



STATE OF
COLORADO

Ebert - DNR, Jared <jared.ebert@state.co.us>

New Elk Mine, C-1981-012, Proposed Surety Increase

1 message

Ebert - DNR, Jared <jared.ebert@state.co.us>

Tue, Aug 2, 2022 at 8:49 AM

To: Nick Mason <nmason@newelkcoal.com>

Cc: bstormes@newelkcoal.com, Jeffrey Thompson - DNR <jeffreyc.thompson@state.co.us>

Hello Nick,

Please see the attached notice of a proposed required surety increase. Feel free to contact me if you have any questions.

Jared

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Jared Ebert

Senior Environmental Protection Specialist

***I am working remotely, please feel free to call my cell at (720) 413-6466**



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

P 303.866.3567 ext. 8120 | F 303.832.8106 |

Physical: 1313 Sherman Street, Room 215, Denver, CO 80203

Mailing: DRMS Room 215, 1001 E 62nd Ave, Denver, CO 80216

jared.ebert@state.co.us | <https://drms.colorado.gov/>



SI4_NoticeofSuretyIncrease_C1981012_2Aug2022.pdf

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COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

August 2, 2022

Mr. Mark Gray
New Elk Coal Company, LLC.
12250 Highway 12
Weston, Co 81091

RE: New Elk Mine; C-1981-012; Proposed Bond Adjustment; Informal Conference Notice. (SI4)

Dear Mr. Gray,

The Colorado Division of Reclamation, Mining and Safety (DRMS or Division) is proposing a bond adjustment/surety increase for the New Elk Mine. During the midterm review (MT8) and the review of Permit Revision No. 5 (PR5), the Division and New Elk Coal Company, LLC (NECC) reviewed the reclamation liability at the site and an updated reclamation cost estimate was produced by the Division. The Division provided a copy of the reclamation cost estimate on November 2, 2021. NECC subsequently reviewed and accepted the Division's estimate in a letter dated May 5, 2022. However, DRMS issued a proposed decision to deny PR5, and therefore the required surety needs to be updated through the bond adjustment/surety increase process outlined in Rule 3.02.2(4).

The Division proposes to increase the required surety at the site to \$5,218,954.00. The current required surety set for the site is \$4,605,014.08. The net increase in required surety is \$613,939.92. The Division currently holds a surety in the amount of \$4,647,856.08. Therefore, NECC will be required to submit an additional \$571,097.92 in bond.

In accordance with Rule 3.02.2(4)(a), the Division is required to the notify the permittee of any proposed bond adjustment and provide the permittee with an opportunity for an informal conference on the adjustment. This letter serves as the required notification. If New Elk Coal Company, LLC. would like to participate in an informal conference the Division asks that a written request be submitted by August 16, 2022. If no request for an informal conference has been submitted by this date, the Division will assume that New Elk Coal Company, LLC. declines to participate in an informal conference and the Division will issues a proposed decision to adjust the bond amount accordingly.

If you have any questions feel free to contact me at Jared.Ebert@state.co.us or at (303) 866-3567, extension 8120.

Sincerely,

Jared Ebert
Senior Environmental Protection Specialist

EC: Nick Mason, NECC
Jeff Thompson, DRMS

