

United States Department of the Interior



OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
Interior Region 7
PO Box 25065
Denver, CO 80225-0065



December 8, 2020

CO-0106C

Mrs. Sarah Vance
Environmental Engineer
GCC Energy, LLC
11783 Highway 337 South
Tijeras, NM 87059

Re: Approval of Revision to the Permit Boundary and Low Cover Crossing Completion
OSMRE Project Tracking Code: UM.CO.0106.2946
King II Mine Federal Permit CO-0106C

Dear Mrs. Vance:

In correspondence dated September 25, 2019, GCC Energy, LLC (GCCE) submitted to the Office of Surface Mining Reclamation and Enforcement (OSMRE) a minor permit revision to the approved King II Mine Permit Application Package (PAP) for Federal Permit CO-0106C. GCCE's September 25, 2019 revision included a proposed new federal coal lease, COC-78825, that would contain approximately 2,462 acres located adjacent to and immediately northwest of the King II Mine and existing federal coal lease COC-62920. This revision also includes the design of a low cover crossing in East Alkali Gulch as well as updated estimated bond calculations.

OSMRE sent initial technical deficiencies on the revision application to GCCE in letter dated November 7, 2019. GCCE provided responses to deficiencies identified in letter dated January 28, 2020. After review, additional deficiencies required resolution, and GCCE was responsive to those items on April 28, 2020, May 11, 2020, November 16, 2020 and December 2, 2020.

As provided in the attached Findings and Technical Evaluation documents, OSMRE finds that the proposed permit revision application is technically adequate and complies with the requirements of the Surface Mining Control and Reclamation Act of 1977 and the implementing Federal regulations. In accordance with 30 CFR 750.12(c)(1)(ii) and 30 CFR 774.13(c), I **Approve** GCCE's Minor Permit Revision Application to revise the permit boundary and complete the low cover crossing for King II Mine Federal Permit CO-0106C. **GCCE must submit to OSMRE within 30 days, six (6) electronic copies and one (1) paper copy of the approved permit revision for the King II Mine that incorporates the permit boundary lease addition and low cover crossing. Upon receiving the**

approved permit revision from GCCE, OSMRE will distribute the electronic copies to the agencies cc'd below.

This approval is conditioned upon as follows:

1. GCCE must secure a surety bond in the amount of \$1,053,815 to include the existing liabilities as well as the cost for the reclamation of the low cover crossing.
2. The Mine Plan Decision Document must be approved by the Assistant Secretary for Land and Minerals (ASLM).

As set forth in the Indian Lands Program regulation at 30 CFR 750.12(c)(iii), the Permittee or a person with an interest which is or may be adversely affected, may appeal OSMRE's decision under the procedures of 30 CFR Part 775 and 43 CFR Part 4.

Should you have questions or need clarification regarding the contents of this letter or attachments, please contact me by e-mail at jspangler@osmre.gov.

Sincerely,

A handwritten signature in blue ink that reads "Jeremy Spangler". The signature is fluid and cursive, with the first name "Jeremy" and last name "Spangler" clearly distinguishable.

Jeremy Spangler, King II Mine Permit Coordinator
Indian Program Branch, Program Support Division
OSMRE-Interior Region 7

Enclosure: Technical Evaluations for revision to the permit boundary and low cover crossing

cc: GCC Energy, Tom Bird
Ute Mountain Ute Tribe, Gordon Hammond
Ute Mountain Ute BIA, Dean Fox
Ute Mountain Ute BIA, Stephanie Tsosie
OSMRE, Elizabeth Shaeffer
BLM Tres Rios Field Office, Connie Clementson
CO-DRMS, Janet Binns

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**Approval of an Application for Minor Permit Revision
Revision to the Permit Boundary and Low Cover Crossing
Federal Permit for Indian Lands CO-0106C
GCC Energy, LLC (GCCE)
King II Mine**

In a Permit Revision Application dated September 25, 2019, GCC Energy, LLC (GCCE) submitted to the Office of Surface Mining Reclamation and Enforcement (OSMRE) a permit revision application to modify the King II Mine Permit Application Package (PAP); Federal Permit for Indian Lands: CO-0106C.

Based on its review of the permit revision application, OSMRE has determined that:

1. Reclamation as required by the Surface Mining Control and Reclamation Act of 1977, as amended, (SMCRA) and the Indian Lands Program at 30 CFR Chapter VII, Subchapter E can be accomplished under the reclamation plan contained in the permit application, as revised.
2. The revision application is accurate and complete, and the applicant has complied with all requirements of SMCRA and the Indian Lands Program for the permit revision.
3. No other approval requirements at 30 CFR 750.12(c)(3)(ii)(C) and 773.15 are applicable to this permit revision application.
4. The King II Mine Cumulative Hydrologic Impact Assessment (CHIA) required under 30 CFR 780.21(g) does not need to be updated due to this proposed minor permit revision.
5. Environmental Impact Statement and Record of Decision under the National Environmental Policy Act.
 - a. The proposed permit revision would not result in any additional environmental impacts beyond those identified in the Bureau of Land Management and Office of Surface Mining Reclamation and Enforcement Environmental Assessments entitled, *Environmental Assessment, EA Number DOI-BLM-CO-S010-2011-0074-EA Federal Coal Lease (COC-62920) Modification and Federal Mine Permit (CO-0106A) Revision and Renewal*; and *Environmental Assessment, EA Number DOI-BLM-CO-S010-2019-0003-EA Dunn Ranch Area Lease-By-Application and Mine Plan Modification* for the King II Mine.
 - b. EA Numbers DOI-BLM-CO-S010-2011-0074-EA and DOI-BLM-CO-S010-2019-0003-EA adequately address the impacts of the mine operation.

- c. Because the approval of this permit revision application would not result in additional impacts, the approval would not cause OSMRE to modify its Record of Decision for the King II Mine Permit CO-106C.
- d. The approval of the permit revision would not significantly impact the quality of the human environment under section 102(2)(C) of the National Environmental Policy Act of 1969, 42 U.S.C. 4332(2)(C). Therefore, an Environmental Impact Statement (EIS) is not required.

On the basis of the above determinations, I, in accordance with 30 CFR 750.12(c)(1)(ii) and 774.13(c), **Approve** GCCE's minor permit revision application to modify information in the King II Mine PAP for Federal Indian Lands Permit CO-0106C, tracked as OSMRE Project UM.CO.0106.2946.



Jeremy Spangler
King II Mine Permit Coordinator
Program Support Division
OSMRE – Interior Region 7

December 8, 2020

Date