



PEABODY WESTERN
COAL COMPANY
Kayenta Mine
Highway 160, Navajo Route 41
P.O. Box 650
Kayenta, Arizona 86033
928.280.7116

January 26, 2023

Ms. Amy Ryser
Western Region Office
Office of Surface Mining
Reclamation and Enforcement
P. O. Box 25065
One Federal Center, Building 41
Lakewood, CO 80225-0065

**RE: Phase I Bond Release Application; Peabody Western Coal Company;
Kayenta Mine Permit AZ-0001F; J19 and J21 Permanent Program Areas**

Dear Ms. Ryser:

Peabody Western Coal Company (PWCC) submits to the Office of Surface Mining Reclamation and Enforcement (OSMRE) the enclosed application materials in accordance with 30 CFR 800.40 for phase I release of bond on approximately 305 acres of mined and reclaimed lands in the permanent program area of J19 and J21 at Kayenta Mine. The J19 and J21 reclaimed lands described within this Bond Release Application are subject to the Permanent Program Performance Standards at 30 CFR 816 and the requirements of the OSMRE issued Kayenta Mine Permit AZ-0001F permit application package approved October 3, 2017.

Enclosed, please find one electronic thumb drive of the Bond Release Application. PWCC understands that OSMRE will complete a bond release application review and will provide PWCC a response that will include details of information required so that OSMRE can deem the application complete. Once OSMRE has deemed the application complete, PWCC will submit a complete official application with signed documents to OSMRE along with any additional hard copies and electronic thumb drives OSMRE directs PWCC to provide.

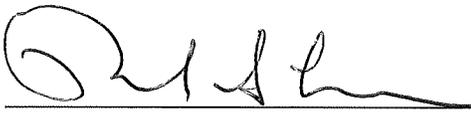
Please direct any questions and correspondence to me at 928.280.7091 or by email at mshepherd2@peabodyenergy.com.

Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

VERIFICATION

I verify under oath that the information contained in this application for a permit, revision, renewal, bond release, or transfer, sales or assignments of permit rights is true and correct to the best of my information and belief.

Signature of Responsible Official 

Title Director, Operations Support Date 1/25/2023

SUBSCRIBED AND SWORN TO BEFORE ME BY Randy Lehn

This 25th Day of January 2023

NOTARY PUBLIC Susie Crank

MY COMMISSION EXPIRES February 2, 2024



Phase I Bond Release Application
J19 and J21 Coal Resource Areas, Kayenta Mine

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SECTION 1. Phase I Bond Release Supporting Information

Administrative, Permit, and Bond Summary Data

Introduction

Peabody Western Coal Company (PWCC) is requesting Phase I bond release on portions of lands within the J19 and J21 of the Kayenta Mine. The bond release application included in this submittal contains required documentation and information to support Phase I bond release for 305 acres of mined and reclaimed lands in the permanent program areas within the J19 (37 acres) Coal Resource Area (CRA) and J21 (268 acres) CRA as shown on Map 1.1. None of the proposed permanent ponds or a request for permanent roads are included in this release application. These features will be further evaluated in relation to the final land use and customary use areas over the entire release application areas. Information such as the public notice, affidavit of publication, and copies of letters to the Tribes, government agencies, and utilities are included in Section 1 of the application. Information for the Phase I technical portions of the application are presented in Section 2 (backfilling, grading, suitable material, and soil data) of this document.

Permit and Bond Release Summary Information

The J19 and J21 CRAs are located within the southeastern portion of PWCC's Kayenta Mine. The Kayenta Mine operates under Permit AZ-0001F issued by the Office of Surface Mining Reclamation and Enforcement (OSMRE) to PWCC Kayenta Mine on October 3, 2017. The 5-year renewal application for Permit AZ-0001F was submitted to OSMRE on February 27, 2020. On June 25, 2020, OSMRE administratively delayed their decision to renew Permit AZ-0001F due to COVID-19 pandemic closures and stay-at-home orders. Coal production at the Kayenta Mine ceased on August 26, 2019; reclamation activities continue under Permit AZ-0001F.

The Kayenta mine permit area is located approximately 18 miles south southwest of Kayenta, Arizona (USGS 7.5-minute quadrangle maps Longhouse Valley, Marsh Pass S.E., Shonto S.E., Yucca Hill, and Cliff Rose Hill). The permit areas for the J19 and J21 Phase I bond release are located within the following lands of Navajo County, Arizona that are described relative to the Gila and Salt River Base Meridian as:

A total of 37 acres of mined and reclaimed land located within the J19 CRA. The computer-generated centroid location is Latitude 36° 26' 49.8" N and Longitude 110° 19' 15.2" W. A total of 268 acres of mined and reclaimed land located within the J21 CRA. The computer-generated centroid location is Latitude 36° 24' 59.3" N and Longitude 110° 17' 29.9" W.

The type of bond and the amount of bond filed for Kayenta Mine Permit AZ-0001F are described in Table 1.1. The portion requested for release in the J19 and J21 CRAs includes \$15,035,922 for Phase I. Justification for the release dollars is explained in the following section.

Table 1.1. Bond Information for Kayenta Mine.		
Bond Surety	Bond Number	Bond Amount
Continental Casualty Company & National Fire Insurance Company of Hartford	9264222	\$28,304,188
Continental Casualty Company of Chicago & National Fire Insurance Company of Hartford	9264224	\$8,167,651
Indemnity National Insurance Company	N-7003484	\$7,250,000
Liberty Mutual Insurance Company	60S003887	\$39,810,389
Travelers Casualty and Surety Company of America	105243347	\$23,847,246
Travelers Casualty and Surety Company of America	105191031	\$28,000,000
Zurich American Insurance Company	8940860	\$43,190,518
TOTAL		\$178,569,992

Phase I Bond Reduction Cost

PWCC is seeking a reduction in the backfilling, grading, suitable material replacement, and soil material replacement bond for Phase I in the amount of \$15,035,922. This amount was determined using direct and indirect unit costs calculated for 37 acres in J19 and 268 acres in J21 as documented in Permit AZ-0001F, Chapter 24, Table 24-1-4. Reclamation cost estimates as of July 2017 ("worst case" or "highest liability" as approved in Permit AZ-0001F by OSMRE on October 3, 2017) were used and these rates were adjusted for inflation through December 2022. Reduction in bond at the J19 CRA was based upon 900 feet of final pit being 100% backfilled in the active highwall footprint shadow and completion of Phase I reclamation activities including general grading on 37 acres and replacing four feet of suitable plant growth material including one foot of suitable soil on the surface of 37 acres of final graded lands per Chapter 22, Minesoil Reconstruction, Volume 11, Permit AZ-0001F. Reduction in bond at J21 was based upon 11,250 feet of final pit being 100% backfilled and completion of Phase I reclamation activities including general grading on 268 acres and replacing four feet of suitable plant growth material including one foot of suitable soil on the surface of 185 acres of final graded lands per Chapter 22, Minesoil Reconstruction, Volume 11, Permit AZ-0001F. Suitable plant growth material replacement areas are documented for the J19 and J21 CRAs on Maps 2.1 and 2.2 in Section 2 of this document.

The project categories and direct costs applicable to this Phase I bond release are

listed in Table 1.2.1 for the J19 CRA and Table 1.2.2 for the J21 CRA. PWCC is not requesting full release of the grading and ripping maintenance costs for the disturbed lands because these are considered by OSMRE to be Phase II reclamation activities. Similarly, no costs have been requested on the disturbed lands for the Phase III reclamation activities including surface stabilization, revegetation, and vegetation maintenance. The combined total bond reduction direct costs shown in Tables 1.2.1 and 1.2.2 is \$12,274,222.

Table 1.2.1	
Bond Reduction of Direct Costs for Backfilling, Grading, Suitable Material Replacement, and Soil Material Replacement in the J19 CRA.	
Project Category	Bond Reduction Amount
Cast/blast high wall (900 feet)	\$ 210,456
Doze high wall (900 feet)	\$ 127,854
Doze first two spoils (900 feet)	\$ 119,520
Doze back two spoils (900 feet)	\$ 28,188
Backfill and grade ramps (900 feet)	\$ 57,258
General grading (37 ac @ \$4,127.70/ac)	\$ 152,725
Suitable material replacement (37 ac @ \$0.98/yd)	\$ 140,398
Soil material replacement (37 ac @ \$1.32/yd)	\$ 126,072
Total Direct Cost Category I	\$ 962,471
Inflation July 2017 thru December 2022 (20.43%)	\$ 196,633
Total Direct Cost Category I (Inflated thru 12-2022)	\$1,159,104

Table 1.2.2	
Bond Reduction of Direct Costs for Backfilling, Grading, Suitable Material Replacement, and Soil Material Replacement in the J21 CRA.	
Project Category	Bond Reduction Amount
Cast/blast high wall (11,250 feet)	\$2,630,700
Doze high wall (11,250 feet)	\$1,598,175
Doze first two spoils (11,250 feet)	\$1,494,000
Doze back two spoils (11,250 feet)	\$ 352,350
Backfill and grade ramps (11,250 feet)	\$ 715,725
General grading (268 ac @ \$4,127.70/ac)	\$1,106,224
Suitable material replacement (185 ac @ \$0.98/yd)	\$ 701,992
Soil material replacement (185 ac @ \$1.32/yd)	\$ 630,360

Total Direct Cost Category I	\$9,229,526
Inflation July 2017 thru December 2022 (20.43%)	\$1,885,592
Total Direct Cost Category I (Inflated thru 12-2022)	\$11,115,118

Tables 1.3.1 and 1.3.2 show the indirect costs obtained from Permit AZ-0001F, Chapter 24 that are associated with the J19 and J21 Phase I direct cost, respectively as determined in July 2017. The total indirect cost reflects inflation through December 2022 (20.43%). An inflation rate of 6.23% for the July 2017 through June 2020 period was determined by OSMRE in December 2022 using RS Means Historical Cost Indexes and approved for the J19-J19W-N9 Phase I and J16-J19-J21 Phase II bond release applications. An inflation rate of 14.20% was determined using the U.S. inflation calculator numbers for the July 2020 through December 2022 period based on government data presented on the website usinflationcalculator.com. The combined total bond reduction indirect costs shown in Tables 1.3.1 and 1.3.2 is \$2,761,700.

Table 1.3.1	
Bond Reduction of Indirect Costs for Backfilling, Grading, Suitable Material Replacement, and Soil Material Replacement in the J19 CRA.	
Project Category	Bond Reduction Amount
Mobilization/demobilization (1.5%)	\$ 17,387
Contingencies (2.0%)	\$ 23,182
Engineering redesign fee (2.0%)	\$ 23,182
Contractor profit and overhead (15.0%)	\$173,866
Reclamation management fee (2.0%)	\$ 23,182
Total Indirect Cost	\$260,799

Table 1.3.2	
Bond Reduction of Indirect Costs for Backfilling, Grading, Suitable Material Replacement, and Soil Material Replacement in the J21 CRA.	
Project Category	Bond Reduction Amount
Mobilization/demobilization (1.5%)	\$ 166,727
Contingencies (2.0%)	\$ 222,302
Engineering redesign fee (2.0%)	\$ 222,302
Contractor profit and overhead (15.0%)	\$1,667,268
Reclamation management fee (2.0%)	\$ 222,302
Total Indirect Cost	\$2,500,901

The total direct, indirect, tax, and 2017 - 2022 inflation costs for Phase I bond categories in the J19 and J21 CRAs are \$15,035,922.

Permanent Facilities

There are no requests included in this J19 and J21 Phase I bond release application for any facilities to be retained as permanent features. None of the sediment ponds (including those proposed as permanent), roads, or Kayenta Mine support facilities located within the J19 and J21 CRAs are included in this Phase I bond release application. The two-track ranch roads shown within the J19 and J21 release areas will continue to be used for access to monitor the J19-A, J19-D, J19-E, J21-I3, and J21-H sediment ponds, for compliance-related inspections, for reclamation maintenance, environmental monitoring, and access by residents.

PUBLIC NOTICE

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for bond release on a portion of the lands in the J19 and J21 Coal Resource Areas (CRAs) within the Kayenta Mine Permit AZ-0001F. PWCC is seeking a release of Phase I bond liability for a portion of the J19 and J21 areas currently under bond with Indemnity National Insurance Company, Zurich American Insurance Company, Continental Casualty Company, National Fire Insurance Company of Hartford, Liberty Mutual Insurance Company, and Travelers Casualty and Surety Company of America. PWCC is seeking a reduction in bond of \$15,035,922 under the Phase I application. The total combined bond for Kayenta Mine is \$178,569,992.

The Phase I bond release application consists of information currently contained in the AZ-0001F permit application package (PAP) approved October 3, 2017. The PAP outlines PWCC's reclamation operations on Permanent Program Lands. The total areas in J19 and J21 requested for Phase I release is 305 acres. Reclamation was completed between 2002 and 2022. Reclamation activities were completed in accordance with the approved PAP and included backfilling, grading, mitigation of unsuitable material, drainage control construction, and replacement of suitable soil or plant growth media. The Kayenta Mine permit for the release areas is under Navajo Tribal Coal Lease 14-20-0603-9910 and Hopi Tribal Coal Lease 14-20-0450-5743 and operates pursuant to Code of Federal Regulations (CFR), Title 30; Subchapter E, Part 750; Subchapter G, Parts 773 and 774; and Subchapter K, Parts 810 and 816. This notice is hereby given that:

1. The name and business address of the applicant is:

Peabody Western Coal Company
Kayenta Mine
P.O. Box 650
Kayenta, AZ 86033

2. The mine permit area is located approximately 18 miles south southwest of Kayenta, Arizona. The permit area for the Phase I bond release areas is located in USGS 7.5-minute quadrangle map "Yucca Hill" within the following lands of Navajo County, Arizona that are described relative to the Gila and Salt River Base Meridian as:

A total of 37 acres of land located within the J19 CRA. The computer-generated centroid location is Latitude 36° 26' 49.8" N and Longitude 110° 19' 15.2" W. A total of 268 acres of land located within the J21 CRA. The computer-generated centroid location is Latitude 36° 24' 59.3" N and Longitude 110° 17' 29.9" W.

3. Locations of where copies of the application and permit are available for public review and/or inspection are:

Navajo Nation Minerals Department	Forest Lake Chapter House
Office of Surface Mining	Navajo Route 41
Window Rock Boulevard	17 Miles North of Pinon
Window Rock, AZ 86515	Pinon, AZ 86510
Peabody Western Coal Company	Hopi Tribe
Kayenta Mine	Office of Mining and Mineral
Mesa Central Warehouse Office Complex	Resources, Highway 264
8 Miles from Hwy 160 and Route 41 Junction	1 Mile East of Kykotsmovi
Kayenta, Arizona 86033	Kykotsmovi, AZ 86039

OSMRE Website: <https://www.osmre.gov/news/archive/kayentaBlackMesa>

4. The name and address of the OSMRE-WRO representative where written comments, objections, requests for a public hearing, or requests for an informal conference may be submitted on or before 5:00 p.m., (To Be Determined) thirty (30) days after the last publication date are:

Ms. Amy Ryser
Western Region Office
Office of Surface Mining Reclamation & Enforcement
P. O. Box 25065
One Federal Center, Building 41
Lakewood, CO 80225-0065
WR Permitting Information Line, 1-866-847-7362

5. Interested persons may obtain more information concerning the bond release by contacting Marie Shepherd, Senior Manager Environmental for PWCC at 928.677.5130.
6. The application has been filed with OSMRE and will be acted upon pursuant to the Permanent Regulatory Program (30 CFR Parts 750 and 774) approved by the Secretary of the Interior under Title V of the Surface mining Control and Reclamation Act of 1977.



**PEABODY WESTERN
COAL COMPANY**
Kayenta Mine
Highway 160, Navajo Route 41
P.O. Box 650
Kayenta, Arizona 86033
928.677.5177

January 26, 2023

Bureau of Indian Affairs
Navajo Area Office
Mr. Bartholomew Stevens, Regional Director
P.O. Box 1060
301 West Hill Street
Gallup, New Mexico 87305-1060

RE: Notice of Application for Phase I Bond Release; J19 and J21 Coal Resource Areas; Kayenta Mine

Dear Mr. Stevens:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase I bond release on portions of the J19 and J21 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase I bond liability for those surety bonds currently held with Indemnity National Insurance Company, Zurich American Insurance Company, Continental Casualty Company, National Fire Insurance Company of Hartford, Liberty Mutual Insurance Company, and Travelers Casualty and Surety Company of America. The total combined bond for Kayenta Mine is \$178,569,992.

The Phase I bond release areas are located within the Kayenta Mine Permanent Program permit area (AZ-0001F PAP) in the southeastern portion of the PWCC lease area. PWCC is seeking a reduction of the total J19 and J21 bond amount of \$15,035,922 at this time by gaining regulatory approval for release of lands described in the application from Phase I bond liability. The total area sought for release includes 305 acres of disturbed land. Approval of Phase I will allow for Phase II and III bond release to proceed on these areas once all requirements for this phase are met. Phase III is the final bond release step and once approved will allow for the planned return of these lands to the Navajo Nation in the future. Until that time, PWCC will continue to control and manage reclaimed lands in the release areas described.

Reclamation of the Phase I release areas which includes backfilling and grading, drainage control, mitigation of unsuitable material, and topsoil replacement was completed between 2002 and 2022. All reclamation activities were conducted in accordance with the Surface Mining Control and Reclamation Act (SMCRA) and the requirements of the OSMRE Permit AZ-0001F PAP approved October 3, 2017. Reclamation activities are documented in annual reports submitted previously to OSMRE.

The application and permit are available for public review and/or inspection at:

Navajo Nation Minerals Department
Office of Surface Mining
Window Rock Boulevard
Window Rock, AZ 86515

Forest Lake Chapter House
Navajo Route 41
17 miles North of Pinon
Pinon, AZ 86510

Mr. Bartholomew Stevens
January 26, 2023
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OSMRE Website: <https://www.osmre.gov/news/archive/kayentaBlack Mesa>

If you have questions, comments, or wish to request a hearing or informal conference regarding this bond release application, please contact:

Ms. Amy Ryser
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Office of Surface Mining Reclamation & Enforcement
P. O. Box 25065
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WR Permitting Information Line, 1-866-847-7362

Please direct your questions about this application to me at 928.677.5130 or email them to me at mshepherd2@peabodyenergy.com.

Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



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928.677.5177

January 26, 2023

Bureau of Land Management
Arizona State Office
Mr. Stewart Boyd
Native American Minerals Lead
One North Central Ave., Suite 800
Phoenix, Arizona 85004

RE: Notice of Application for Phase I Bond Release; J19 and J21 Coal Resource Areas; Kayenta Mine

Dear Mr. Boyd:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase I bond release on portions of the J19 and J21 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase I bond liability for those surety bonds currently held with Indemnity National Insurance Company Zurich American Insurance Company, Continental Casualty Company, National Fire Insurance Company of Hartford, Liberty Mutual Insurance Company, and Travelers Casualty and Surety Company of America. The total combined bond for Kayenta Mine is \$178,569,992.

The Phase I bond release areas are located within the Kayenta Mine Permanent Program permit area (AZ-0001F PAP) in the southeastern portion of the PWCC lease area. PWCC is seeking a reduction of the total J19 and J21 bond amount of \$15,035,922 at this time by gaining regulatory approval for release of lands described in the application from Phase I bond liability. The total area sought for release includes 305 acres of disturbed land. Approval of Phase I will allow for Phase II and III bond release to proceed on these areas once all requirements for this phase are met. Phase III is the final bond release step and once approved will allow for the planned return of these lands to the Navajo Nation in the future. Until that time, PWCC will continue to control and manage reclaimed lands in the release areas described.

Reclamation of the Phase I release areas which includes backfilling and grading, drainage control, mitigation of unsuitable material, and topsoil replacement was completed between 2002 and 2022. All reclamation activities were conducted in accordance with the Surface Mining Control and Reclamation Act (SMCRA) and the requirements of the OSMRE Permit AZ-0001F PAP approved October 3, 2017. Reclamation activities are documented in annual reports submitted previously to OSMRE.

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Mr. Stewart Boyd
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WR Permitting Information Line, 1-866-847-7362

Please direct your questions about this application to me at 928.677.5130 or email them to me at mshepherd2@peabodyenergy.com.

Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



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Highway 160, Navajo Route 41
P.O. Box 650
Kayenta, Arizona 86033
928.677.5177

January 26, 2023

Chilchinbeto Chapter
Mr. Thomas Bradley, President
P.O. Box 1681
Kayenta, Arizona 86033

RE: Notice of Application for Phase I Bond Release; J19 and J21 Coal Resource Areas; Kayenta Mine

Dear Mr. Bradley:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase I bond release on portions of the J19 and J21 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase I bond liability for those surety bonds currently held with Indemnity National Insurance Company, Zurich American Insurance Company, Continental Casualty Company, National Fire Insurance Company of Hartford, Liberty Mutual Insurance Company, and Travelers Casualty and Surety Company of America. The total combined bond for Kayenta Mine is \$178,569,992.

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Mr. Thomas Bradley
January 26, 2023
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Please direct your questions about this application to me at 928.677.5130 or email them to me at mshepherd2@peabodyenergy.com.

Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



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Forest Lake Chapter
Ms. Fern Benally, President
P.O. Box 441
Pinon, Arizona 86510

RE: Notice of Application for Phase I Bond Release; J19 and J21 Coal Resource Areas; Kayenta Mine

Dear Ms. Benally:

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If you have questions, comments, or wish to request a hearing or informal conference regarding this bond release application, please contact:

Ms. Amy Ryser
Western Region Office
Office of Surface Mining Reclamation & Enforcement
P. O. Box 25065
One Federal Center, Building 41
Lakewood, CO 80225-0065
WR Permitting Information Line, 1-866-847-7362

Please direct your questions about this application to me at 928.677.5130 or email them to me at mshepherd2@peabodyenergy.com.

Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



**PEABODY WESTERN
COAL COMPANY**
Kayenta Mine
Highway 160, Navajo Route 41
P.O. Box 650
Kayenta, Arizona 86033
928.677.5177

January 26, 2023

The Hopi Tribe
Office of Mining and Minerals
Attn: Norman Honie Jr.
P.O. Box 123
Kykotsmovi, AZ 86039

RE: Notice of Application for Phase I Bond Release; J19 and J21 Coal Resource Areas; Kayenta Mine

Dear Mr. Honie:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase I bond release on portions of the J19 and J21 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase I bond liability for those surety bonds currently held with Indemnity National Insurance Company, Zurich American Insurance Company, Continental Casualty Company, National Fire Insurance Company of Hartford, Liberty Mutual Insurance Company, and Travelers Casualty and Surety Company of America. The total combined bond for Kayenta Mine is \$178,569,992.

The Phase I bond release areas are located within the Kayenta Mine Permanent Program permit area (AZ-0001F PAP) in the southeastern portion of the PWCC lease area. PWCC is seeking a reduction of the total J19 and J21 bond amount of \$15,035,922 at this time by gaining regulatory approval for release of lands described in the application from Phase I bond liability. The total area sought for release includes 305 acres of disturbed land. Approval of Phase I will allow for Phase II and III bond release to proceed on these areas once all requirements for this phase are met. Phase III is the final bond release step and once approved will allow for the planned return of these lands to the Navajo Nation in the future. Until that time, PWCC will continue to control and manage reclaimed lands in the release areas described.

Reclamation of the Phase I release areas which includes backfilling and grading, drainage control, mitigation of unsuitable material, and topsoil replacement was completed between 2002 and 2022. All reclamation activities were conducted in accordance with the Surface Mining Control and Reclamation Act (SMCRA) and the requirements of the OSMRE Permit AZ-0001F PAP approved October 3, 2017. Reclamation activities are documented in annual reports submitted previously to OSMRE.

The application and permit are available for public review and/or inspection at:

Navajo Nation Minerals Department
Office of Surface Mining
Window Rock Boulevard
Window Rock, AZ 86515

Forest Lake Chapter House
Navajo Route 41
17 miles North of Pinon
Pinon, AZ 86510

Mr. Norman Honie, Jr.
January 26, 2023
Page 2 of 2

Peabody Western Coal Company
Kayenta Mine
Mesa Central Warehouse Office Complex
8 Miles from Hwy 160 and Route 41 Junction
Kayenta, Arizona 86033
Lakewood, CO 80225-0065

Hopi Tribe
Office of Mining and Mineral
Resources, Highway 264
1 Mile East of Kykotsmovi
Kykotsmovi, AZ 86039

OSMRE Website: <https://www.osmre.gov/news/archive/kayentaBlackMesa>

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Please direct your questions about this application to me at 928.677.5130 or email them to me at mshepherd2@peabodyenergy.com.

Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



**PEABODY WESTERN
COAL COMPANY**
Kayenta Mine
Highway 160, Navajo Route 41
P.O. Box 650
Kayenta, Arizona 86033
928.677.5177

January 26, 2023

Kayenta Chapter
Mr. Stanley Clitso, President
P.O. Box 1088
Kayenta, Arizona 86033

RE: Notice of Application for Phase I Bond Release; J19 and J21 Coal Resource Areas; Kayenta Mine

Dear Mr. Clitso:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase I bond release on portions of the J19 and J21 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase I bond liability for those surety bonds currently held with Indemnity National Insurance Company, Zurich American Insurance Company, Continental Casualty Company, National Fire Insurance Company of Hartford, Liberty Mutual Insurance Company, and Travelers Casualty and Surety Company of America. The total combined bond for Kayenta Mine is \$178,569,992.

The Phase I bond release areas are located within the Kayenta Mine Permanent Program permit area (AZ-0001F PAP) in the southeastern portion of the PWCC lease area. PWCC is seeking a reduction of the total J19 and J21 bond amount of \$15,035,922 at this time by gaining regulatory approval for release of lands described in the application from Phase I bond liability. The total area sought for release includes 305 acres of disturbed land. Approval of Phase I will allow for Phase II and III bond release to proceed on these areas once all requirements for this phase are met. Phase III is the final bond release step and once approved will allow for the planned return of these lands to the Navajo Nation in the future. Until that time, PWCC will continue to control and manage reclaimed lands in the release areas described.

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Mr. Stanley Clitso
January 26, 2023
Page 2 of 2

Peabody Western Coal Company
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Mesa Central Warehouse Office Complex
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Office of Surface Mining Reclamation & Enforcement
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Please direct your questions about this application to me at 928.677.5130 or email them to me at mshepherd2@peabodyenergy.com.

Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



**PEABODY WESTERN
COAL COMPANY**
Kayenta Mine
Highway 160, Navajo Route 41
P.O. Box 650
Kayenta, Arizona 86033
928.677.5177

January 26, 2023

Navajo Nation
Minerals Department
Ms. Rowena L. Cheromiah
P.O. Box 1910
Window Rock, AZ 86515

RE: Notice of Application for Phase I Bond Release; J19 and J21 Coal Resource Areas; Kayenta Mine

Dear Ms. Cheromiah:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase I bond release on portions of the J19 and J21 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase I bond liability for those surety bonds currently held with Indemnity National Insurance Company, Zurich American Insurance Company, Continental Casualty Company, National Fire Insurance Company of Hartford, Liberty Mutual Insurance Company, and Travelers Casualty and Surety Company of America. The total combined bond for Kayenta Mine is \$178,569,992.

The Phase I bond release areas are located within the Kayenta Mine Permanent Program permit area (AZ-0001F PAP) in the southeastern portion of the PWCC lease area. PWCC is seeking a reduction of the total J19 and J21 bond amount of \$15,035,922 at this time by gaining regulatory approval for release of lands described in the application from Phase I bond liability. The total area sought for release includes 305 acres of disturbed land. Approval of Phase I will allow for Phase II and III bond release to proceed on these areas once all requirements for this phase are met. Phase III is the final bond release step and once approved will allow for the planned return of these lands to the Navajo Nation in the future. Until that time, PWCC will continue to control and manage reclaimed lands in the release areas described.

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Ms. Rowena L. Cheromiah
January 26, 2023
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OSMRE Website: <https://www.osmre.gov/news/archive/kayentaBlackMesa>

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Office of Surface Mining Reclamation & Enforcement
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One Federal Center, Building 41
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WR Permitting Information Line, 1-866-847-7362

Please direct your questions about this application to me at 928.677.5130 or email them to me at mshepherd2@peabodyenergy.com.

Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



**PEABODY WESTERN
COAL COMPANY**
Kayenta Mine
Highway 160, Navajo Route 41
P.O. Box 650
Kayenta, Arizona 86033
928.677.5177

January 26, 2023

Navajo Tribal Utility Authority
Mr. Walter W. Haase, P.E., General Manager
P.O. Box 170
Fort Defiance, Arizona 86504-0170

RE: Notice of Application for Phase I Bond Release; J19 and J21 Coal Resource Areas; Kayenta Mine

Dear Mr. Haase:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase I bond release on portions of the J19 and J21 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase I bond liability for those surety bonds currently held with Indemnity National Insurance Company, Zurich American Insurance Company, Continental Casualty Company, National Fire Insurance Company of Hartford, Liberty Mutual Insurance Company, and Travelers Casualty and Surety Company of America. The total combined bond for Kayenta Mine is \$178,569,992.

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Mr. Walter W. Haase
January 26, 2023
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Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



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P.O. Box 650
Kayenta, Arizona 86033
928.677.5177

January 26, 2023

Shonto Chapter
Mr. Roland Smallcanyon, President
P. O. Box 7800
Shonto, AZ 86054

RE: Notice of Application for Phase I Bond Release; J19 and J21 Coal Resource Areas; Kayenta Mine

Dear Mr. Smallcanyon:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase I bond release on portions of the J19 and J21 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase I bond liability for those surety bonds currently held with Indemnity National Insurance Company, Zurich American Insurance Company, Continental Casualty Company, National Fire Insurance Company of Hartford, Liberty Mutual Insurance Company, and Travelers Casualty and Surety Company of America. The total combined bond for Kayenta Mine is \$178,569,992.

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January 26, 2023
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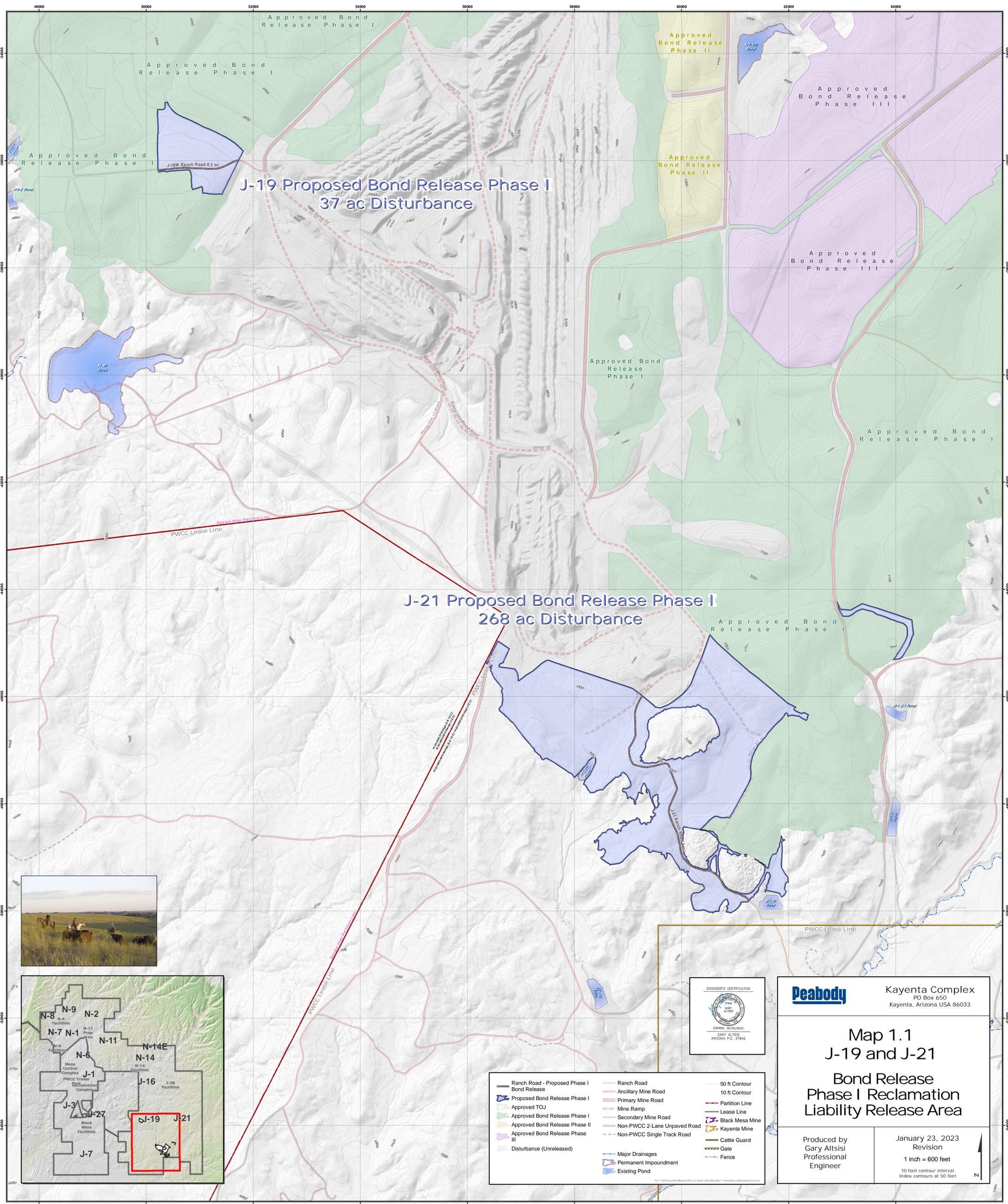
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Respectfully,

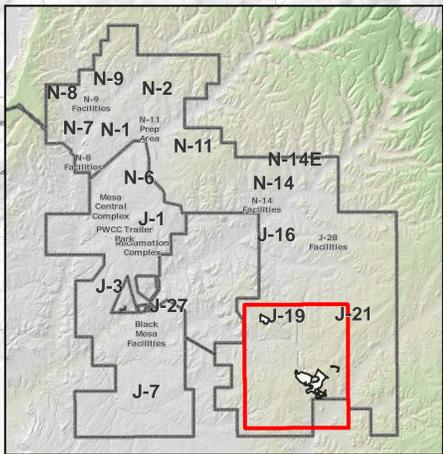
Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



**J-19 Proposed Bond Release Phase I
37 ac Disturbance**

**J-21 Proposed Bond Release Phase I
268 ac Disturbance**



	Ranch Road - Proposed Phase I Bond Release		50 ft Contour
	Proposed Bond Release Phase I		10 ft Contour
	Approved TOJ		Partition Line
	Approved Bond Release Phase I		Lease Line
	Approved Bond Release Phase II		Black Mesa Mine
	Approved Bond Release Phase III		Kayenta Mine
	Disturbance (Unreleased)		Cattle Guard
	Ranch Road		Gate
	Ancillary Mine Road		Fence
	Primary Mine Road		Major Drainages
	Mine Ramp		Permanent Impoundment
	Secondary Mine Road		Existing Pond
	Non-PWCC 2-Lane Unpaved Road		
	Non-PWCC Single Track Road		



Peabody Kayenta Complex
PO Box 650
Kayenta, Arizona USA 86033

**Map 1.1
J-19 and J-21
Bond Release
Phase I Reclamation
Liability Release Area**

Produced by
Gary Altsi
Professional
Engineer

January 23, 2023
Revision

1 inch = 600 feet
10 foot contour interval
Index contours at 50 feet