



Peabody Western Coal Company

August 17, 2022

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 II Bond Release Application / Peabody Western Coal Company / Kayenta Mine Permit AZ-0001F / J19 and N11 Permanent Program Areas

Dear Mr. Spangler:

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 II release of bond on approximately 1,262 acres of mined and reclaimed lands in the permanent program area of J19 and N11 at Kayenta Mine. The J19 and N11 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 preliminary 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 928.677.5130 or by email at mshepherd2@peabodyenergy.com.

Respectfully,

A handwritten signature in black ink, appearing to read "Marie Shepherd".

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

Phase II Bond Release Application
J19 and N11 Coal Resource Areas, Kayenta Mine

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SECTION 1. Phase II Bond Release Supporting Information
Administrative, Permit, and Bond Summary Data

Introduction

Peabody Western Coal Company (PWCC) is requesting Phase II bond release on portions of lands within the J19 and N11 areas of the Kayenta Mine. The bond release application included in this submittal contains required documentation and information to support Phase II bond release for 1,262 acres of mined and reclaimed lands in the permanent program areas within the J19 and N11 Coal Resource Areas (CRAs) as shown on Maps 1.1.1 and 1.1.2. 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 notification letters to the Tribes, government agencies, and utilities are included in Section 1 of the application. Information for the Phase II technical portions of the application are presented in Section 2 (Soil and Suitable Material Data), Section 3 (Historical Revegetation and Vegetation Sampling), and Section 4 (Suspended Solids Outside of the Permit Area) of this document.

Permit and Bond Release Summary Information

The J19 and N11 CRAs are located within 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, Owl Spring, Yucca Hill, and Cliff Rose Hill). The permit areas for the J19 and N11 Phase II 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 408 acres of land located within the J19 CRA. The computer-generated centroid location is Latitude 36° 44' 66.25" N and Longitude 110° 31' 47.68" W. A total of 854 acres of land located within the N11 CRA. The computer-generated centroid location is Latitude 36° 53' 34.94" N and Longitude 110° 36' 90.72" 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 N11 CRAs includes \$4,272,941 for Phase II. Justification for these 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 II Bond Reduction Cost

PWCC is seeking a reduction in the surface stabilization and topsoil replacement bond for Phase II in the amount of \$4,272,941. Surface stabilization has been accomplished for 408 acres in J19 and 854 acres in N11 as documented in Sections 3 and 4 of this application. Topsoil replacement has been accomplished for 3.0 acres in J19 as documented in Section 2 of this application. The previous Phase I bond release in J19 for 518 acres (submitted June 17, 2020) did not include the cost for topsoil replacement on this 3.0 acre parcel. This combined bond reduction amount was determined using direct and indirect unit costs calculated for 1,262 acres 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 August 2022. The project categories

and direct costs applicable to this Phase II bond release are listed in Table 1.2 for the J19 and N11 CRAs. PWCC is not requesting backfilling, grading, suitable material replacement, and soil material replacement for 405 acres at J19 and 854 acres at N11 as these were included in previous Phase I application submittals to OSMRE. Similarly, no costs have been requested on the disturbed lands for the Phase III reclamation activities including revegetation and revegetation maintenance. The combined total bond reduction direct costs shown in Table 1.2 is \$2,973,101.

Table 1.2. Bond Reduction of Direct Cost Associated with Topsoil Replacement in J19 and Surface Stabilization in J19 and N11*.	
Project Category	Bond Reduction Amount
General Grading @ 50% for 408 acres in J19	\$841,990
Surface Ripping @ 50% for 408 acres in J19	\$116,280
Topsoil Replacement for 3 acres in J19	\$9,041
General Grading @ 50% for 854 acres in N11	\$1,762,400
Surface Ripping @ 50% for 854 acres in N11	\$243,390
Total Direct Cost for Topsoil Replacement in J19 and Surface Stabilization in J19 and N11	\$2,973,101
*Per rates in Permit AZ-0001F, Chapter 24, Table 24-1-4 as approved by OSMRE on October 3, 2017.	

Table 1.3 shows the indirect costs obtained from Permit AZ-0001F, Chapter 24, Table 24-1-4 that are associated with the J19 and N11 Phase II direct cost as determined in July 2017. The total indirect cost reflects the inflation through August 2022 (17.22%). The combined total bond reduction indirect costs shown in Table 1.3 is \$1,299,840.

Table 1.3. Bond Reduction on Indirect Costs Associated with Topsoil Replacement in J19 and Surface Stabilization in J19 and N11.	
Project Category	Bond Reduction Amount
Mobilization/demobilization (1.5%)	\$44,597
Contingencies (2.0%)	\$59,462
Engineering redesign fee (2.0%)	\$59,462
Contractor profit and overhead (15.0%)	\$445,965
Reclamation management fee (2.0%)	\$59,462
Inflation (17.22%; July 2017 - August 2022)	\$511,968

AZ transaction privilege tax (4.0%)	\$118,924
Total Indirect Cost	\$1,299,840

The total direct, indirect, tax, and 2017 to August 2022 inflation costs for Phase II bond categories in the J19 and N11 CRAs is \$4,272,941.

Permanent Facilities

There are no requests included in this J19 and N11 Phase II 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 N11 CRAs are included in this Phase II bond release application.

The two-track ranch roads shown within the J19 and N11 release areas will continue to be used for access to monitor the J19-A, J19-D, J19-E, and N11-G sediment ponds, for compliance-related inspections, for reclamation maintenance, other environmental monitoring, and local 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 N11 Coal Resource Areas (CRAs) within the Kayenta Mine Permit AZ-0001F. PWCC is seeking a release of Phase II bond liability for a portion of the J19 and N11 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 \$4,272,941 under the Phase II application. The total combined bond for Kayenta Mine is \$178,569,992.

The Phase II bond release application consists of information currently contained in the AZ-0001F permit application package (PAP) approved January 17, 2017. The PAP outlines PWCC's reclamation operations on Permanent Program Lands. The total area in J19 and N11 requested for Phase II release is 1,262 acres. Reclamation was completed between 1999 and 2019. Reclamation activities included backfilling and grading, drainage control construction, mitigation of unsuitable material, replacement of soil or plant growth media, and revegetation. The Kayenta Mine permit for the release areas is under Navajo Tribal Coal Leases 14-20-0603-8580/14-20-0603-9910 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 II bond release areas is located in USGS 7.5-minute quadrangle maps "Yucca Hill", "Long House Valley", and "Marsh Pass SE" within the following lands of Navajo County, Arizona that are described relative to the Gila and Salt River Base Meridian as:

A total of 408 acres of land located within the J19 CRA. The computer-generated centroid location is Latitude 36° 44' 66.25" N and Longitude 110° 31' 47.68" W. A total of 854 acres of land located within the N11 CRA. The computer-generated centroid location is Latitude 36° 53' 34.94" N and Longitude 110° 36' 90.72" W.

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

The 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

Office of Surface Mining	Peabody Western Coal Company
Reclamation and Enforcement	Kayenta Mine
Western Region Office	Mesa Central Warehouse Office Complex
One Federal Center, Building 41	8 miles from Hyw 160 and Rt 41 Junction
Lakewood, CO 80225-0065	Kayenta, AZ 86033

4. The names and addresses of the OSM-WRCC 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:

Mr. Jeremy Spangler
Western Region Office
Office of Surface Mining Reclamation & Enforcement
One Federal Center, Building 41
Lakewood, CO 80225-0065
303.293.5022

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

August 17, 2022

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 II Bond Release; J19 and N11 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 II bond release on portions of the J19 and N11 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase II 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 II 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 N11 bond amount of \$4,272,941 at this time by gaining regulatory approval for release of lands described in the application from Phase II bond liability. The total area sought for release includes 1,262 acres of disturbed land. Approval of Phase II will allow for Phase III bond release to proceed on this area 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 II release areas which includes backfilling and grading, drainage control, mitigation of unsuitable material, and topsoil replacement was completed between 1999 and 2019. Revegetation activities were initiated in 1999 and were conducted in accordance with the Surface Mining Control and Reclamation Act (SMCRA) and the requirements of the OSMRE Permit AZ-0001F PAP. Reclamation activities are documented in annual reports submitted previously to OSMRE.

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

The 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
August 17, 2022
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Office of Surface Mining
Reclamation and Enforcement
Western Region Office
P. O. Box 25065
One Federal Center, Building 41
Lakewood, CO 80225-0065

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

Peabody Western Coal Company
Kayenta Mine
Mesa Central Warehouse Office Complex
8 miles from Hwy 160 and Route 41 Junction
Kayenta, Arizona 86033

OSM Website
<https://www.wrcc.osmre.gov/initiatives.shtm>

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

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

August 17, 2022

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 II Bond Release; J19 and N11 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 II bond release on portions of the J19 and N11 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase II 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 II 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 N11 bond amount of \$4,272,941 at this time by gaining regulatory approval for release of lands described in the application from Phase II bond liability. The total area sought for release includes 1,262 acres of disturbed land. Approval of Phase II will allow for Phase III bond release to proceed on this area 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 II release areas which includes backfilling and grading, drainage control, mitigation of unsuitable material, and topsoil replacement was completed between 1999 and 2019. Revegetation activities were initiated in 1999 and were conducted in accordance with the Surface Mining Control and Reclamation Act (SMCRA) and the requirements of the OSMRE Permit AZ-0001F PAP. Reclamation activities are documented in annual reports submitted previously to OSMRE.

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Mr. Stewart Boyd
August 17, 2022
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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

August 17, 2022

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

**RE: Notice of Application for Phase II Bond Release; J19 and N11 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 II bond release on portions of the J19 and N11 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase II 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 II 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 N11 bond amount of \$4,272,941 at this time by gaining regulatory approval for release of lands described in the application from Phase II bond liability. The total area sought for release includes 1,262 acres of disturbed land. Approval of Phase II will allow for Phase III bond release to proceed on this area 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 II release areas which includes backfilling and grading, drainage control, mitigation of unsuitable material, and topsoil replacement was completed between 1999 and 2019. Revegetation activities were initiated in 1999 and were conducted in accordance with the Surface Mining Control and Reclamation Act (SMCRA) and the requirements of the OSMRE Permit AZ-0001F PAP. Reclamation activities are documented in annual reports submitted previously to OSMRE.

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Window Rock Boulevard
Window Rock, AZ 86515

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Mr. Thomas Bradley
August 17, 2022
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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

August 17, 2022

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

**RE: Notice of Application for Phase II Bond Release; J19 and N11 Coal Resource Areas;
Kayenta Mine**

Dear Ms. Benally:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase II bond release on portions of the J19 and N11 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase II 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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Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



Peabody Western Coal Company

August 17, 2022

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 II Bond Release; J19 and N11 Coal Resource Areas;
Kayenta Mine**

Dear Mr. Honie Jr:

Peabody Western Coal Company (PWCC) has filed an application with the Office of Surface Mining Reclamation and Enforcement (OSMRE) for Phase II bond release on portions of the J19 and N11 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase II 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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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

August 17, 2022

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

**RE: Notice of Application for Phase II Bond Release; J19 and N11 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 II bond release on portions of the J19 and N11 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase II 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 II 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 N11 bond amount of \$4,272,941 at this time by gaining regulatory approval for release of lands described in the application from Phase II bond liability. The total area sought for release includes 1,262 acres of disturbed land. Approval of Phase II will allow for Phase III bond release to proceed on this area 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 II release areas which includes backfilling and grading, drainage control, mitigation of unsuitable material, and topsoil replacement was completed between 1999 and 2019. Revegetation activities were initiated in 1999 and were conducted in accordance with the Surface Mining Control and Reclamation Act (SMCRA) and the requirements of the OSMRE Permit AZ-0001F PAP. Reclamation activities are documented in annual reports submitted previously to OSMRE.

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

The 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. Stanley Clitso
August 17, 2022
Page 2 of 2

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

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

Peabody Western Coal Company
Kayenta Mine
Mesa Central Warehouse Office Complex
8 miles from Hwy 160 and Route 41 Junction
Kayenta, Arizona 86033

OSM Website
<https://www.wrcc.osmre.gov/initiatives.shtm>

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 Denver 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

August 17, 2022

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

**RE: Notice of Application for Phase II Bond Release; J19 and N11 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 II bond release on portions of the J19 and N11 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase II 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 II 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 N11 bond amount of \$4,272,941 at this time by gaining regulatory approval for release of lands described in the application from Phase II bond liability. The total area sought for release includes 1,262 acres of disturbed land. Approval of Phase II will allow for Phase III bond release to proceed on this area 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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Pinon, AZ 86510

Ms. Rowena Cheromiah
August 17, 2022
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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

August 17, 2022

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 II Bond Release; J19 and N11 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 II bond release on portions of the J19 and N11 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase II 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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Pinon, AZ 86510

Mr. Walter W. Haase
August 17, 2022
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Ms. Amy Rysrer
Western Region Office
Office of Surface Mining Reclamation & Enforcement
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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

August 17, 2022

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

**RE: Notice of Application for Phase II Bond Release; J19 and N11 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 II bond release on portions of the J19 and N11 Coal Resource Areas. The release areas are in the southeastern portion of the PWCC lease area. PWCC is seeking release from Phase II 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. Roland Smallcanyon
August 17, 2022
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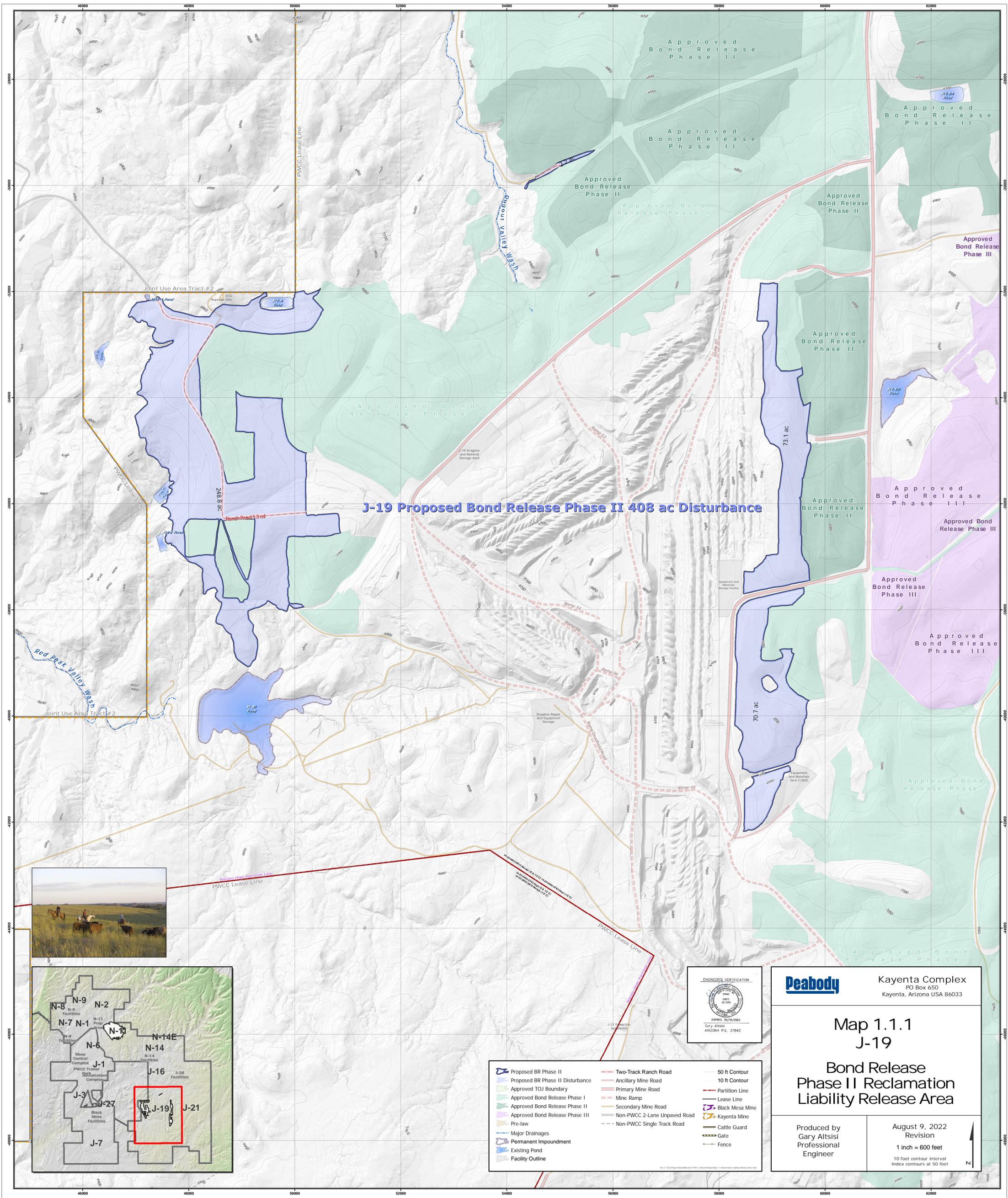
Ms. Amy Ryser
Western Region Office
Office of Surface Mining Reclamation & Enforcement
P. O. Box 25065
One Federal Center, Building 41
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WR Permitting Information Line, 1-866-847-7362

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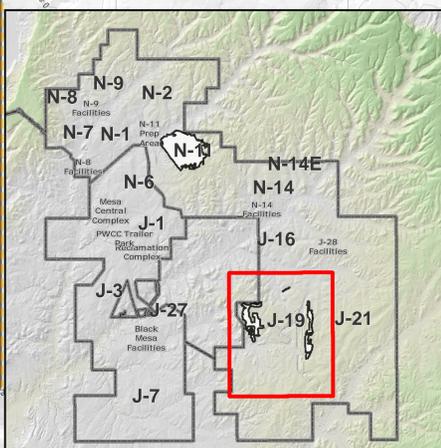
Respectfully,

Marie Shepherd
Senior Manager Environmental
Kayenta Mine

C: Amy Ryser (OSMRE-WRO)



J-19 Proposed Bond Release Phase II 408 ac Disturbance



Peabody Kayenta Complex
 PO Box 650
 Kayenta, Arizona USA 86033

**Map 1.1.1
 J-19
 Bond Release
 Phase II Reclamation
 Liability Release Area**

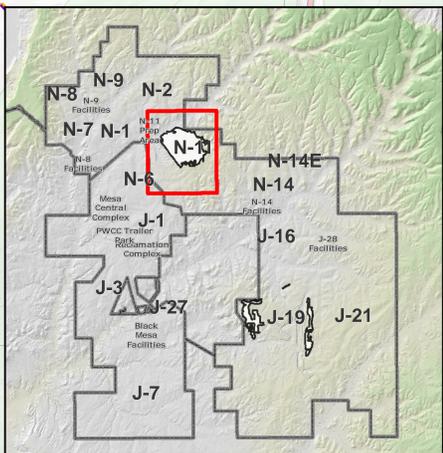
Produced by
 Gary Attsi
 Professional
 Engineer

August 9, 2022
 Revision

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

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

N-11 Proposed Bond Release Phase II 854 ac Disturbance



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



Peabody Kayenta Complex
PO Box 650
Kayenta, Arizona USA 86033

**Map 1.1.2
N-11
Bond Release
Phase II Reclamation
Liability Release Area**

Produced by
Gary Altisi
Professional
Engineer

August 8, 2022
Revision
1 inch = 400 feet
10 foot contour interval
Index contours at 50 feet