,276	\$124,078	Motor grader fleet is over budget YTD due to unplanned run time on 408.
Dragline Electric Power	\$39,126	(\$313,188)	Dragline electric power was over budget MTD due to more KWH's than planned and under YTD due to lower cost/KWH
Diesel Fuel	\$300,470	\$1,221,739	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$7,566	\$8,430	\$864	\$77,217	\$55,889	(\$21,328)

Travel expenses were under YTD due to fewer meetings than planned.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$67,330	\$67,183	(\$147)	\$727,179	\$641,995	(\$85,184)

A & G expenses were under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
(\$215,534)	(\$8,264,525)	(\$8,048,991)	(\$2,357,268)	(\$5,086,032)	(\$2,728,764)

The Work Plan projected the ending inventory for the stockpile would be 302,306 tons in November, but the actual ending inventory was 380,968 tons. It projected 42 tons would be removed from the stockpile in November. There were actually 180,453 tons added during the month. Also, the inventory was valued at \$47.91/ton in November instead of \$51.35 as projected in the Work Plan.

## THE SABINE MINING COMPANY December 2022

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	2,605,145	4,092,473	1,487,328	26,947,250	31,291,643	4,344,393
Tons Delivered	195,640	307,335	111,695	2,121,260	2,364,067	242,807
Tons Uncovered	83,100	198,481	115,381	2,076,100	2,421,070	344,970
Tons Burned	176,671	307,141	130,470	2,302,271	2,541,896	239,625

The power plant was down zero days during the month of December. The plant ran above plan for 2022.

### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,878,540	\$1,262,648	(\$615,892)	\$19,578,721	\$23,604,883	\$4,026,162

Labor was under for the month due to fewer full-time employees. The \$6,537,000 employee severance cost is responsible for the YTD overage.

### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$426,693	\$538,254	\$111,561	\$5,571,448	\$6,356,206	\$784,758

Outside services were over budget MTD due to the temporary labor budget being over for the month. Outside services is over budget YTD primarily due to the temporary labor budget being higher than planned due to fewer full-time employees. The revegetation contract is also slightly over for the year.

### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$39,948	\$38,917	(\$1,031)	\$550,404	\$645,058	\$94,654

Office expenses were over budget YTD due to office power cost and software purchases.

### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$109,900	\$103,369	(\$6,531)	\$1,772,800	\$991,588	(\$781,212)

Field operating expenses were over budget MTD and YTD due to water treatment chemicals, dust suppression chemicals and safety supply costs being lower than budgeted for the year.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$64,608	\$99,559	\$34,951	\$743,115	\$720,705	(\$22,410)

Equipment lease rentals were over MTD due to cable tractor lease not getting charged last month and under YTD due to lower actual rental cost for water pumps for water management.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$58,373	\$46,113	(\$12,260)	\$580,475	\$544,520	(\$35,955)

Maintenance expenses were under budget MTD and YTD due to mobile, field, and electrical supplies being lower than anticipated.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,435,057	\$2,302,928	\$867,871	\$27,309,971	\$28,763,866	\$1,453,895

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	\$81,444	(\$1,851,008)	Dragline fleet was over budget MTD due to drag rope and hoist drum bearing replacement. Under YTD due to timing of DL102 major repair on motors and drag case rebuild and labor/supply cost on DL104
Dozer Fleet	\$20,581	(\$528,758)	Dozer fleet under budget YTD due to timing of u/c on 535 & 539 and significantly less run time on 529
End Dumps	\$149,557	(\$152,532)	End Dump fleet over budget MTD due to major rebuild on 732 and under YTD primarily due to timing of major repairs on 729 & 732
Motor Grader Fleet	(\$28,010)	\$96,068	Motor grader fleet is over budget YTD due to unplanned run time on 408.
Dragline Electric Power	(\$12,708)	(\$37,632)	Dragline electric power was under MTD and YTD due to lower cost/KWH
Diesel Fuel	\$191,970	\$2,217,300	Diesel fuel was over budget MTD and YTD due to burning more gallons and price/gallon is higher than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$2,075	\$4,436	\$2,361	\$79,292	\$60,325	(\$18,967)

Travel expenses were over MTD due to more travel than planned and under YTD due to fewer meetings than planned.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$64,380	\$63,709	(\$671)	\$791,559	\$705,704	(\$85,855)

A & G expenses were under YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
(\$1,542,743)	\$4,137,174	\$5,679,918	(\$3,900,012)	(\$948,858)	\$2,951,154

The Work Plan projected the ending inventory for the stockpile would be 177,366 tons in December, but the actual ending inventory was 276,982 tons. It projected 124,940 tons would be removed from the stockpile in December. There were actually 103,986 tons removed during the month. Also, the inventory was valued at \$51.47/ton in December instead of \$96.22 as projected in the Work Plan.



# **THE SABINE MINING COMPANY** **January 2023**

<b>Description</b>	<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
MMBtu's Delivered	3,959,637	3,123,645	(835,992)	3,959,637	3,123,645	(835,992)
Tons Delivered	298,300	234,051	(64,249)	298,300	234,051	(64,249)
Tons Uncovered	172,800	153,627	(19,173)	172,800	153,627	(19,173)
Tons Burned	269,432	249,024	(20,408)	269,432	249,024	(20,408)

The power plant was down 0 days during the month of January.

## **Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,605,653	\$1,617,324	\$11,671	\$1,605,653	\$1,617,324	\$11,671

Labor was slightly over for month due to higher than plan oper/maint benefits & burdens.

## **Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$424,157	\$416,143	(\$8,014)	\$424,157	\$416,143	(\$8,014)

Outside services were under budget MTD and YTD due to the misc. enviro contract and reveg contract being under budget.

## **Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$40,297	\$49,052	\$8,755	\$40,297	\$49,052	\$8,755

Office expenses were over budget MTD and YTD due to office power cost for the month of January.

## **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$65,098	\$136,511	\$71,414	\$65,098	\$136,511	\$71,414

Field operating expenses were over budget both MTD and YTD due to water treatment chemicals purchased in January due to near record setting January rainfall.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$30,148	\$22,168	(\$7,980)	\$30,148	\$22,168	(\$7,980)

Equipment lease rentals were under budget MTD and YTD due to cable tractors not being invoiced in January. This should correct itself in February

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$43,373	\$41,903	(\$1,470)	\$43,373	\$41,903	(\$1,470)

Maintenance expenses were slightly under budget MTD and YTD.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$2,435,908	\$2,450,578	\$14,670	\$2,435,908	\$2,450,578	\$14,670

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	\$47,004	\$47,004	Dragline fleet was over budget MTD and YTD due to timing of rope replacements
Dozer Fleet	(\$400,413)	(\$400,413)	Dozer fleet was under budget MTD due timing of engine replacement on 539 and undercarriage replacement on 537
End Dumps	(\$36,461)	(\$36,461)	End Dump fleet under budget MTD and YTD primarily due to timing of engine/transmission repair on 732. This is partially offset by unplanned repairs on 726
Motor Grader Fleet	\$5,236	\$5,236	Motor grader fleet is over budget YTD due to higher maintenance costs on 409.
Dragline Electric Power	(\$39,665)	(\$39,665)	Dragline electric power was under budget MTD due to less KWH's as well as slightly lower cost/KWH
Diesel Fuel	(\$66,337)	(\$66,337)	Diesel fuel was under budget MTD and YTD due to burning less gallons and price/gallon is lower than planned.

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,975	\$6,300	\$4,325	\$1,975	\$6,300	\$4,325

Travel expenses were over MTD and YTD due to attending COSMET.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$47,580	\$45,676	(\$1,904)	\$47,580	\$45,676	(\$1,904)

A & G expenses were slightly under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$5,836,325	\$2,988,897	(\$2,847,428)	\$5,836,325	\$2,988,897	(\$2,847,428)

The Work Plan projected the ending inventory for the stockpile would be 76,200 tons in January, but the actual ending inventory was 212,047 tons. It projected 98,800 tons would be removed from the stockpile in January. There were actually 64,935 tons removed during the month. Also, the inventory was valued at \$52.41/ton in January instead of \$49.24 as projected in the Work Plan.

## THE SABINE MINING COMPANY

### February 2023

Description	MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
MMBtu's Delivered	2,639,548	3,321,278	681,730	6,599,185	6,444,923	(154,262)
Tons Delivered	201,400	252,032	50,632	499,700	486,083	(13,617)
Tons Uncovered	211,200	224,401	13,201	384,000	378,028	(5,972)
Tons Burned	201,400	245,766	44,366	499,700	494,790	(4,910)

The power plant was down 0 days during the month of February.

#### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,514,021	\$1,254,574	(\$259,447)	\$3,119,674	\$2,871,898	(\$247,776)

Labor was under MTD and YTD due to fewer full-time employees.

#### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$422,021	\$411,212	(\$10,809)	\$846,178	\$827,355	(\$18,823)

Outside services were under budget MTD and YTD due to the enviro consulting being under budget.

#### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$44,597	\$59,539	\$14,942	\$84,894	\$108,591	\$23,697

Office expenses were over budget MTD and YTD due primarily to office power cost and partially to timing of backup system maintenance cost.

#### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$68,798	\$196,344	\$127,547	\$133,895	\$332,856	\$198,960

The primary driver for field operating expenses being over budget both MTD and YTD was water treatment chemicals purchased. The month of January had near record setting rainfall. In addition, a 96" culvert failed in February under the main haul road.

### **Equipment Lease/Rental**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$30,148	\$20,615	(\$9,533)	\$60,296	\$42,784	(\$17,512)

Equipment lease rentals were under budget MTD and YTD due to cable tractors not being invoiced in January and February.

### **Maintenance Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$38,373	\$44,370	\$5,997	\$81,746	\$86,273	\$4,527

Maintenance expenses were slightly over budget MTD and YTD due to mobile, field, and electrical supplies cost in February.

### **Equipment Operating Cost**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$2,064,580	\$2,007,484	(\$57,096)	\$4,500,488	\$4,458,062	(\$42,426)

<b>Equipment</b>	<b>MTD Variance Amount</b>	<b>YTD Variance Amount</b>	<b>Variance Explanation</b>
Draglines	(\$11,407)	\$35,597	Dragline fleet was slightly under budget MTD and over YTD due to timing of rope replacements
Dozer Fleet	(\$106,328)	(\$506,741)	Dozer fleet was under budget MTD due timing of u/c on 535 and under YTD due to trans on 534, engine replacement on 540, and less run time on 541
End Dumps	(\$224,250)	(\$260,711)	End Dump fleet under budget MTD due to timing of finals on 731 and YTD due to timing of engine/transmission repair on 732.
Motor Grader Fleet	(\$18,819)	(\$13,582)	Motor grader fleet is under budget MTD due to time of tire replacement on and under YTD due to timing of tire replacement and run time on 411.
Dragline Electric Power	\$52,076	\$12,410	Dragline electric power was over budget MTD and YTD due to more KWH's
Diesel Fuel	(\$139,088)	(\$205,424)	Diesel fuel was under budget MTD and YTD due to burning less gallons and price/gallon is lower than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$2,575	\$2,311	(\$264)	\$4,550	\$8,611	\$4,061

Travel expenses are over YTD due to attending COSMET.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$58,380	\$53,467	(\$4,913)	\$105,960	\$99,143	(\$6,817)

A & G expenses were slightly under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
(\$1,230,740)	\$4,746,149	\$5,976,889	\$4,605,585	\$7,735,046	\$3,129,461

The Work Plan projected the ending inventory for the stockpile would be 65,300 tons in February, but the actual ending inventory was 121,523 tons. It projected 8,600 tons would be added to the stockpile in February. There was actually 90,524 tons removed during the month. Also, the inventory was valued at \$52.50/ton in February instead of \$44.56 as projected in the Work Plan.

# **THE SABINE MINING COMPANY** **March 2023**

<b>Description</b>	<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
MMBtu's Delivered	3,426,697	3,306,000	(120,697)	10,025,882	9,750,923	(274,959)
Tons Delivered	255,800	252,097	(3,703)	755,500	738,180	(17,320)
Tons Uncovered	124,600	90,055	(34,545)	508,600	468,083	(40,517)
Tons Burned	231,045	282,042	50,997	730,745	776,832	46,087

The power plant was down 0 days during the month of March. The plant went offline March 31<sup>st</sup>.

## **Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,662,070	\$1,406,472	(\$255,598)	\$4,781,744	\$4,278,370	(\$503,374)

Labor was under MTD and YTD due to fewer full-time employees.

## **Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$458,265	\$538,334	\$80,069	\$1,304,443	\$1,365,690	\$61,247

Outside services were over budget MTD and YTD due to reveg, engineering support, and mine soil monitoring being over budget.

## **Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$41,797	\$51,719	\$9,922	\$126,691	\$160,310	\$33,619

Office expenses were over budget MTD and YTD due primarily to office power cost.

## **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$64,998	\$267,048	\$202,051	\$198,893	\$599,904	\$401,011

The primary driver for field operating expenses being over budget both MTD and YTD was water treatment chemicals purchased. In addition, a 96" culvert failed in February under the main haul road. Two additional culverts adjacent to the first one had to be replaced in March as well.

### **Equipment Lease/Rental**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$31,770	\$57,111	\$25,341	\$92,066	\$99,895	\$7,829

Equipment lease rentals were over budget MTD and under YTD due to timing of invoices for cable tractors.

### **Maintenance Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$38,373	\$48,440	\$10,067	\$120,119	\$134,713	\$14,594

Maintenance expenses were over budget MTD and under YTD due to mobile, field, and electrical supplies cost.

### **Equipment Operating Cost**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$2,125,533	\$2,752,820	\$627,287	\$6,626,021	\$7,210,882	\$584,861

<b>Equipment</b>	<b>MTD Variance Amount</b>	<b>YTD Variance Amount</b>	<b>Variance Explanation</b>
Draglines	\$303	\$35,900	Dragline fleet was slightly over budget MTD and YTD due to timing of rope replacements
Dozer Fleet	\$196,871	(\$309,870)	Dozer fleet was over budget MTD due timing of u/c on 541 and under YTD due to u/c on 535 and 536
End Dumps	\$276,188	\$15,478	End Dump fleet over budget MTD due to timing of finals and trans 731, budgeted for February
Motor Grader Fleet	\$50,724	\$37,141	Motor grader fleet is over budget MTD and YTD due to unplanned engine replacement on 410
Dragline Electric Power	\$20,402	\$32,812	Dragline electric power was over budget MTD and YTD due to more KWH's, offset slightly by lower cost/KWH
Diesel Fuel	(\$184,995)	(\$390,420)	Diesel fuel was under budget MTD and YTD due to burning less gallons and price/gallon is lower than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,825	\$5,113	\$3,288	\$6,375	\$13,724	\$7,349

Travel expenses are over MTD due to timing travel plans. In addition, the YTD is over due to attending COSMET.



### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$63,860	\$62,301	(\$1,559)	\$169,820	\$161,444	(\$8,376)

A & G expenses were slightly under budget MTD and YTD due to lower enviro legal consulting fees.

### **Stockpile Inventory Variation**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$2,271,920	\$6,379,958	\$4,108,037	\$6,877,505	\$14,115,003	\$7,237,498

The Work Plan projected the ending inventory for the stockpile would be 0 tons in March, but the actual ending inventory was 19,430 tons. It projected 65,300 tons would be removed from the stockpile in March. There was actually 102,093 tons removed during the month. Also, the inventory was valued at \$52.66/ton in March instead of \$44.27 as projected in the Work Plan.

# **THE SABINE MINING COMPANY** **April 2023**

## **Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,539,988	\$1,422,737	(\$117,251)	\$1,539,988	\$1,422,737	(\$117,251)

Labor was under due to fewer full-time employees.

## **Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$406,239	\$310,511	(\$95,727)	\$406,239	\$310,511	(\$95,727)

Outside services were under budget due to facility maintenance, enviro consulting, and mine soil monitoring being less than planned.

## **Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$54,777	\$41,021	(\$13,756)	\$54,777	\$41,021	(\$13,756)

Office expenses were under budget due to office power cost and timing of software purchases were less than planned.

## **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$64,298	\$51,613	(\$12,685)	\$64,298	\$51,613	(\$12,685)

Field operating expenses were under budget due to safety supplies and erosion control materials being less than planned. Also, there was not any water treatment chemicals purchased during April.

## **Equipment Lease/Rental**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$30,148	\$36,296	\$6,148	\$30,148	\$36,296	\$6,148

Equipment lease rentals were over budget due to misc. equipment rentals.

### **Maintenance Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$28,373	\$39,294	\$10,921	\$28,373	\$39,294	\$10,921

Maintenance expenses were over budget due to facility repairs and mobile, field, and electrical supplies cost being higher than projected

### **Equipment Operating Cost**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,114,492	\$1,171,547	\$57,055	\$1,114,492	\$1,171,547	\$57,055

<b>Equipment</b>	<b>MTD Variance Amount</b>	<b>YTD Variance Amount</b>	<b>Variance Explanation</b>
Draglines	(\$207,370)	(\$207,370)	Dragline fleet was under budget due to not replacing lower swing shaft bearing on DL104
Dozer Fleet	\$77,322	\$77,322	Dozer fleet was over budget due timing of u/c on 542. It was replaced in April instead on June
End Dumps	\$9,652	\$9,652	End Dump fleet over budget due to supplies and vendor repair on 731
Motor Grader Fleet	\$26,887	\$26,887	Motor grader fleet is over budget due to tire replacements that were planned in January
Dragline Electric Power	\$33,027	\$33,027	Dragline electric power was over budget due to more KWH's, offset slightly by lower cost/KWH
Diesel Fuel	(\$104,655)	(\$104,655)	Diesel fuel was under budget due to burning less gallons and price/gallon is lower than planned.

### **Travel Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$975	\$5,152	\$4,177	\$975	\$5,152	\$4,177

Travel expenses are over budget due to travel for SWAT inspections and trips to Dallas for corporate meetings.

### **A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$48,260	\$52,378	\$4,118	\$48,260	\$52,378	\$4,118

A & G expenses were slightly over budget due to higher enviro legal consulting fees and safety awards.

# **THE SABINE MINING COMPANY** **May 2023**

## **Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,470,625	\$1,602,462	\$131,837	\$3,010,613	\$3,025,200	\$14,587

Labor was over month to date due to maintenance staff being retained longer than planned to assist with liquidation of parts and equipment. This additional staff represents 1/3 of the variance. The remaining variance is for Benefits and Burdens being higher than projected.

## **Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$684,774	\$309,599	(\$375,175)	\$1,091,013	\$620,111	(\$470,902)

Outside services were under budget MTD primarily due to the revegetation contract. Additional savings were realized YTD in facility maintenance, enviro consulting, and mine soil monitoring being less than planned.

## **Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$46,047	\$40,455	(\$5,592)	\$100,824	\$81,476	(\$19,348)

Office expenses were under budget MTD and YTD due to timing of software purchases.

## **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$89,298	\$103,243	\$13,946	\$153,595	\$154,856	\$1,261

Field operating expenses were over budget MTD due to water treatment chemicals purchased with above average rainfall. This overage was partially offset by not purchasing dust suppression chemicals during the month of May.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$30,148	\$40,340	\$10,192	\$60,296	\$76,636	\$16,340

Equipment lease rentals were over budget MTD and YTD due to misc. equipment rentals. A long reach trackhoe was rented to assist with the culvert repair job.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$28,373	\$21,116	(\$7,257)	\$56,746	\$60,409	\$3,664

Maintenance expenses were under budget MTD due to mobile, field, and electrical supplies cost being under budget. This item was over budget last month which offset the gain for YTD.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,553,270	\$1,501,565	(\$51,705)	\$2,667,762	\$2,673,112	\$5,350

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	(\$20,285)	(\$227,655)	Dragline fleet was under budget MTD due to lower supply and labor repair cost and YTD due to not replacing lower swing shaft bearing on DL104
Dozer Fleet	(\$106,750)	(\$29,427)	Dozer fleet was under budget MTD due timing of u/c on 537 and 541. They were replaced in March instead of May.
End Dumps	\$22,475	\$32,127	End Dump fleet was over budget MTD due to unplanned tire replacement on 732 and YTD due to torque converter repair on 732
Motor Grader Fleet	\$2,892	\$29,778	Motor grader fleet is over budget YTD due to tire replacements that were planned in January
Dragline Electric Power	(\$27,255)	\$5,772	Dragline electric power was slightly under budget due to lower cost/KWH, offset slightly by more KWHs used
Diesel Fuel	(\$68,463)	(\$173,118)	Diesel fuel was under budget MTD and YTD due to price/gallon being lower than planned

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$3,375	\$7,033	\$3,658	\$4,350	\$12,186	\$7,836

Travel expenses are over budget MTD and YTD due to travel for SWAT inspections and NAC HR Conference.

**A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$56,800	\$44,194	(\$12,606)	\$105,060	\$96,573	(\$8,488)

A & G expenses were under budget MTD due to lower RCT Reclamation Fee.

**THE SABINE MINING COMPANY**  
**June 2023**

**Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,356,719	\$1,371,865	\$15,146	\$4,367,332	\$4,397,064	\$29,732

Labor was slightly over MTD and YTD due to maintenance staff being retained longer than planned to assist with liquidation of parts and equipment.

**Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$418,720	\$331,388	(\$87,332)	\$1,509,733	\$951,499	(\$558,234)

Outside services were under budget MTD primarily due to postponement of a pond cleanout project. Additional savings were realized YTD in the reveg contract, enviro consulting, and mine soil monitoring being less than planned.

**Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$44,797	\$31,620	(\$13,177)	\$145,621	\$113,095	(\$32,526)

Office expenses were under budget MTD due to training, meeting expense, and office expenses being less than planned. YTD costs are under due to timing of software purchases.

**Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$91,798	\$19,519	(\$72,279)	\$245,393	\$174,375	(\$71,018)

Field operating expenses were under budget MTD and YTD due to postponement of dust suppression chemical purchase and water treatment chemical being less than planned starting in April.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$31,770	\$38,342	\$6,572	\$92,066	\$114,978	\$22,912

Equipment lease rentals were over budget MTD due to 3 months of tire truck lease paid in June and reclassification of cable tractors. In addition, the YTD is over due to a long reach trackhoe was rented to assist with the culvert repair job.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$28,373	\$38,135	\$9,762	\$85,119	\$98,544	\$13,426

Maintenance expenses were over budget MTD and YTD due to repair work for a shop overhead door and repair work to the truck wash.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,225,841	\$688,759	(\$537,082)	\$3,893,603	\$3,361,870	(\$531,733)

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	(\$279,670)	(\$507,326)	Dragline fleet was under budget MTD due to not changing hoist rope on DL101 and less run hours on DL101 and YTD due to previous DL101 items and not replacing lower swing shaft bearing on DL104
Dozer Fleet	(\$231,994)	(\$261,421)	Dozer fleet was under budget MTD and YTD due timing of u/c on 542 and fewer hours across the dozer fleet.
End Dumps	(\$62,135)	(\$30,008)	End Dump fleet was under budget MTD and YTD due to adjustments for parts previously impaired
Motor Grader Fleet	\$9,782	\$39,561	Motor grader fleet is over budget MTD and YTD due to running blades more hours than planned
Dragline Electric Power	(\$178)	\$5,593	Dragline electric power was slightly under budget due to lower cost/KWH, offset slightly YTD by more KWHs used
Diesel Fuel	(\$63,822)	(\$236,940)	Diesel fuel was under budget MTD and YTD due to price/gallon being lower than planned

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$6,175	\$1,189	(\$4,986)	\$10,525	\$13,374	\$2,849

Travel expenses are under budget MTD due to minimal travel during June and over YTD due to travel for SWAT inspections and NAC HR Conference.



**A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$53,310	\$46,893	(\$6,417)	\$158,370	\$143,466	(\$14,904)

A & G expenses were under budget MTD and YTD due to lower Enviro Legal Service and RCT Reclamation Fee being less than planned.

# **THE SABINE MINING COMPANY** **July 2023**

## **Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,386,712	\$1,418,054	\$31,342	\$5,754,044	\$5,815,118	\$61,074

Labor was slightly over MTD and YTD due to maintenance staff being retained longer than planned to assist with liquidation of parts and equipment. Also, benefits & burden cost is higher than planned.

## **Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$409,566	\$460,567	\$51,001	\$1,919,299	\$1,412,066	(\$507,233)

Outside services were over budget MTD due to retaining 8 temporary operators. This area remains under budget YTD due to postponement of a pond cleanout project and timing of reveg spend.

## **Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$52,197	\$38,086	(\$14,111)	\$197,818	\$151,182	(\$46,636)

Office expenses were under budget MTD due to timing of server hardware purchase. YTD costs are under due to timing of additional software purchases.

## **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$92,298	\$250,512	\$158,215	\$337,691	\$424,887	\$87,196

Field operating expenses were over budget MTD and YTD due to hauling and stockpiling of erosion repair material in the Q-Area to satisfy compliance obligations. YTD overage was partially offset by savings earlier in year for dust suppression chemical as well as water treatment chemical.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$30,148	\$40,188	\$10,040	\$122,214	\$155,166	\$32,951

Equipment lease rentals were over budget MTD due to misc maintenance equipment rental. In addition, the YTD is over due to a long reach trackhoe was rented to assist with the culvert repair job.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$28,373	\$27,000	(\$1,373)	\$113,492	\$125,545	\$12,053

Maintenance expenses are over budget YTD due to repair work for a shop overhead door and repair work to the truck wash.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,472,241	\$1,134,583	(\$337,658)	\$5,365,844	\$4,496,453	(\$869,391)

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	(\$108,922)	(\$616,248)	Dragline fleet was under budget MTD due to not changing drag ropes on DL101 and less run hours on DL101 and YTD due to not replacing lower swing shaft bearing on DL104.
Dozer Fleet	(\$481,120)	(\$742,542)	Dozer fleet was under budget MTD and YTD due timing of u/c on 532, 536, 540, and 541 and fewer hours across the dozer fleet.
End Dumps	\$20,747	(\$9,261)	End Dump fleet was over budget MTD due to unplanned wheel station replacement on 731.
Motor Grader Fleet	(\$3,814)	\$35,747	Motor grader fleet is over budget MTD and YTD due to running blades more hours than planned and replacing tires sooner than planned on 411
Dragline Electric Power	(\$39,530)	(\$33,937)	Dragline electric power was slightly under budget due to lower cost/KWH, offset slightly YTD by more KWHs used
Diesel Fuel	(\$73,122)	(\$310,062)	Diesel fuel was under budget MTD and YTD due to price/gallon being lower than planned

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$5,375	\$2,940	(\$2,435)	\$15,900	\$16,314	\$414

Travel expenses are under budget MTD due to minimal travel during July.

**A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$46,960	\$46,283	(\$677)	\$205,330	\$189,748	(\$15,582)

A & G expenses were under budget YTD due to lower Enviro Legal Service and RCT Reclamation Fee being less than planned.

## THE SABINE MINING COMPANY

### August 2023

#### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,386,712	\$1,403,242	\$16,530	\$7,140,756	\$7,218,359	\$77,603

Labor was over MTD and YTD due to maintenance staff being retained longer than planned to assist with liquidation of parts and equipment and higher than planned benefits & burden cost.

#### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$399,556	\$540,725	\$141,169	\$2,318,855	\$1,952,791	(\$366,064)

Outside services were over budget MTD due to the reveg cost, enviro consulting, and water/soil lab work for August being higher than planned. In addition, 7 temporary employees have been retained. This area remains under budget YTD due to postponement of a pond cleanout project and timing of overall reveg spend. The pond work is starting in September.

#### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$51,977	\$48,882	(\$3,095)	\$249,795	\$200,063	(\$49,732)

Office expenses were under budget MTD due to timing of software purchase. YTD costs are under due to timing of server hardware purchases, Microsoft Enterprise agreement, and software purchases.

#### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$64,798	\$76,737	\$11,939	\$402,488	\$501,624	\$99,136

Field operating expenses were over budget MTD due timing of dust suppression chemical purchase as well as erosion control repair materials being higher for the month of August. The YTD overage was primarily due to hauling and stockpiling of erosion repair material in the Q Area to satisfy compliance obligations.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$30,148	\$55,672	\$25,524	\$152,363	\$210,838	\$58,475

Equipment lease rentals were over budget MTD and YTD due to misc maintenance equipment rental.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$28,373	\$31,818	\$3,445	\$141,865	\$157,363	\$15,498

Maintenance expenses are over slightly budget MTD due to facility repairs and YTD due to repair work for a shop overhead door and repair work to the truck wash.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,054,621	\$1,427,088	\$372,467	\$6,420,465	\$5,923,541	(\$496,924)

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	\$95,205	(\$521,043)	Dragline fleet was over budget MTD due to changing hoist ropes on DL101 and drag ropes on DL104; under YTD due to fewer run hours on DL101 and not replacing lower swing shaft bearing on DL104.
Dozer Fleet	\$110,636	(\$631,906)	Dozer fleet was over budget MTD due to timing of u/c on 542 and vendor/supply cost on 532; under YTD due timing of u/c on 536, 540, and 541 and fewer hours across the dozer fleet.
End Dumps	\$36,879	\$27,619	End Dump fleet was over budget MTD due to vendor repair on 732.
Motor Grader Fleet	\$8,474	\$44,221	Motor grader fleet is over budget MTD and YTD due to running blades more hours than planned and replacing tires sooner than planned on 411
Dragline Electric Power	\$23,917	(\$10,019)	Dragline electric power was slightly over budget MTD due to more KWHs, offset slightly YTD by lower cost/KWH
Diesel Fuel	\$38,831	(\$271,231)	Diesel fuel was over budget MTD due to burning more gallons and under YTD due to price/gallon being lower than planned most of the year

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,175	\$2,328	\$1,153	\$17,075	\$18,642	\$1,567

Travel expenses are slightly over budget MTD due to recent MSHA inspection and YTD due to more travel than planned.

**A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$52,210	\$41,500	(\$10,710)	\$257,540	\$231,249	(\$26,291)

A & G expenses were under budget YTD due to lower Enviro Legal Service and RCT Reclamation Fee being less than planned.

## THE SABINE MINING COMPANY

### September 2023

#### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,356,719	\$1,394,352	\$37,633	\$8,497,475	\$8,612,711	\$115,236

Labor was over MTD and YTD due to maintenance staff being retained longer than planned to assist with liquidation of parts and equipment and higher than planned benefits & burden cost.

#### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$250,992	\$357,914	\$106,922	\$2,569,847	\$2,249,424	(\$320,423)

Outside services were over budget MTD due to the Benchmark revegetation contract cost and the 7 temporary employees that have been retained. This area remains under budget YTD due to postponement of a pond cleanout project and timing of overall revegetation spend. The pond work started in October.

#### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$42,297	\$40,876	(\$1,421)	\$292,092	\$240,939	(\$51,153)

Office expenses were under budget YTD due to timing of server hardware purchases, Microsoft Enterprise agreement, and software purchases.

#### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$64,498	\$43,731	(\$20,766)	\$466,986	\$545,355	\$78,369

Field operating expenses were under budget MTD due to timing of the purchase of water treatment chemicals. The YTD overage was due to hauling and stockpiling of erosion repair material in the Q Area to satisfy compliance obligations. In Addition, culverts were replaced in two different locations on the service road this year.



### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$31,770	\$39,971	\$8,200	\$184,133	\$250,808	\$66,676

Equipment lease rentals were over budget MTD and YTD due to misc. maintenance equipment rental.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$28,373	\$28,367	(\$6)	\$170,238	\$185,730	\$15,493

Maintenance expenses are over budget YTD due to repair work for a shop overhead door and repair work to the truck wash.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,157,484	\$1,442,839	\$285,355	\$7,577,949	\$7,366,381	(\$211,568)

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	\$86,790	(\$434,252)	Dragline fleet was over budget MTD due to changing hoist ropes on DL102 and electricity charges on DL104; under YTD due to lower operating costs on DL101 and DL102.
Dozer Fleet	\$71,864	(\$560,042)	Dozer fleet was over budget MTD due to timing of u/c on 540 and 541; under YTD due timing of u/c on 536, not replacing trans on 534, finals on 541, and fewer hours across dozer fleet.
End Dumps	(\$57,331)	(\$29,713)	End Dump fleet was primarily under budget MTD and YTD due to not replacing tires on 733 as planned.
Motor Grader Fleet	\$15,727	\$59,948	Motor grader fleet was over budget MTD and YTD due to running blades more hours than planned and replacing tires sooner than planned on 411.
Dragline Electric Power	\$65,284	\$55,265	Dragline electric power was over budget MTD and YTD due to more KWHs, offset slightly by lower cost/KWH.
Diesel Fuel	\$11,210	(\$260,021)	Diesel fuel was over budget MTD due to burning more gallons and under YTD due to price/gallon being lower than planned all year.

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$4,325	\$12,032	\$7,707	\$21,400	\$30,674	\$9,274

Travel expenses are over budget MTD and YTD due to travel for annual ERT Expo.

**A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$53,100	\$56,817	\$3,717	\$310,640	\$288,066	(\$22,574)

A & G expenses were over budget MTD due to higher than planned audit fees, safety award, and conference training. YTD is under due to lower Enviro Legal Service and RCT Reclamation Fee being less than planned.

# **THE SABINE MINING COMPANY** **October 2023**

## **Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,209,490	\$1,325,606	\$116,116	\$9,706,965	\$9,938,317	\$231,352

The primary driver for labor being over MTD was dragline personnel being kept longer than planned to complete final pit reclamation. In addition, the YTD overage is due to maintenance staff being retained longer than planned to assist with liquidation of parts and equipment and higher than planned benefits & burden cost.

## **Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$338,066	\$767,346	\$429,281	\$2,907,913	\$3,078,052	\$170,139

Outside services were over budget MTD due primarily to timing of sediment pond cleaning that was completed in October but scheduled for earlier in the year. This project is under budget for the year. In addition, the Benchmark revegetation contract cost and the 7 temporary employees that have been retained added to the overage. The YTD overage is less due to savings in misc. enviro contract cost, facilities maintenance, and the sediment pond cleaning project.

## **Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$40,297	\$33,278	(\$7,019)	\$332,389	\$274,217	(\$58,172)

Office expenses were under budget MTD and YTD due to timing of server hardware purchases, Microsoft Enterprise agreement, and software purchases.

## **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$64,298	\$8,154	(\$56,144)	\$531,284	\$553,509	\$22,226

Field operating expenses were under budget MTD due to timing of the purchase of water treatment chemicals. The YTD overage was due to hauling and stockpiling of erosion repair material in the Q Area to satisfy compliance obligations. In Addition, culverts were replaced in two different locations on the service road this year.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$21,579	\$44,538	\$22,959	\$205,712	\$295,347	\$89,635

Equipment lease rentals were over budget MTD for D65PX rental as well as invoice timing for track hoe rental. YTD is over due to cable tractors being budgeted as a capital expense and being charged as a monthly rental due to renegotiating the contract. Also, the misc. maintenance equipment rental is over budget.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$28,373	\$14,500	(\$13,873)	\$198,610	\$200,230	\$1,619

Maintenance expenses are under budget MTD due to less work being done to repair the facility and slightly over YTD for repair work for a shop overhead door and repair work to the truck wash.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$831,976	\$1,425,276	\$593,300	\$8,409,925	\$8,791,657	\$381,732

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	\$323,487	(\$110,765)	Dragline fleet was over budget MTD due to unplanned run time on DL 102 and DL104; under YTD due to lower operating costs on DL101.
Dozer Fleet	\$101,497	(\$458,544)	Dozer fleet was over budget MTD due to timing of u/c on 536 and 539; under YTD due to not replacing trans on 534, finals on 541, and fewer hours across dozer fleet.
End Dumps	\$13,001	(\$16,712)	End Dump fleet was primarily over budget MTD due to additional run hours on 726 and under YTD due to not replacing tires on 733 as planned.
Motor Grader Fleet	\$11,130	\$71,078	Motor grader fleet was over budget MTD and YTD due to running blades more hours than planned and replacing tires sooner than planned on 411.
Dragline Electric Power	\$141,196	\$196,461	Dragline electric power was over budget MTD and YTD due to more KWHs. This is due to more run hours on the draglines, offset slightly by lower cost/KWH.
Diesel Fuel	\$80,940	(\$179,081)	Diesel fuel was over budget MTD due to burning more gallons and under YTD due to price/gallon being lower than planned all year.

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$13,125	\$9,475	(\$3,650)	\$34,525	\$40,148	\$5,623

Travel expenses are over budget YTD due to travel for annual ERT Expo.

**A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$71,860	\$46,687	(\$25,173)	\$382,500	\$334,752	(\$47,748)

A & G expenses were under budget MTD and YTD due to lower Enviro Legal Service and RCT Reclamation Fee being less than planned.

## THE SABINE MINING COMPANY

### November 2023

#### Labor

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,185,904	\$1,233,107	\$47,203	\$10,892,869	\$11,171,424	\$278,555

The primary driver for labor being over MTD was dragline personnel being kept longer than planned to complete final pit reclamation. In addition, the YTD overage is due to maintenance staff being retained longer than planned to assist with liquidation of parts and equipment and higher than planned benefits & burden cost.

#### Outside Services

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$237,872	\$367,055	\$129,183	\$3,145,785	\$3,445,107	\$299,322

Outside services were over budget MTD due primarily to timing of T2 Pond reclamation that was completed in November but scheduled for earlier in the year. This project is under budget for the year. In addition, the Benchmark revegetation contract cost and the 7 temporary employees that have been retained added to the overage. The revegetation contract was also higher than planned for November. The biggest driver for the YTD overage is retaining the temporary employees.

#### Office Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$40,797	\$32,725	(\$8,072)	\$373,186	\$306,942	(\$66,244)

Office expenses were under budget MTD and YTD due to server hardware purchases, Microsoft Enterprise agreement, and software purchases.

#### Field Operating Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$64,798	\$18,337	(\$46,461)	\$596,081	\$571,846	(\$24,235)

Field operating expenses were under budget MTD due to timing of the purchase of water treatment chemicals. The YTD savings was also due to water treatment chemical purchase. This was slightly offset by overages in erosion control materials and culvert purchases.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$21,579	\$42,918	\$21,339	\$227,291	\$338,265	\$110,974

The primary drivers for MTD and YTD being over budget is due to cable tractors being budgeted as a capital expense and being charged as a monthly rental due to renegotiating the contract. Also, the misc. maintenance equipment rental is over budget.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$28,373	\$14,500	(\$13,873)	\$198,610	\$200,230	\$1,619

Maintenance expenses are under budget MTD due to less work being done to repair the facility and slightly over YTD for repair work for a shop overhead door and repair work to the truck wash.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$968,962	\$1,153,155	\$184,193	\$9,378,887	\$9,944,812	\$565,925

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	\$122,845	\$12,080	Dragline fleet was over budget MTD due to unplanned run time on DL 102 and DL104
Dozer Fleet	(\$89,544)	(\$548,089)	Dozer fleet was under budget MTD due to timing of u/c on 541; under YTD due to not replacing trans on 534, finals on 541, undercarriage on 532 and fewer hours across dozer fleet
End Dumps	\$3,538	(\$13,174)	End Dump fleet was primarily over budget MTD due to additional run hours on 734 and under YTD due to not replacing tires on 733 as planned.
Motor Grader Fleet	\$9,080	\$80,158	Motor grader fleet was over budget MTD and YTD due to running blades more hours than planned and replacing tires sooner than planned on 411
Dragline Electric Power	\$124,998	\$321,459	Dragline electric power was over budget MTD and YTD due to more KWHs. This is due to more run hours on the draglines, offset slightly by lower cost/KWH
Diesel Fuel	\$6,504	(\$172,576)	Diesel fuel was over budget MTD due to burning more gallons, primarily in support equipment. YTD is under budget due to lower cost/gallon

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$5,975	\$1,241	(\$4,734)	\$40,500	\$41,390	\$890

Travel expenses are under budget MTD due to traveling less than planned.

**A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$56,880	\$46,828	(\$10,052)	\$439,380	\$381,580	(\$57,800)

A & G expenses were under budget MTD and YTD due to lower Enviro Legal Service and RCT Reclamation Fee being less than planned.



# **THE SABINE MINING COMPANY** **December 2023**

## **Labor**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$1,419,890	\$1,258,756	(\$161,134)	\$12,312,759	\$12,430,180	\$117,421

The primary driver for labor being under MTD was a \$276k credit for severance. The severance liability was over accrued at the year-end due to attrition throughout the year. The YTD overage was due to dragline personnel being kept longer than planned to complete final pit reclamation. In addition, maintenance staff were retained longer than planned to assist with liquidation of parts and equipment.

## **Outside Services**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$235,832	\$259,910	\$24,078	\$3,381,617	\$3,705,016	\$323,399

Outside services were over budget MTD and YTD due primarily to the 7 temporary employees being retained. In addition, the revegetation contract was over by \$51.6k for the year.

## **Office Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$40,297	\$37,965	(\$2,332)	\$413,483	\$344,907	(\$68,576)

Office expenses were slightly under MTD. The YTD savings was due to server hardware purchases, Microsoft Enterprise agreement, and software purchases.

## **Field Operating Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$64,298	(\$108,093)	(\$172,391)	\$660,379	\$463,753	(\$196,626)

Field operating expenses were under budget MTD due to sales tax reimbursement on water treatment chemicals. The YTD savings was also due to water treatment chemical purchase. This was slightly offset by overages in erosion control materials and culvert purchases.

### Equipment Lease/Rental

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$23,201	\$37,453	\$14,251	\$250,493	\$375,718	\$125,225

The primary drivers for MTD and YTD being over budget is due to cable tractors being budgeted as a capital expense and being charged as a monthly rental due to renegotiating the contract. Also, the misc. maintenance equipment rental is slightly over budget.

### Maintenance Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$38,373	\$33,535	(\$4,838)	\$275,356	\$271,181	(\$4,175)

Maintenance expenses are slightly under budget MTD and YTD due to less work being done to repair the facility.

### Equipment Operating Cost

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,044,663	\$854,160	(\$190,503)	\$10,423,550	\$10,798,972	\$375,422

Equipment	MTD Variance Amount	YTD Variance Amount	Variance Explanation
Draglines	\$30,215	\$42,295	Dragline fleet was over budget MTD due to additional run time on DL 102, additional overages YTD are due to unplanned run time on DL 104 as well
Dozer Fleet	(\$268,287)	(\$816,376)	Dozer fleet was under budget MTD due to timing of u/c on 534 and 542; under YTD due to not replacing trans and 1 less u/c on 534, finals on 541, finals on 532 and significantly fewer hours across dozer fleet
End Dumps	(\$20,497)	(\$33,671)	End Dump fleet was primarily under budget MTD due to not changing struts/brakes on 733, additionally YTD, tires were not changed on 733 as planned
Motor Grader Fleet	\$4,475	\$84,633	Motor grader fleet was over budget MTD due to supply/vendor cost on 411 and YTD due to running blades more hours than planned
Dragline Electric Power	\$88,029	\$409,488	Dragline electric power was over budget MTD and YTD due to more KWHs. This is due to more run hours on the draglines, offset slightly by lower cost/KWH
Diesel Fuel	(\$25,500)	(\$198,076)	Diesel fuel was under budget MTD and YTD due to lower cost per gallon, this was offset by burning more gallons than planned, primarily in support equipment.

### Travel Expenses

MTD Budget	MTD Actual	MTD Variance	YTD Budget	YTD Actual	YTD Variance
\$1,725	\$2,648	\$923	\$42,225	\$44,038	\$1,813

Travel expenses were over budget MTD and YTD due to traveling slightly more than planned.

**A & G Expenses**

<b>MTD Budget</b>	<b>MTD Actual</b>	<b>MTD Variance</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>YTD Variance</b>
\$55,080	\$72,449	\$17,369	\$494,460	\$454,030	(\$40,430)

A & G expenses were over budget MTD due to employee recognition and under budget YTD due to lower Enviro Legal Service and RCT Reclamation Fee being less than planned.

The following files are not convertible:

OPUC\_2-2\_Attachment\_1.xlsx

OPUC\_2-3\_Attachment\_1.xlsx

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact [centralrecords@puc.texas.gov](mailto:centralrecords@puc.texas.gov) if you have any questions.