2026 Phase II Bond Release
“Thunderbird, Top of the World, and All”
La Plata Mine

August 2026

Prepared for:

New Mexico Mining and Minerals Division

Santa Fe, NM

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19.8.14.1412 A(2)(a):
The permittee's name, address, and the appropriate permit number.

Westmoreland San Juan Mining LLC, La Plata Mine has submitted an application for the Phase II bond release of 628.4 acres to the New Mexico Mining and Minerals Division (MMD) for a portion of the area currently under Permit #26-01, approved May 28, 2026 Application for bond release is submitted pursuant to 19.8.14 of New Mexico Administrative Code (NMAC).

Westmoreland San Juan Mining LLC
La Plata Mine
P.O. Box 260
Waterflow, New Mexico 87421

19.8.14.1412 A(2)(b):
An accurate legal description of the land sought for bond release (either metes and bounds or precise Section, Township and Range designations).

The La Plata Mine permit area is located approximately 17 miles north of Farmington, New Mexico. The areas requested for Phase II bond release are located within the following lands of San Juan County, New Mexico. Locations are also depicted in 2026 Phase II Bond Release Areas La Plata Mine USGS Quads (1 & 2) found in Appendix B Exhibits.

Township 32N Range 12W, Sections 07, 08, 17, 18

- Section 07 – 175.5 acres
- Section 08 – 36.8 acres
- Section 17 – 13.4 acres
- Section 18 – 226.2 acres

Township 32N Range 13W, Sections 13, 14, 23, 24

- Section 13 – 134.9 acres
- Section 14 – 34.9 acres
- Section 23 – 6.3 acres
- Section 24 – 0.4 acres

19.8.14.1412 A(2)(c):
The location of the area proposed for bond release shown on a USGS 7.5' map, which should also show the permit boundaries.

Areas requested for bond release for the La Plata Mine permit areas are shown on a USGS 7.5' base map at a scale of [1:4,800] (2026 Phase II Bond Release Areas La Plata Mine Aerial (1 & 2) See Appendix B Exhibits.

19.8.14.1412 A(2)(d):
A brief narrative summarizing the past history of the mine, the type, amount and date of the current bonding instrument, the number of acres included in the bond release application and the portion it represents of the total permit area, documentation of the type and dates of the reclamation performed with a summary of the results achieved as they relate to the approved reclamation plan, and any other pertinent information that the applicant or the Director may consider appropriate.

Coal mining at La Plata Mine began on January 13, 1986. Coal was transported from La Plata Mine to San Juan Generating Station from 1986 through 2002 utilizing the La Plata Mine Transportation Corridor. Reclamation of La Plata Mine occurred primarily from 2003-2008 which consisted of backfilling, regrading, and seeding. Reclamation activities were conducted according to approved processes and procedures under Subpart 906 Reclamation Plan of the La Plata Mine Permit #2026-01. Specifically, disturbed areas were regraded consistent with the approved Final Surface Configuration (FSC), capped with topsoil/topdressing material, and had drainage controls established.

The first Surface Mining Control and Reclamation Act permit (MMD Permit 24-9P) for La Plata Mine was issued on January 10, 1986. Permit 24-9P was changed to Permit #2016-01 and was approved July 19, 2016. Permit #21-01 was approved June 06, 2025. On May 28, 2026, the current permit #2026-01 was approved.

A performance bond, amended on April 29, 2026, for $13,862,152.90 is filed with MMD and the Office of Surface Mining Reclamation and Enforcement to satisfy the reclamation bond requirement. The applicant is seeking a determination that the work necessary for Phase II bond release has been successfully completed. WSJM will be seeking a bond reduction of $10,626.995.64.

A summary of Proposed Phase II release acreage and total permit acreage is provided in the table below. The proposed 2026 Phase II release all have post-mine land use designation of Wildlife Habitat use.

Portion of Permit Area Proposed for Phase II Release	Acres
2026 Proposed Phase II Bond Release Area	628.4ac.
Total Permit Area	2,896.6 ac.

19.8.14.1412 A(2)(e):
A table listing the current names, addresses and number of acres held by each of the surface and mineral owners of record in the area proposed for bond release.

A list of names and addresses of each surface and mineral owner of record in the area proposed for Phase II bond release is provided in Appendix C Notification Mailing List.

Surface Owner	Address	Area (ac.)
1. USA, Bureau of Land Management	P. O. Box 27115 Santa Fe, NM 87501	258.1
3. Westmoreland Sam Juan Mining LLC	P.O. Box 260 Waterflow, NM 87421	72.1
25. Thatcher, John H Jr. Trust ATN WML	14 Country Club Village Pueblo, CO 81008	298.2
	Total:	628.4

Mineral Owner	Address	Area (ac.)
1. USA, Bureau of Land Management	P. O. Box 27115 Santa Fe, NM 87501	258.1
3. Westmoreland Sam Juan Mining LLC	P.O. Box 260 Waterflow, NM 87421	72.1
25. Thatcher, John H Jr. Trust ATN WML	14 Country Club Village Pueblo, CO 81008	298.2
	Total:	628.4

Notes: Numbers preceding owner names refer to parcel numbers in Exhibits 701. E-1 & E-2 of the La Plata Mine Permit #26-01.

19.8.14.1412 A(2)(f): Copies of letters sent to adjoining landowners, local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the vicinity of the reclamation operation, notifying them of the permittee's intention to seek bond release.

Draft letters notifying landowners, local government bodies, and other planning agencies of La Plata Mine's request for bond release is in Appendix A Surface Ownership Notification Letter. Copies of letters will be submitted to MMD after draft letters have been reviewed and approved by MMD. The addresses are located in Appendix C Notification Mailing List.

19.8.14.1412 A(2)(g): Other maps or information required by the Director to locate or characterize the areas proposed for bond release, soils, revegetation, hydrological or other reclamation issues.

Maps of the proposed Phase II bond release areas are provided in Appendix B Exhibits. The exhibits include:

- 2026 LPM Phase II Bond Release Area Aerial (1 & 2): Shows proposed Phase II bond release area.

- 2026 LPM Phase II Bond Release Area USGS Quads (1 & 2): Shows the townships, ranges, and sections that the proposed Phase II bond release area is in.

19.8.14.1412 A(2)(h): The permittee shall include in the application for bond release a notarized statement which certifies that all applicable reclamation activities have been accomplished in accordance with the requirements of SMCRA, the act, the regulatory program, and the approved reclamation plan; a certification shall be submitted for each application or phase of bond release.

Statement of certification is provided in Appendix E Statement of Certification.

19.8.14.1412 A(3) A copy of the newspaper advertisement that will be used to provide public notification of the application for bond release.

Draft public notice for publication in The Tri-City Record once MMD has advised Westmoreland San Juan Mining LLC that the administratively complete is provided in Appendix D Draft Public Notice. A copy of the full Phase II application will be placed at the Farmington Public Library in Farmington, New Mexico prior to sending out the notification letters and publication of the advertisement.

Phase II Bond Release Requirements NMAC 19.8.14.1412 C(2):

1. **19.8.14.1412 C(2) At the completion of phase II, "Revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan"**

   Topsoil replacement and revegetation have been completed on the disturbed portions of the bond release area in accordance with the with the reclamation plan in Permit #26-01. Revegetation activities at La Plata Mine were conducted in accordance with Subpart 906.A Reclamation Plan: General Requirements of approved permit. This subpart provides a comprehensive plan to satisfy reclamation performance standards required by 19 NMAC 8.2. A vegetation survey was conducted to assess revegetation success at La Plata Mine. The survey and associated results are presented in Appendix F Vegetation Report.

2. **A demonstration is made that the lands to be released will not contribute suspended solids to stream flow or runoff outside the permit in excess of requirements of 69-25A-19B(10)NMSA 1978 and 19.8.20 NMAC**

   Surface Water

   In the situation where State water quality standards exist for a receiving stream, the operator needs to demonstrate that discharges meet those standards prior to removing sediment control structures. Where there are no numerical stream water quality standards for the receiving waters the operator needs to demonstrate that untreated drainage does not result in an increase in levels of suspended solids, net

acidity, total iron (at a minimum) above the ambient, pre-mining levels of the receiving stream.

Surface water sampling has been ongoing at La Plata Mine at several locations for the purpose of demonstrating that no significant impacts are occurring from reclaimed mine areas. The data reviewed for this comparison was collected at surface water sampling sites upstream and downstream of the permit area. The data below shows Iron, TSS, and pH values as water enters the mine site compared to values at a sampling location at the downstream edge of the permit boundary.

	SS-1* Downstream	SS-2* Upstream	SS-5* Upstream	SS-6* Downstream
Total Iron (mg/L)	5670	6500	357	615
	103	116	281	177
	219	338	271	308
	75.9	123	7030	2880
	214	195	71.5	124
	1620	2450	8.44	14.6
	1540	2410	34.3	30
	1860	5760	19.7	40.8
	65.6	168	23.5	26.9
	45.9	78.9	1470	1220
	71.1	88.9	102	113
	1300	3390		
	SS-1* Downstream	SS-2* Upstream	SS-5* Upstream	SS-6* Downstream
TSS (mg/L)	554000	625000	308000	102000
	127000	113000	4910	4840
	163000	180000	602000	161000
	440	18100		
	160000	160000		
	94500	87900		
	102000	116000		
	102000	252000		
	67000	189000		
	SS-1* Downstream	SS-2* Upstream	SS-5* Upstream	SS-6* Downstream
pH	7.73	7.85	7.09	7.26
	7.73	7.57	7.70	7.82
	7.69	7.48	7.63	8.28
	7.72	7.68	7.64	8.18
	7.55	7.59		8.10

	7.81	7.66		7.60
	7.65	7.51		
	7.26	7.36		
	7.70	7.25		
		7.75		

*Sample sites SS-1 and SS-2 are located on Cinder Arroyo and SS-5 and SS-6 are located on McDermott Arroyo.

A Two-Sample t-test was conducted on the results to determine whether or not there was a significant difference between water quality as water entered the mine and when it left the mine site. The outcome is as follows:

Cinder Arroyo Statistical Analysis of Upstream (SS2) and Downstream (SS1) Water Quality Comparison
La Plata Mine, San Juan Coal Company

	Mean		**Std. Dev.**		**P-Value***
	SS1 Downstream	SS2 Upstream	SS1 Downstream	SS2 Upstream	SS1 v. SS2
Iron	1,065	1,801	1,618	2,336	0.38
pH	7.593	7.589	0.218	0.138	0.96
TSS	152,216	193,444	158,475	175,122	0.61

* P-values of 0.05 or less indicate significance in the differences between water quality results

McDermott Arroyo Statistical Analysis of Upstream (SS5) and Downstream (SS6) Water Quality Comparison
La Plata Mine, San Juan Coal Company

	Mean		**Std. Dev.**		**P-Value***
	SS5 Upstream	SS6 Downstream	SS5 Upstream	SS6 Downstream	SS5 v. SS6
Iron	879	504	2,083	867	0.59
pH	7.730	8.000	0.656	0.361	0.58
TSS	304,970	89,280	198,557	78,853	0.35

* P-values of 0.05 or less indicate significance in the differences between water quality results

The null hypothesis is that the upstream water quality is equal to the downstream water quality. Since the p-value is greater than 0.05 in each analysis, we cannot reject the null hypothesis and therefore conclude that the two populations are not different.

This analysis shows that there is no statistical significance between the two population means (i.e. upstream = downstream) and demonstrates that the reclamation areas are not increasing the level of suspended solids in the receiving stream.

3. **A demonstration that crop yields from reclaimed mines lands are equivalent to those of the same soil type in the surrounding area under equivalent management practices as determined from the soil survey conducted pursuant to Section 69-25A-10(b)(6) NMSA1978 and 19.8.24 NMAC; and, if applicable,**

   There is no prime farmland in the proposed release area.

4. **The Director and the operator have made provisions with the post mine land owner for sound future maintenance of any silt dam that will be retained as a permanent impoundment pursuant to 19.8.20 NMAC.**

   No silt dams will be retained in the proposed bond release area.

For Measurement of Cover, Production and Diversity

A. **Identify revegetation success standards. A description of how these standards were selected or established and all references justifying these standards should be included in the final bond release submittal.**

   See Appendix F Vegetation Report.

B. **Describe how you will collect the data -, i.e., the measurement techniques for cover and production, and diversity (19.8.8.808 NMAC). Include literature citations and references for the measurement techniques (19.8.5.505.C (3) NMAC). Describe how you will test data for sample adequacy and assumptions of normal distribution (19.8.5.505.C (2) & (3) NMAC).**

   See Appendix F Vegetation Report.

C. **Address what you will do if the data are not normally distributed. If the data are not normally distributed - most sample adequacy equations are not appropriate for use (See: Coal Mine Reclamation Program Vegetation Standards for some ideas on alternative approaches to determine sample adequacy when data are not normally distributed). If sample adequacy equations produce unreasonably large sample sizes, alternative "distribution free" methods including jack knife or bootstrapping (See:**

Coal Mine Reclamation Program Vegetation Standards) may be used (19.8.20.2065.A NMAC).

See Appendix F Vegetation Report.

D. Describe the statistical analyses you will use to test the reverse null hypothesis (pp.17-19, Coal Mine Reclamation Program Vegetation Standards) stated below.

H0:μ trt < 0.90 μ con
Ha:μ trt > 0.90 μ con

where: μ trt is the mean of the treatment (reclaimed land), and μ con is the control standard or reference area mean (19.8.20. 2065.B(5) NMAC).

See Appendix F Vegetation Report.

E. Describe what alternative approaches you will take if the data are not normally distributed and use of the Student's t-test is inappropriate. Also note that some transformations (as listed on pp. C-8 and C-9 of the Coal Mine Reclamation Program Vegetation Standards) may be used to adjust data to a more normal distribution prior to statistical analysis. Use of other (nonparametric) techniques is also encouraged by MMD in these instances (pp. C-3 and C-6 of the Coal Mine Reclamation Program Vegetation Standards) (19.8.20.2065.A NMAC).

See Appendix F Vegetation Report.

F. Identify the level of confidence (i.e., 90% statistical confidence, or an alpha error rate of a = 0.10, 19.8.20.2065.B(5) NMAC) that you will use to analyze the data.

See Appendix F Vegetation Report.

G. Identify the statistical software packages you will use for conducting your statistical analyses (19.8.5.505.C(3) NMAC).

See Appendix F Vegetation Report.

Surface Water - In the situation where State water quality standards exist for a receiving stream, the operator needs to demonstrate that discharges meet those standards prior to removing sediment control structures. Where there are no numerical stream water quality standards for the receiving waters the operator needs to demonstrate that untreated drainage does not result in an increase in levels of suspended solids, net acidity, total iron (at a minimum) above the ambient, pre-mining levels of the receiving stream.

See paragraph 2 on page 5 above.

If permanent impoundments are planned for livestock watering, a demonstration is needed to verify that the water will be suitable on a permanent basis for its intended use.

No permanent impoundments are planned for livestock watering.

Prime Farmland
A minimum 3-year demonstration that yields from soils of reclaimed prime farmland are equivalent to yields of the same soil type in the surrounding area under the equivalent management practices (19.8.24.2404 NMAC).

There is no prime farmland in the proposed release area.

Silt Dams
A description of the future maintenance of any silt dam that will be retained as a permanent impoundment.

No silt dams will be retained.