

Department of Natural Resources

1313 Sherman Street, Room 215 Denver, CO 80203

Kathleen G. Welt Mountain Coal Company, LLC 5174 Highway 133 Somerset, CO 81434

June 19, 2018

Re: West Elk Mine (Permit No. C-1980-007)
Permit Revision No. 15, (PR-15)
Initial Adequacy Review

Dear Ms. Welt,

The Colorado Division of Reclamation, Mining and Safety (Division) is in the process of reviewing materials submitted by Mountain Coal Company, LLC (MCC) in support of the PR-15 application. This letter is an initial adequacy review; additional adequacy issues may be identified during the continued review of documents already submitted and those submitted in response to this letter.

Rule 2.02 – General Requirements for Coal Exploration

1. Proposed revised page 2.02-1 provides a description of exploration activity completed to date.

Please update page 2.02-1 as further exploration is completed during the PR-15 review period.

Rule 2.03.4 – Identification of Interests

2. An initial check of the AVS database was made on receipt on the PR-15 application, with reference to the Officers and Directors information in Exhibit 1 of the currently approved PAP, revealing no issues.

Please verify that the information in Exhibit 1 is up to date.

Rule 2.03.10 – Identification of Other Licenses and Permits

 A revised copy of Table 1 – Permits and Licenses for West Elk Mine has been submitted with the PR-15 application packet, with the only apparent change from the version of Table 1 in the currently approved PAP being the dates of issuance and renewal of the USFS road use permit.

Please ensure that the information in table 1 remains up to date during the PR-15 review period.



Rule 2.04.4 – Cultural and Historic Resource Information

4. Cultural and Historic Resource information for the permit area is given on pages 2.04-7 through -10 and in Exhibits 10 and 11 of the currently approved PAP.

Please update the text and Exhibits 10 and 11 with information pertaining to the permit area expansion proposed with PR-15.

Rule 2.04.11 – Fish and Wildlife Resources Information

5. Fish and wildlife resources information for the permit area is given on pages 2.04-162 through -180 and in Exhibits 34 through 38A of the currently approved PAP. Please review the text of pages 2.04-162 through -180 and associated exhibits, and update as necessary.

Rule 2.05.3 – Operation Plan

- 6. Rule 2.05.3(2)(b) requires a detailed narrative, cross section, map(s) and timetable(s) sufficient to describe the areal extent of the proposed underground workings. Please update Map 51 E-Seam Projected Operations. The map should present a coherent mine plan including identifiable panels, shaded to indicate the time at which they are projected to be mined. The feature "Area of Potential Longwall Panels Extensions Based on Future Additional Exploration" should be removed from the map. The features "Approximate Limit of the Maximum Predicted 19° E-Seam Angle of Draw", "Maximum Projected Areal Extent of Potentially Mineable E-Seam" and "Projected E-Seam Mining" should be updated.
- 7. On proposed page 2.05-4, in the fourth paragraph, the final sentence reads "The overall recovery of the mine layout has not been calculated, because it varies continuously with changes in mine plans."
 - Please replace the sentence on page 2.05-4 with a narrative estimate of the coal to be recovered, including all assumptions, using a range of values if necessary, based on the mine plan proposed with PR-15.
- 8. Table 28 Estimate of Recoverable Coal Reserves at the West Elk Mine, and Table 32 Projected Employment Needs at West Elk Mine for the Life of Mine provide important information about the mine plan.
 - Please review tables 28 and 32 in the light of responses to items (6) and (7) of this letter, and update as necessary.

Rule 2.10 – Maps and Plans

9. The majority of maps submitted with the PR-15 application are drawn at a scale of 1":2,000' (or 1:24,000) which is acceptable.

Rule 2.10.1(1) requires that maps of the disturbed area be drawn at a scale of 1:6,000 or larger. The map titled Proposed MVB's - PR-15 does not include a scale bar, and the title box indicates a scale of "NTS" (presumably this stands for "not to scale")

Please update the map titled Proposed MVB's – PR-15, showing the scale on the map.

Rule 3.02.2 - Determination of Bond Amount

10. The Reclamation Cost Estimate (RCE) is currently being recalculated under RN-07. It is anticipated that RN-07 will be approved during the course of the review of PR-15. A separate RCE will be calculated for disturbances associated with PR-15. It is anticipated that the PAP will be updated with RN-07 with tables detailing boreholes, pads and associated roads. These tables will be an important reference for tasks in the RCE, and should be updated with PR-15. Since the tables do not exist in the currently approved PAP, this adequacy item should be considered a placeholder for the time being.

No action is currently required.

The Division received a number of comments during the public comment period, which ended on June 1, 2018, all of which were passed on to MCC for informational purposes. The comments fall under several different categories, but are perhaps best grouped under the heading "Failure to mitigate the impacts of mining operations". The comments will be considered during the review process.

The proposed decision due date for PR-15 is August 3, 2018. Yours sincerely,

Leigh Simmons

Environmental Protection Specialist