

2026 Phase II Bond Release
“Tumbleweed, Pinon & Southern Juniper,
Northwest Cottonwood”
San Juan Mine



July 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, San Juan Mine has submitted an application for the Phase II bond release of 1168.0 acres to the New Mexico Mining and Minerals Division (MMD) for a portion of the area currently under Permit #24-01, approved September 15, 2025. Application for bond release is submitted pursuant to 19.8.14 of New Mexico Administrative Code (NMAC).

Westmoreland San Juan Mining LLC
San Juan 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 San Juan Mine permit area is located approximately 16 miles west 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 San Juan Mine USGS Quads found in Appendix B Exhibits.

Township 29N Range 15W, Sections 3, 4

- Section 3 – 28.0 acres
- Section 4 – 87.5 acres

Township 30N Range 15W, Sections 03, 04, 09, 10, 15, 16, 21, 27, 28, 33, 34

- Section 03 – 167.8 acres
- Section 04 – 42.4 acres
- Section 09 – 178.8 acres
- Section 10 – 166.6 acres
- Section 15 – 57.3 acres
- Section 16 – 296.8 acres
- Section 21 – 15.8 acres
- Section 27 – 15.5 acres
- Section 28 – 31.1 acres
- Section 33 – 59.0 acres
- Section 34 – 21.4 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 San Juan 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 San Juan 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.

The current mining area was originally permitted by Western Coal Company (WCC) under Permit to Mine #2 approved August 20, 1973, by the New Mexico Coal Surface Mining Commission (CSMC). In December 1980, Utah International acquired WCC leases and founded SJCC. The MMD approved Permit #2-5P for the San Juan Mine on September 26, 1984. Permit #2-5P was subsequently renewed on September 26, 1989.

Permit #2-5P was changed to Permit #94-01 and was approved on September 26, 1994. Permit #99-01 was renewed by MMD, which included the San Juan Underground Mine operations permit revision on October 22, 1999. On September 24, 2004, permit #04-01 was renewed by MMD. On September 25, 2009, permit #09-01 was renewed by MMD. Permit #14-01 renewal was on September 26, 2014.

A performance bond, amended on April 27, 2016, for \$102,004,000 was filed with New Mexico Mining and Minerals Division to satisfy the reclamation bond requirement. Permit #19-01 was approved by MMD on March 16, 2020. The renewal of permit #19-01 included a new performance bond of \$95,390,000 to assure completion of the reclamation plan pursuant to 19.8.14.1404(B) NMAC. Permit #19-01 was renewed to Permit #24-01 on September 15, 2025. The bond remains at \$95,390,000.00. Permit #24-01 was revised on June 11, 2026, to include a new performance bond of \$70,098,000.00. The bond was further reduced with the completion of a 2025 Phase I Bond Release, making the new performance bond at \$56,289,353.32.

The applicant is seeking determination that the work necessary for Phase II bond release has been successfully completed. WSJM will be seeking bond reduction of \$5,887,004.24.

All lands within the requested bond release area have been graded to the designed post-mining topography consistent with approved mine plans in San Juan Mine permit #24-01, Subpart 906 Reclamation Plan. Bulldozers and graders were used to grade the spoils after initial placement by the draglines and truck/loader fleet prior to underground mining. The

final grading of the spoil was completed between 2008 and 2021. Drainage control is established in accordance with 19.8.20 NMAC. Spoil material has been sampled and analyzed for suitability and mitigated with suitable material in cases that the soil is unsuitable for root zone material. The results are included in the annual reports submitted to MMD.

Portion of Permit Area Proposed for Phase II Release	Acres
2026 Proposed Phase II Bond Release Area	1168.0 ac.
Total Permit Area	17,726 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 I bond release is provided in Appendix C Notification Mailing List. The ownership acreage listed with an * is less than a tenth of an acreage.

Surface Owner	Address	Area (ac.)
1. USA, Bureau of Land Management	P. O. Box 27115 Santa Fe, NM 87501	495.0
2. State of New Mexico, NM State Land Office	P. O. Box 1148 Santa Fe, NM 87504	248.6
3. Public Service Company of New Mexico	414 Silver Ave, SW Mailstop 1245 Albuquerque, NM 87102	52.6
4. Tucson Electric Power Company	P. O. Box 711 Tucson, AZ 85702	255.8
7. Gross, Andrew C. & Jennifer A.	9 Road 6875 Waterflow, NM 87421	31.1
26. Collyer Cyril J. Et. Al.	P.O. Box 55 Waterflow, NM 87421	50.0
32. Palmer, Barton L. and Jeanne M.	P.O. Box 268 Kirtland, NM 87417	10.0
43. Garcia Martin R. Trust Et Ux.	9828 Chantilly Rd NW Albuquerque, NM 87114	24.9
46. Westmoreland Mining LLC	P.O. Box 260 Waterflow, NM 87421	0.0*
Total:		1168.0

Mineral Owner	Address	Area (ac.)
1. USA, Bureau of Land Management	P. O. Box 27115 Santa Fe, NM 87501	806.8
2. State of New Mexico, NM State Land Office	P. O. Box 1148 Santa Fe, NM 87504	296.8
3. Public Service Company of New Mexico	414 Silver Ave, SW Mailstop 1245 Albuquerque, NM 87102	54.4
7. Palmer, Barton L. Et Al	P.O. Box 268 Kirtland, NM 87417	10.0
15. Waldron, Dawn	Country Road 6310 #15A Kirtland, NM 87417	0.0*
Total:		1168.0

Notes:

Numbers preceding owner names refer to parcel numbers in Exhibits 701. E-1 & E-2 of the San Juan Mine Permit #24-01.

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.

A draft letter notifying landowners, local government bodies, and other planning agencies of Westmoreland LLC San Juan Mine's request for bond release is in Appendix A Surface Ownership Notification Letter. 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 SJM Phase II Bond Release Area Aerial (1 & 2): Shows proposed Phase II bond release area.
- 2026 SJM 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 #24-01. Revegetation activities at San Juan 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 San Juan 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 and, if applicable,**

All stormwater within the proposed bond release area flow into ponds constructed within the permit area. This is done to allow the vegetation to be reestablished to the point where suspended solids in stormwater flow from reclaimed land would be reduced to natural levels. San Juan Mine has stormwater stations set up in native arroyos upstream and downstream of the reclamation proposed for bond release. Stormwater stations are also set up in channels within the reclamation. The samples collected from the stations on reclamation are compared to stations in the native arroyo in the table below.

Parameter	SWM #3 (Westwater Upstream)	SWM #5 (Shumway Upstream)	SWM #6 (Downstream)	SWM 11 & 12 (Reclaim)
pH	7.86	7.74	8.07	7.39
TSS	27,120.32	173,160.97	12,184.03	3,545.22
Aluminum	283.55	602.72	132.00	92.45
Iron	302.16	581.92	130.27	106.55

The table indicates that water from the reclamation would not add significant amounts of suspended solids to the natural streamflow.

- 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.**

$H_0: \mu_{\text{trt}} < 0.90 \mu_{\text{con}}$

$H_a: \mu_{\text{trt}} > 0.90 \mu_{\text{con}}$

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 $\alpha = 0.10$, 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.