



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

March 28, 2025

Art Etter
Bowie Resources, LLC
P.O. Box 1488
Paonia, CO 81428

Re: Bowie No. 2 Mine (Permit No. C-1996-083)
 Surety Increase No. 3 (SI-3)

Dear Mr. Etter:

This letter, in accordance with Rule 3.02.2(4)(a) of the Rules and Regulations of the Colorado Mined Land Reclamation Board for Coal Mining, is to inform you that the Division has issued a proposed decision to approve Surety Increase No. 3 (SI-3) for the Bowie No. 2 Mine. Enclosed is the Division's decision form. Notice of the proposed decision will be published in the *Delta County Independent*, as soon as possible. The first day following publication of the notice initiates a thirty-day public comment period. If there are no requests for an adjudicatory hearing within the thirty days, the decision will become final.

You have the opportunity for an informal conference and the right to an adjudicatory hearing as outlined under Rule 3.02.2(4). If you have questions or are in need of additional information, please contact me.

Sincerely,

Robert D. Zuber, P.E.
Environmental Protection Specialist
Rob.zuber@state.co.us

Enclosures: Decision form, Proposed Decision and Findings





COLORADO
Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215, Denver, CO 80203 P 303.866.3567 F 303.832.8106 <http://mining.state.co.us>

COAL MINING PERMIT - SURETY INCREASE DECISION

Bowie No. 2 Mine, Bowie Resources, LLC
Permit No. C-1996-083

The Division of Reclamation, Mining and Safety has issued the decision stated below. Provided there are no objections, the decision will become final upon the termination of the thirty (30) day public comment period, in accordance with the requirements of Rule 3.02.2(4).

Surety Increase No. 3

Decision: Approve

Submittal Date: March 27, 2025

Decision Date: March 28, 2025

Description of Increase: Bond Increase Resulting from MT-06 Review

DIVISION OF RECLAMATION, MINING AND PERMITTEE
SAFETY

Authorized Representative - Division

Authorized Representative - Permittee (if applicable)

Date: March 27, 2025

Date:

CHANGE IN ACREAGE	REVISED TOTAL ACREAGE	PERFORMANCE BOND
Disturbed: 0.00	Disturbed: 404.22	Prior Liability: \$11,448,977.00
Affected: 0.00	Affected: 7,051.01	Change in Liability: \$2,399,008.00
Permit: 0.00	Permit: 10,987.40	Revised Liability: \$13,847,985.00
State: 0.00	State: 0.00	Bond Held: \$11,448,977.58
Federal: 0.00	Federal: 5,262.90	
Private: 0.00	Private: 5,724.50	
County: 0.00	County: 0.00	

REVISED APPLICATION PAGES

NA

DELETED APPLICATION PAGES

NA

REVISED MAPS

NA

DELETED MAPS

NA

Surety Increase No. 3 (SI-03)

Proposed Decision and Findings

Bowie No. 2 Mine PERMIT NUMBER C-1996-083



Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203
303-866-3567
Michael A. Cunningham, Director

Prepared by
Robert Zuber, P.E.
Environmental Protection Specialist

March 28, 2025

INTRODUCTION

This document is the proposed decision of the Colorado Division of Reclamation, Mining and Safety (the Division) for Surety Increase No. 3 (SI-03) at the Bowie No. 2 Mine, Division Permit No. C-1996-083. The document contains three parts. These include: 1) procedures and summary of the bond increase process; 2) observations and findings of the Division regarding compliance with the performance bond requirements of the Colorado Surface Coal Mining and Reclamation Act (Act) and regulations promulgated thereunder; and 3) the Division's proposed decision on the surety increase.

Detailed information about the review process can be found in the Act and the Regulations of the Colorado Mined Land Reclamation Board for Coal Mining (Rules). All Rules referenced within this document are contained within the Regulations. Detailed information about the mining and reclamation operations can be found in the permit application on file at on the Division's website (<https://drms.colorado.gov/>).

The Bowie No. 2 Mine is an underground mine which is permitted and operated by Bowie Resources, LLC (BRL). The ownership of the land for which bond increase has been proposed is Federal and Private. The coal ownership is Federal and Private.

I. PROCEDURES AND SUMMARY OF THE INCREASE PROCESS

The Division has initiated this surety increase in order to ensure compliance with Rule 3.02.1, which requires a performance bond for all requirements of the Act, Rules, and the approved reclamation plan. Rule 3.02.1(3) requires the performance bond to cover land within the permit area upon which surface coal mining and reclamation operations are to be initiated and conducted. Rule 3.02.1(4) states that liability of the performance bond shall continue until the entire reclamation plan has been completed.

Rule 3.02.2(4) requires the Division to adjust the required performance bond as affected land acreages are increased or decreased or when the cost of future reclamation changes. Procedures for adjustment of the required performance bond include:

- (a) Notification of the permittee of any proposed bond adjustment, providing the permittee with an opportunity for an informal conference on the adjustment.

On October 4, 2024, the Division provided BRL notice of the proposed bond adjustment and provided an opportunity for BRL to request an informal conference. BRL requested an informal conference (letter dated October 28, 2024), which was held on November 20, 2024.

- (b) Issuance of a written proposed decision by the Division to adjust the bond amount, publication of notice of the proposed decision in a newspaper of general circulation in the locality of the mining operation once a week for two weeks following issuance of the decision, and notification of the permittee, the surety, and any person with a property interest in the collateral who has requested notification.

This document serves as the written proposed decision. A publication of the notice of the proposed decision will be initiated.

- (c) An opportunity for a formal hearing pursuant to Rule 2.07.4(3);

II. OBSERVATIONS AND FINDINGS

Prior to 2024, the last comprehensive reclamation cost estimate (RCE) that was developed by the Division for the Bowie No. 2 Mine was part of the Permit Renewal No. 5 (RN-05) process. RN-05 was issued on February 18, 2023, and the RCE for that permitting action was calculated to be \$11,448,977.00. There are currently several corporate sureties in place for the Bowie No. 2 Mine, for a total bond in the amount of \$11,448,977.58.

In conjunction with Midterm Review No. 6 (MT-06; review document sent to BRL on October 3, 2024) and in accordance with Rule 3.02.2(4), the Division has reviewed the adequacy of the reclamation bonding instruments and the adequacy of the RCE. Two important factors impacted the revision to the estimate:

- The Division's unit costs in our reclamation cost estimating software (CIRCES) were updated between the RN-05 and MT-06 reviews.
- The Division performed a detailed bond compliance assessment, including an inventory of facilities at the site, in 2024.

It should be noted that no revisions have been approved for the Bowie No. 2 Mine since the issuance of RN-05 that resulted in a change to reclamation liability.

As part of the MT-06 review process, the Division sent a revised RCE to BRL on October 3, 2024. As noted above, an informal conference was held at the Division's office in Denver on November 20, 2024, to discuss the RCE. BRL sent a letter to the Division on January 15, 2025 requesting revisions to the RCE. This letter provided an extensive discussion of alternative sources of unit costs as well as justification for the requested revisions to individual tasks. The Division sent a response letter to BRL on February 24, 2025. This letter included a discussion of adjustments that were made to the RCE and an explanation for the requested adjustments that were not made. The total reclamation liability was reduced from \$15,253,596.00 (the original value determined during the MT-06 review) to \$13,847,985.00.

Therefore, the current required surety set for the site is \$13,847,985.00. This is \$2,399,007.42 more than the currently held surety amount of \$11,448,977.58. Therefore, BRL will be required to submit an additional \$2,399,007.42 in bond.

III. PROPOSED DECISION

The Division proposes to approve SI-03 and increase the reclamation liability amount to \$13,847,985.00. Any person with a valid legal interest which might be adversely affected by this proposed decision may request a formal public hearing before the Mined Land Reclamation Board in accordance with Rule 3.03.2(4). Public notice of this proposed decision will be published twice in *The Delta County Independent* as soon as possible. Requests for public hearing must be submitted to the Division in writing within thirty days of the first publication in *The Delta County Independent*. The request must state with reasonable specificity the reasons for the request and the objections to the proposed decision. If no hearing is requested within that thirty days, the Division's decision will become final.