



United States Department of the Interior
BUREAU OF LAND MANAGEMENT



Colorado State Office
Denver Federal Center, Building 40
PO Box 151029
Lakewood, CO 80215
www.blm.gov/colorado

In Reply Refer To:

3486 (CO-921)
COC057198 (LMU)
COC066514, et al

CERTIFIED MAIL - Return Receipt Requested

NOTICE

ARC McClane Canyon, LLC
269 West Main Street, Suite 200
Lexington, KY 40507

Notice of Noncompliance

The Bureau of Land Management (BLM) is informing ARC McClane Canyon, LLC (ARC McClane) that they are not in compliance with Federal coal regulations and the terms and conditions of Federal coal leases COC066514, COC012551501, COC012551601, and COC012543901 within logical mining unit (LMU) COC057198. According to the Office of Natural Resources Revenue (ONRR), ARC McClane has failed to pay lease rental of \$27,972 that was due on December 28, 2024.

The BLM is issuing this Notice of Noncompliance (NON) to ARC McClane Canyon, LLC in accordance with 43 CFR 3486.3 for failure to comply with the following Federal coal lease terms and conditions, and Federal coal regulations:

- Lease Part II, Section 1 (a)-RENTAL RATE
“Lessee must pay lessor rental annually and in advance for each acre or fraction thereof during the continuance of the lease at the rate of \$3.00 per acre.”
- Regulation provisions 43 CFR 3473.1-2(a)(2), 43 CFR 3473.1-3, and 43 CFR 3473.3-1.

ARC McClane Canyon, LLC must take the actions outlined below to correct the noncompliance, within the provided timeframes.

Requirement to Correct Noncompliance

This NON provides the following procedures for ARC McClane to come into compliance with its lease terms and the BLM’s regulations:

ARC McClane Canyon, LLC owes \$27,972.00 in total rent to the Federal government for leases COC066514, COC012551501, COC012551601, and COC012543901 within LMU COC057198.

- a. Within **30 days** of receipt of this notice, ARC McClane must make payment of the delinquent rental in full to the Office of Natural Resources Revenue (ONRR) or provide the BLM with documentation of an approved installment agreement with ONRR.
- b. If an installment agreement with ONRR is reached, ARC McClane must make timely payments of all installments within the time allowed under the agreement.

Failure to Correct Noncompliance

Failure to comply with this notice in the required timeframe could result in further action by the BLM, including the full or partial forfeiture of ARC McClane's lease bond and/or the initiation of proceedings for lease cancellation. This may impact future mining operations and/or actions at the McClane Canyon Mine.

Appeal Rights

A final decision or order issued by the BLM for this noncompliance may be appealed to the Interior Board of Land Appeals (IBLA), Office of the Secretary, in accordance with the regulations contained in 43 C.F.R. Part 4, found in Appeal Form 1842-1 (enclosed).

If you have any questions regarding this notice, please contact Brad Stock, Mining Engineer, at (307) 261-7671 or via email at bstock@blm.gov.

ABDELGADIR ELMADANI

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ELMADANI
Date: 2025.03.21 08:30:35 -06'00'

Abdelgadir M. Elmadani
Deputy State Director
Division of Energy, Lands, and Minerals

Enclosure

1. Appeal Form 1842-1

cc: Grand Junction, Field Office Manager; via email - scolon@blm.gov
Tom Cummings, Geologist, Little Snake Field Office; via email- tcummings@blm.gov
CDRMS, Clayton Wein; via email - clayton.wein@state.co.us
Michael Marchetti, ONRR Enforcement and Litigation Support, Program Manager; via email - Michael.Marchetti@onrr.gov
Jim Meese, McClane Canyon; via email - jmeese@cheyres.com