

NEW ELK COAL COMPANY



October 9, 2020

Daniel J. Cunningham
Division of Reclamation, Mining and Safety
1313 Sherman St., Rm. 215
Denver, Colorado 80203

Re: New Elk Mine
Permit C-1981-012
TR-74 Adequacy Response

Dear Mr. Cunningham:

This letter is in response to the Second Adequacy Letter for TR-74 sent by the Division on May 18, 2020. For the adequacy items New Elk has the following responses:

1. *Section 2.05 page 18 states "Technical Revision 75 provides..." Please revise this paragraph with the correct revision number.*

Section 2.05 page 18 is attached and has been updated to state "Technical Revision 74".

2. *Section 2.02-2 state "Approximately 4,150 ft. of road will be necessary", however on several other pages throughout the application it is stated as being 10,200 ft. Please clarify how much new road is needed and ensure that it is the same throughout the application.*

Page 2.02-2 is attached and has been updated to state "Approximately 10,200 foot of road."

3. *The cultural and historic resource information contained in section 2.04.4 address the area affected by the mining operation or was planned to be affected in 1980, 1984 and 2011 and does not appear to evaluate the area proposed to be affected by TR74 for the drilling operation. Based on a cultural and historic resource survey, available information, including, but not limited to, data of State and local archaeological, historical, and cultural preservation agencies, please provide a description of the cultural and historical resources listed or eligible for listing on the*

National Register of Historic Places and significant known archaeological sites existing on the date of this revision application for all areas proposed to be affected in accordance with Rule 2.04.4. Enclosed is a comment letter from the State Historic Preservation Officer regarding the activates proposed by TR74.

Arcadis completed a Cultural Resource Study for NECC on August 19, 2020. The Study is attached and the report was submitted to the Office of Archaeology and Historic Preservation.

4. Revised page 2.05-19 indicates drainage for the light use roads for the drill sites on the Bosque del Oso Lease is an SAE explained in Exhibit 19-20. A revision to this exhibits was not submitted with TR74. The SEDCAD demonstration in this exhibit is based on several assumptions including that existing roads are part of the proposed drill pads which may not be applicable to the proposed drill sites. Please provide a demonstration that sediment ponds and other treatment facilities are not necessary for the drainage to meet the effluent limitations of Rule 4.05.2 and the applicable State and Federal effluent limitations for the surface disturbance associated with the drilling sites in accordance with Rule 4.05.2(3).

An updated page 2.05-19, an updated Map 25, and new Map 25a is attached. Each drill location will follow the assumptions explained in Exhibit 19-20. The maps show that the roads will be the newly constructed access roads. Also, Map 25 now shows a Hillside Configuration and Map 25a shows a Natural Flat Configuration. A new list of maps is also attached.

5. Map 25 shows the configuration of a typical drill pad, it assumes a portion of the drill pad will be constructed using an existing road. As TR74 proposes new drill sites with new light use roads to be constructed to access them, this typical design may no longer be applicable. Please provide a plan for the proposed drill pad(s) associated with TR74.

See answer for question 4.

6. Proposed Map 11 – Sheet 4 shows the profile view of various cross sections. Please specifically show the location of where these cross sections are taken from.

An updated Map 11 – Sheet 4 is attached.

7. Proposed revised page 2.05-68, states that the proposed exploration holes will be plugged and capped unless they will be deepened or used for geotechnical testing or downhole surveys, or will be converted to monitoring wells. Please clearly commit to plugging and sealing all exploration drill holes in accordance with Rule 4.07.3 when no longer used. Also clearly commit to revising the water monitoring plan if any of the

proposed drill holes will be converted to monitoring wells. Until such time, DRMS will required each of these drill holes to be plugged and sealed when no longer needed.

Page 2.05-68 is attached and has been updated committing to plugging and sealing the drill holes.

8. Attached to this adequacy review is the Division cost estimate. The Division estimated the total liability for the exploration to be \$42,842.00. Please let DRMS know if you concur with the estimate.

NECC agrees with the Division's Cost Estimate for TR-74.

Please call me if you have any questions or comments.
Sincerely,

A handwritten signature in cursive script that reads "Nicholas Mason".

Nicholas Mason
Engineering Technician

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