



COLORADO DIVISION OF MINERALS AND GEOLOGY

1313 Sherman Street, Room 215, Denver, Colorado 80203, (303) 866-3567

APPLICATION FORM FOR A REVISION TO A COAL MINING AND RECLAMATION PERMIT

This form must be completed and submitted with all requests for minor revisions, as defined in Rule 1.04(73), technical revisions, as defined in Rule 1.04(136), and permit revisions, as defined in Rule 1.04(90). All revisions are to address the requirements of Rule 2.08.4. Three (3) copies of the revision, including maps, must be submitted in order for it to be complete.

All revisions are to be formatted so they can be inserted into the permit to replace the revised sections, maps, tables and/or figures, with a revised table of contents, if necessary. The revision submittal date should be printed in the lower right corner of each revision page. A cover letter to the revision should explain the nature of the revision and reference the specific permit sections being revised.

For federal mines, a copy of the revision application must be submitted to all agencies on the federal mailing list (except OSM) at the same time the application is submitted to the Division, and proof of distribution must be submitted to the Division along with the application. Copies of revision pages modified during the review process must be distributed in the same manner, along with proof of distribution. Proof of distribution must be submitted prior to implementation of the revision.

Permit No.: C-1992-081

Date: September 21, 2020

Permittee: Hayden Gulch Terminal, LLC

Street: 29515 Routt County Road No. 27

City: Oak Creek

State: Colorado **Zip Code:** 80467

Brief Description of Revision: Change in Postmining Land Use (PR20-02)

Public Notice Attached: Yes ☒ No ☐ (Required for PRs and TRs)

Bond Increase: Yes ☐ No ☒ Federal ☐ Non-Federal ☒ Mine

Proposed Change in:

Permit Area

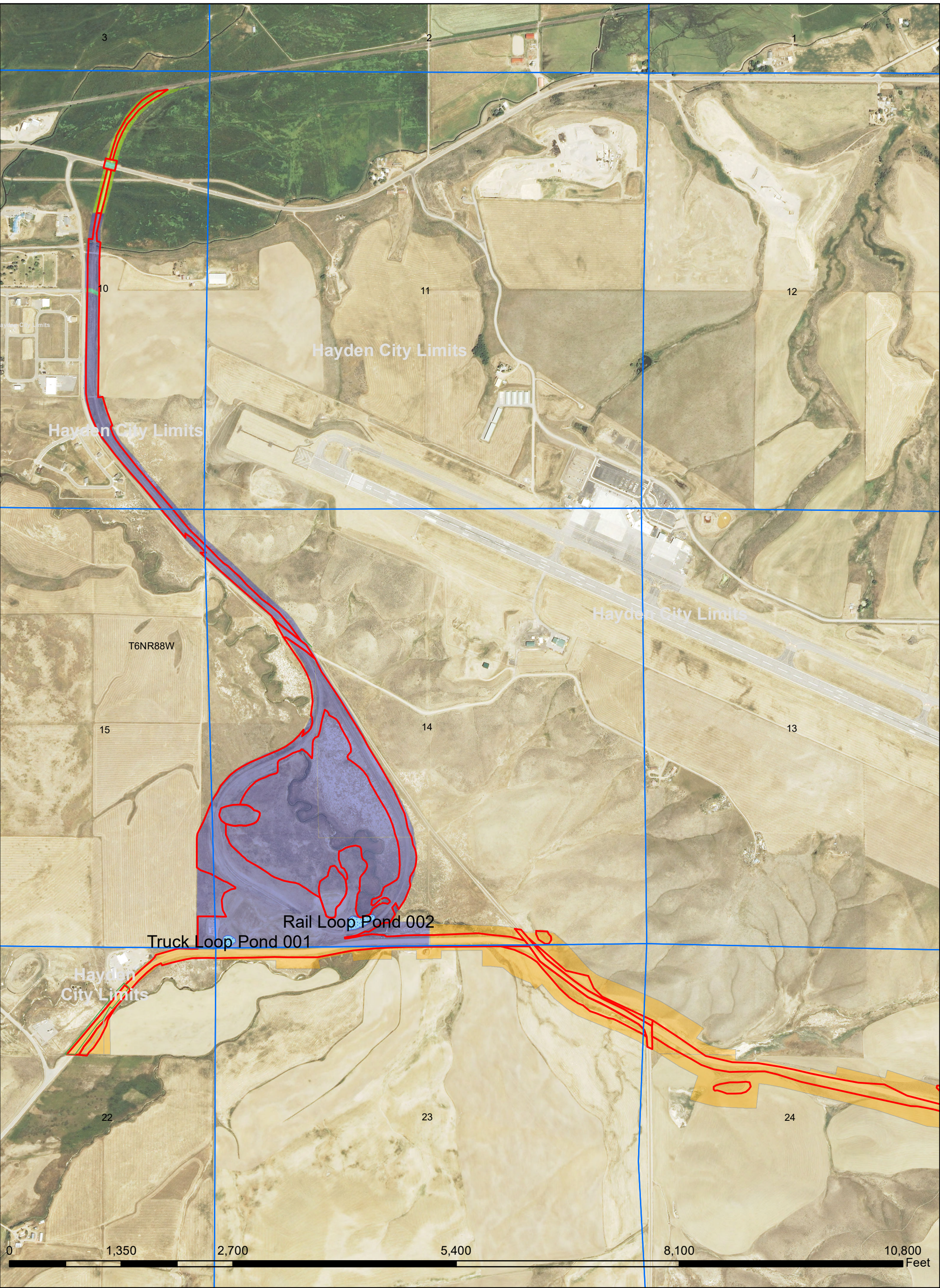
Disturbed 0.0 Acres
Permit 0.0 Acres
Affected 0.0 Acres

Surface Ownership

Private Land 0.0 Acres
Federal Land 0.0 Acres
State Land 0.0 Acres

Mineral Ownership

Private Land 0.0 Acres
Federal Land 0.0 Acres
State Land 0.0 Acres



Land Use	
<div></div>	Agricultural/Hayland 6.8 AC /2.3 AC DIST
<div></div>	Recreational, Rails to Trails 170.3AC/ 103.2 AC DIST
<div></div>	Haulroad (Future County Road) 214.1 AC/ 96.6 AC DIST
<div></div>	Road Crossings
<div></div>	Disturbance Boundary
<div></div>	HGL Permanent Ponds

Peabody

HAYDEN GULCH TERMINAL, LLC
29515 RCR #27
OAK CREEK, CO 80467

N

W

E

S

1:12,902

1 inch = 1,075 feet

EXHIBIT 20-1 POST-MINING LAND USE	
DESIGNED BY: MLK DRAWN BY: MLK APPROVED BY:	COUNTRY: USA STATE/PROVINCE: COLORADO GSC: 6N 88W
DATE: 2021-11-10 SCALE:	DRAWING/SHEET: 1 of 1 C.I.: 0'

Ad #: 0000625598-01

Customer: TWENTYMILE COAL, LLC,
Your account number is: 910010332

PROOF OF PUBLICATION
STEAMBOAT PILOT & TODAY
STATE OF COLORADO
COUNTY OF ROUTT

I, Meg Boyer, do solemnly swear that I am Associate General Manager of the STEAMBOAT PILOT & TODAY, that the same daily newspaper printed, in whole or in part and published in the County of Routt, State of Colorado, and has a general circulation therein; that said newspaper has been published continuously and uninterruptedly in said County of Routt for a period of more than fifty-two consecutive weeks next prior to the first publication of the annexed legal notice or advertisement; that said newspaper has been admitted to the United States mails as a periodical under the provisions of the Act of March 3, 1879, or any amendments thereof, and that said newspaper is a daily newspaper duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

That the annexed legal notice or advertisement was published in the regular and entire issue of every number of said daily newspaper for the period of 1 insertion; and that the first publication of said notice was in the issue of said newspaper dated 10/2/2020 and that the last publication of said notice was dated 10/2/2020 in the issue of said newspaper.

In witness whereof, I have here unto set my hand this day, 10/20/2020.

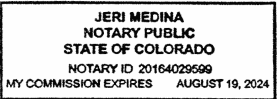


Meg Boyer, Associate General Manager

Subscribed and sworn to before me, a notary public in and for the County of Routt, State of Colorado this day 10/20/2020.



Jeri Medina, Notary Public
My Commission Expires: August 19, 2024



PUBLIC NOTICE

Hayden Gulch Terminal LLC, 701 Market Street, St. Louis, MO 63101, has filed with the Colorado Division of Reclamation, Mining and Safety, a Permit Revision (No. 2) to the Hayden Gulch Loadout, Permit C-92-081. The purpose of this revision is to update the post-mining land use to recreation for majority of the permitted area to accommodate to the initiated Rails to Trails recreation system managed by the Town of Hayden.

The Hayden Gulch Loadout is located approximately 1.5 miles south of the Town of Hayden, Colorado. The rail spur crosses US Highway 40 approximately 1,300 feet east of Hayden and County Road 37 approximately 1.5 miles southeast of Hayden. The USGS 7.5-minute quadrangle map Mount Harris, Colorado contains the permit area. A precise location of the boundaries is found in Tab 3 of the Permit Application Package.

The general legal description of the current Hayden Gulch Loadout Permit Area is described as:
T6N, R88W
Section 10 Portions of E½
Section 14 Portions of W½, SE¼, and SW¼
Section 15 Portions of E½E½
Section 22 Portions of NE¼
Section 23 Portions of N½ and N½N½NW¼
Section 24 Portions of NE¼, NW¼
T6N, R87W
Section 17 Portions of SW¼, SE¼, and NE¼
Section 18 Portions of SE¼
Section 19 Portions of N½
Total area within the updated permit area is approximately 390.0 acres.

Landowners of record are:
Hayden Gulch Terminal LLC
Hockett, Duane & Darrell
Public Service Company of Colorado
Routt County (RCR 37 and 51)
Sage Creek Holdings
State of Colorado (DOT & SLB)

A copy of the complete permit revision is available for public inspection at :

Foidel Creek Mine Office
29515 RCR 27
Oak Creek, CO 80467

Written comments or objections to the application must be submitted within 30 days after the last publication of this notice to the Colorado Division of Reclamation, Mining, and Safety at 1313 Sherman Street, Room 215, Denver, Colorado 80203-2273. A hearing to address protection of landowner and public interests may be requested by contacting the CDRMS in writing within 30 days after the last publication of this notice. If a hearing is requested, it would be held in the vicinity of the subject operations.

Published in the Steamboat Pilot & Today on October 2, 2020. 0000625598



Hayden Gulch Terminal, LLC

29515 Routt County Road 27
Oak Creek, CO 80467
970.879.3800

Ms. Tabettha Lynch
Colorado Division of Reclamation, Mining, and Safety
1313 Sherman Street, Room 215
Denver, Colorado 80203
(303) 866-3567 Ext. 8147

November 10, 2021

RE: Hayden Gulch Terminal, LLC - Hayden Gulch Loadout (C-1992-081), Permit Revision (PR20-02) for a Change in the Postmining Land Use, Adequacy #1

Dear Ms. Lynch:

HGL has reviewed the adequacy review for PR-2 and is providing the following responses:

1. Please address items of adequacy listed in the Divisions Mid-Term Review No. 6 dated 11/20/2020. Including addressing active Stipulation No. 9.
 - a. HGL has submitted PR-2 to change the postmining land use to recreation for areas of the rail loop and portions of the rail spur. An additional PR will be submitted for the Tie-Across haul road when Peabody is certain Routt County will be taking over the road as a county road.
2. Please update the PR-2 application form with the correct permit number.
 - a. Application form has been updated and attached with this submittal
3. Please further specify how HGL intends to release and reclaim the acres within the permit boundary. The Permit includes 391.20 acres, 202.1 of which are reported as disturbed. PR-2 proposes to change the post mining land use of 225 acres. SL-2, currently under review, proposes to release 170.3 acres. It is not clear to the Division the intent of HGL for all the acres within the permit.
 - 3.1 Please specify exactly which acres the post-mining land use is being proposed for, the number of those acres that are disturbed, and which of those acres are within the proposed SL-2 bond release area.
 - a. HGL is proposing the following acreage:
 - i. 170.3 acres to be released under SL-2 for recreation of which 103.2 acres are disturbed.
 - ii. 6.8 acres will remain as ag/ hayland along hwy 40 of which 2.3 acres area disturbed.
 - iii. 214.1 acres are associated with the TAHR that is planned to be turned over to Routt County as a County Road, of which 96.6 acres are disturbed.
 - 3.2 Please update Exhibit 20-1, the Post Mining Land Use Map to clearly show these acres, including labeling the number of acres in each category, including the permit boundary, and including all corner latitude and longitudes so that the Division can verify acres.
 - b. HGL has updated Exhibit 20-1, Post Mining Land Use Map and has attached it with this submittal.
 - 3.3 Please update the map key on Exhibit 20-1 to include all colors shown on the map.
 - a. HGL has updated Exhibit 20-1, Post Mining Land Use Map and has attached it with this submittal.

- 3.4 Please identify the ponds proposed to be left in place and the monitoring well on the post mining land use map Exhibit 20-1, if these are intended to become permanent features.
- b. The Truck Loop Pond and the Rail Loop pond will remain in place post mining. These ponds have been identified on Exhibit 20-1. Shallow Well HGDAL3 will be pulled and abandoned by HGL prior to turning the property over to the Town of Hayden.
4. Please provide the Division with a letter or other documentation that the proposed change in land use is acceptable to current county/local government zoning designations as required by Rule 4.16.3(1).
 - a. The Town of Hayden has provided a letter of intent to HGL regarding their intention with the land following the release of SL2. The letter is attached with this submittal.
 5. Per Rule 2.03.6, update the permit text to reflect whether HGL will continue to have some type of right of entry onto the disturbances that the Town of Hayden will take over until such time as DRMS grants a Final Decision on a future Phase I/II/III bond release application for those disturbances.
 - a. HGL will not be releasing the land to the Town of Hayden until the SL2 bond release has been finalized. Until SL2 is final the Town of Hayden will continue to lease the property for recreational uses and HGL will continue to have full access.
 - b. As a stipulation of the property transfer, HGL will request access to the Truck Loop Pond and the Rail Loop Pond for required CPDS sampling as required by the CDPHE discharge permit. Once SL2 is complete HGL will be pursuing termination of the HGL discharge permit.
 6. Please include a discussion why the rail ballast areas and any ponds currently approved to be reclaimed that will now be left in place will not be returned to approximate original contour (AOC) as required by Rule 4.14.1(2). This should also include a discussion per Rule 2.05.4(2)(d) as to whether any topsoil is presently stockpiled for eventual re-distribution under the currently-approved reclamation plan, and if so, what the plans will be for that stockpiled topsoil should the Division approve the change in the company's current reclamation plans so that that topsoil is no longer required to be re-distributed.
 - a. Text in Tab 17 and 18 has been updated to reflect the sections of the rail loop and the rail spur that will not be backfilled or graded due to the trail system intended by the Town of Hayden. Topsoil piles are well vegetated and will remain in place as there is no use for them. Once the areas are bond released the topsoil piles will be transferred to the land owners.
 - b. Updated page 4 in Tab 17 and Page 2 in Tab 18 are attached with this submittal.
 7. For the two ponds that are currently approved to be reclaimed that will now be left in place, if any runoff from loadout-related disturbances report to those ponds, the company will need to maintain right of entry to those ponds for maintenance until such time as the NPDES outfalls associated with those ponds are terminated or until the requirements of Rule 4.05.2(2) that allow for pond maintenance to be ceased have been met.
 - a. As a stipulation of the property transfer, HGL will request access to the Truck Loop Pond and the Rail Loop Pond for required CPDS sampling as required by the CDPHE discharge permit. Once SL2 is complete HGL will be pursuing termination of the HGL discharge permit.
 8. For the two ponds that are currently approved to be reclaimed that will now be left as permanent structures, the permit should be revised to comply with the requirements of Rules 3.03.1(3)(c), 4.05.9(13) and 4.05.17. If any of the ponds that will be left in place currently expose groundwater, typically a company would need a well permit or an augmentation plan to address any evaporative losses from the surfaces of those ponds; therefore, there should also be a discussion of whether HGL plans to transfer any water rights from the company to the Town so that the Town, once they take over those ponds, will be in compliance with State laws and rules pertaining to augmenting evaporative losses from the ponds' surfaces.
 - a. As a stipulation of the property transfer, HGL will request access to the Truck Loop Pond and the Rail Loop Pond for required CPDS sampling as required by the CDPHE discharge permit. Once SL2 is complete HGL will be pursuing termination of the HGL discharge permit.
 - b. Page 2 of Tab 16 has been updated to reflect the retention of the sediment ponds. The ponds do not expose groundwater and are designed for the control of surface runoff.

9. Please specify how the monitoring well(s) will be addressed with the proposed change in post mining land use and subsequent proposed bond release. This well will need to be reclaimed or appropriately permitted or transferred.
 - a. The monitoring well HGDAL3 will be removed and abandoned by HGL prior to transferring the property to the Town of Hayden.
10. Per Rule 2.05.6(3)(b)(iv), update the text to revise the company's surface water monitoring program if the sediment ponds being purchased by the Town of Hayden are (1) currently included in the company's water monitoring program and (2) will no longer be part of the DRMS water monitoring program.
 - a. HGL has updated page 13 of Tab 13 to reflect changes to the Hydrologic Monitoring Program. The changes reflect discontinuing monitoring of well HGDAL3 upon the approval of SL2. The Sediment ponds are not part of the DRMS monitoring but are monitored for the CDPHE discharge permit and will continue to be monitored until the CDPHE permit is terminated.
11. Please include discussion as to why the disturbed areas that HGL wants to convert to recreational use should be exempted from the 10-year reclamation liability period described at 3.02.3(2)(b). The Rules specifically allow for exemptions from the 10-year liability period for "Residential" and for "Industrial or Commercial" post-mining land uses, as well as for reclaimed ponds and ditches (Rule 3.03.1(5)), but not for "Recreation" post-mining land uses. To support a company position as to why the disturbances that will be purchased by the Town of Hayden should be exempt from the 10-year liability period, the company may want to propose that the Recreation post-mining land use will be deemed achieved when (as described in 3.02.3(2)(c)) the land use has "substantially commenced and is likely to be achieved", as is applied under Rule 3.02.3(2)(c) to "Residential" and "Industrial or Commercial" post-mining land uses.
 - a. HGL has updated page 3 of Tab 4 to reflect further discussion of the release of liability and the transfer to the Town of Hayden for to enhance the recreational opportunities within the community. The Town of Hayden has already commenced using the land for recreational purposes and intends to further develop the area once in full control of the property.
12. Per Rule 3.02.2, update the permit to reflect the amount of reclamation liability reduction that the company believes will occur as a result of the Division's approval of the Permit Revision application.
 - a. This division has indicated the bond has been updated under the most recent Mid-Term review.
13. Please provide the Division with a proof of publication.
 - a. Proof of publication is attached with this submittal.
14. Please update any ownership and controls information that may occur during the review process of this permit revision.
 - a. No ownership or control changes have occurred during the review of this revision.

Please review all attachments. If you have any questions or have further items that need attention please feel free to reach out to me.

Sincerely,

Miranda Kawcak

Miranda Kawcak

Commercial/industrial uses include the Yampa Valley Airport, the Hayden Generating Station, and five active or inactive surface coal mining activities (Figure 1). Scattered oil, gas, and methane drilling activities were prevalent in the mid-1980's.

Table 4-1 presents typical productivity figures and livestock stocking numbers for the various agricultural land uses in Routt County. The dominant land use in the county is livestock grazing on approximately 450,000 acres of rangeland. Per acre stocking rates can not be given due to insufficient production data on the numerous and highly variable vegetation types and individual operator objectives.

Another regional land use category is fish and wildlife habitat which incorporates land uses given over wholly or partially to the production, protection, or management of fish and wildlife species. While there are no specific intensively managed uses of this type present, the area is part of the Colorado Division of Wildlife's Big Game Management Unit No. 13. Most wildlife related use occurs simultaneously with the other land uses in the area.

Land Use Within and Adjacent to the Permit Area

Historic land use in and adjacent to the loadout facility was agriculture, rangeland, industrial and wildlife habitat. Cropping and livestock grazing have been the most intensive uses. The primary land use within the proposed permit area following construction of the loadout and rail loop in 1979 has been industrial. In January of 2020, the Town of Hayden entered a lease with Hayden Gulch Terminal, LLC and Sage Creek Land & Reserve, LLC for 170.3 acres of the permitted area for recreational use of which 103.2 acres are permitted disturbed acres. Under the current lease the Town of Hayden has substantially commenced the recreation status of the land. The area is currently available for both summer and winter recreation activities such as running, walking, snow shoeing and cross-country skiing. The Town of Hayden has also integrated this recreational area into its planning and budgeting processes to accommodate current recreational activities while planning for further development of the area as the town expands. The Permittee, in collaboration with the Town of Hayden, has expended resources in the development of the recreational space, including construction of a parking area to the north of the terminal, removal of all rails and ballast, surface grading and fence repair.

PR-02 was submitted to change the land use of the select areas to recreation. By changing the land use to recreation HGL will be transferring the property to Town of Hayden for recreational purposes following the approval of SL2. The Rail bed and surrounding disturbances will be integrated in to the Town's trail system and Nature area and will no longer require reclamation and therefore it will be exempt from the 10-year liability period. The Town of Hayden has provided a letter of intent for the recreational uses intended for the property once they have full control. HGL will be donating the property to the Town of Hayden for the community to enjoy and enhance the recreational opportunities.

REVISED MONITORING PROGRAM (2016 TR-11)

The current (2005-2016) monitoring program consists of spring and fall full-suite water quality sampling of upstream and downstream surface and ground water sites. In addition, National Pollutant Discharge Elimination System (NPDES) monitoring occurs at two outfalls. The tipple area was fully reclaimed in 2011. The office area was fully reclaimed in 2013. Vegetation is coming back very well. Only the rail track remains.

Since the tipple and office areas are fully reclaimed, the surface and ground water quality parameter lists were revised in TR11 submitted in 2016. Surface water monitoring at sites HGSD1 and HGSD3 in the spring and fall will be retained. Ground water monitoring at wells HGDAL3 and HGDAL4 will be reduced from semiannual to annual (spring), which is consistent with the monitoring programs for the adjacent Peabody Energy closed mines, Seneca II-W and Yoast. NPDES monitoring will be continued per the NPDES permit.

Data from the upstream (HGSD1) and downstream (HGSD3) surface water sites for the last five years (2011 to 2015) were compared to the receiving stream standards for lower Dry Creek (Yampa Segment 13h, Regulation No. 33, June 2014). Parameters that exceeded the standards were total recoverable (TR) iron, nitrites, and dissolved selenium. Those parameters will be analyzed as part of the new surface water parameter list, Table 13-3. In addition, to be consistent with Colorado Department of Reclamation, Mining, and Safety (CDRMS) requirements and surface water parameter lists from adjacent mining areas, the following parameters will also be monitored: flow, temperature, conductivity, pH, manganese, total dissolved solids (TDS) and total suspended solids (TSS).

Data from upgradient (HGDAL4) and downgradient (HGDAL3) wells for the last five years (2011 to 2015) were compared to Colorado Department of Public Health and Safety (CDPHE) ground water agricultural use standards (CDPHE, Reg. 41, 2008). Parameters that exceeded the standards were boron and manganese. According to the CDPHE, the 750 ug/l boron standard is set for sensitive crops, and that the limit otherwise is 5000 ug/l. None of these sensitive plant species are grown commercially in this area. The highest boron value from a HGT well was 920 mg/l, therefore, boron monitoring will be discontinued. Manganese monitoring will be retained. To be consistent with CDRMS requirements and ground water parameter lists from adjacent mining areas, the following parameters will also be monitored: depth to water, temperature, conductivity, pH, iron and total dissolved solids (TDS). All parameters will be analyzed as part of the new ground water parameter list, Table 13-4.

2021 PR-2

With the approval of PR-2 the land use for majority of the Rail loop and Rail Spur will be changed to recreation. Following SL2, releasing the recreation area, groundwater well HGDAL3 will no longer be required to be monitored. HGDAL3 will be removed and abandoned prior to the transfer of the property to the Town of Hayden.

of operations, this water right will be conveyed to HGTI's parent company as augmentation water for other operations. At the time HGTI determines the well is no longer needed to support future operations, the well will be abandoned in accordance with CDWR regulations. These abandonment practices will prevent acid or toxic drainage from entering the shallow groundwater, minimize disturbances to the prevailing hydrologic balance, and ensure public health and safety.

Surface Water. Details regarding the Truck Loop Pond and Rail Loop Pond (sedimentation Ponds 1 and 2) are presented in Tab 12, Facilities. Both ponds are designed to prevent additional contribution of suspended sediment to streamflow outside the HGT Loadout facility permit area, and pond designs incorporate sufficient detention times to ensure that all applicable effluent standards will be met. All terms and agreements specified in the facility's CDPS Permit (No. COG-850008) will be adhered to during the life of the facility. HGTI plans to retain the two ponds as permanent features postmining as part of the Rail to Trails attractions and area recreation.

A surface water control plan has been developed for the Loadout facility, and is presented as Exhibit 12-2, Surface Water Control Plan Map. Surface water control structures built at the loadout (ditches, culverts, etc.) have been designed to minimize erosion and to prevent additional contributions of suspended sediment to runoff outside of the permit boundary.

All structures associated with the surface water control plan will be removed and reclaimed after operations at the loadout are terminated. Topsoil handling procedures (Tab 19) and revegetation methods (Tab 20) that will be used to reclaim the loadout have been developed to prevent erosion and minimize the additional contribution of sediment to runoff. Following procedures outlined in both Tabs will ensure that no acid or toxic materials will be replaced in the rooting zone, and that surface runoff from the reclaimed loadout landscape will not come into contact with materials that would contribute to elevated levels of acid or toxic constituents in the runoff. Plans presented in both Tabs include the reestablishment of topsoil piles, temporary seeding of topsoil piles, disking, mulching, and prompt reseeding of the reclaimed facility landscape. Postmining topographies are planned to approximate the original premining contours (see Tab 18, Backfilling and Grading). Replaced topsoil material

The Tie-Across Haul Road (TAHR) was originally included in permit C-1982-057 (Seneca II-W Mine). The acreage (96.6 acres) is separated from the backfill and grading schedule and the reclamation schedule because of the current uncertain fate of the road, due in part to the potential future mining in western Routt County that could require the use of this road; in addition, Routt County has expressed interest in retaining the road as a future county road. The road is currently approved to remain in place until year 2030.

Rails to Trails

In 2020, the HGTI under the operation of Peabody, entered into an agreement with the Town of Hayden to convert the Rail Spur south of Highway 40 and the Rail Loop into a recreation area for the Town of Hayden. In doing so the sections of rail spur and rail loop will not be backfilled or graded. The Town of Hayden will maintain the railbed areas as recreation areas intended for hiking, biking, cross country skiing, etc.

Any topsoil piles associated with the reclamation of the rail spur and rail loop areas of the recreation area will be left in place as permanent features. The topsoil piles are stable and well vegetated.

The rail loop pond and the truck loop pond will stay as permanent features within the recreation area of the Town of Hayden. The ponds draw wildlife to the area which adds to the value of the recreational trail system.

Cessation of Operations

In the event a cessation of operations is to occur for a period of 30 days or more, or as soon as it is known that a temporary cessation will extend beyond 30 days, the CDRMS will be notified. Within 90 days after notification, a notice of intention to cease temporarily or abandon operations will be submitted to the CDRMS defining the information required in Rules 4.30.1 and 4.30.2 as applicable.

As noted above, coal fines and coal/dirt mixtures generated during the railcar unloading/truck haulage operation described by TR-06 will be used to backfill the cut area immediately adjacent to the facilities area. Broken concrete will also be used as backfill material. These waste materials will be placed in the bottom of the cut area and covered with a minimum of four (4) feet of suitable backfill material to prevent contamination to groundwater regime and minimize any adverse off-site impacts.

HGTI will receive coal from the Twentymile Coal Company (Twentymile) for truck haulage to the off-site customer. Results from column leach test conducted by Twentymile indicate that the coal is not an acid forming material. There are no acid or toxic forming materials in the permit area.

Rail to Trails

In 2020, HGTI, under the operation of Peabody, entered into an agreement with the Town of Hayden to convert the Rail Spur South of Highway 40 and the Rail Loop to a recreation area. In doing so HGTI will not be reclaiming these areas and no backfilling or grading will be done. HGTI installed a parking lot across from the Hayden Safety Center for recreationalist looking to enjoy the trail system. All topsoil piles will be left in place as well as the two permitted ponds. HGTI has changed the land use of this area to recreation and intends to release this area from the bond. Once the area is release form the bond HGTI plans to donate the land to the Town of Hayden for the use of recreation.



May 18, 2021

To Whom it May Concern

Subj: Hayden Gulch Rail Spur Tracks to Trails recreational program

The Town Hayden Colorado ("Town") and various companies within Peabody Energy (Hayden Gulch Terminal, LLC, Twentymile Coal, LLC, Sage Creek Land and Reserve, LLC, Sage Creek Holdings, LLC, and Peabody Energy, LLC), referred to in this document as "HGT" have entered into a "term of years" lease on the Rail Loop, the purpose of this lease is to provide the Town with the ability to actively use the Rail Loop for recreational purposes while HGT completes the necessary work to effect free and clear transfer of ownership to the Town. As a component of HGT's current efforts to seek bond release and transfer of the property to the Town, HGT is requesting a change in postmining land use for the proposed acreage to Recreational land use. In accordance with Rule 4.16.3(1) of Colorado Division of Reclamation, Mining and Safety regulations,

"Alternative land uses may be approved by the Division after consultation with the landowner or the land-management agency having jurisdiction over the lands, if the following criteria are met: (1) The proposed postmining land use is compatible with adjacent land use and, where applicable, with existing local, State, or Federal land use policies and plans: any required approval, including any necessary zoning or other changes required for land by local, State or Federal land management agencies, shall be obtained and remain valid throughout the surface coal mining operations."

As a component of HGT's permit changes, bond relinquishment, and other regulatory changes necessary to transfer ownership of the Rail Loop to the Town for use as a recreational area within the Town's network of parks and trails. The proposed change in postmining land use is deemed acceptable by the Town of Hayden zoning designations and will align with the intent of the Town to further develop and utilize the recreational area as part of our overall recreational master plan.

The Town has made sizeable plans related to the Rail Loop as well, this includes placing a dedicated budget line for the Rail Loop maintenance, contracting with vendors to manage weeds, repair fences, etc. Additionally, the town has developmental long-term plans in which the rail loop functions as a "crown jewel" of our trails and park system. The Rail loop will not only provide recreational opportunities for the town in summer months, as a walking and running path, in winter months the town grooms the trail for cross country skiing, snow shoeing, etc. As the Town expands and grows it is foreseeable that the Rail Loop will grow and develop into other multi-faceted recreational opportunities.



We are very excited for this to happen and be the full owner of the trail and support HGT's permit change request.

Thank you,

A handwritten signature in blue ink, which appears to read 'Mathew Mendisco'.

Mathew Mendisco
Town Manager