



El Segundo Mine
PO BOX 757
22 Miles N. on HWY 509
Grants, NM 87020
505-285-3000
505-285-3084

February 7, 2020

James Smith, Coal Program Manager
Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe NM 87505

Peabody Natural Resources Company, El Segundo Mine, Permit 2015-1 – Permit Renewal

Dear Mr. Smith:

The current 5-year term of the Peabody Natural Resources Company (PNRC) El Segundo Mine Permit 2015-1 has an expiration date of September 15, 2020. Enclosed please find the application for renewal of permit 2015-1. PNRC requests that the permit be renewed for a five-year term beginning September 15, 2020 and ending September 15, 2025. It is PNRC's understanding that the renewed permit will be designated Permit 2020-1.

The application package contains all information required by 19.8.13.1303 NMAC as listed in the enclosed Table of Contents. PNRC will provide additional information as requested by the New Mexico Energy, Minerals and Natural Resources Department Mining and Minerals Division (MMD) during their technical review. No new permit area is proposed beyond that which is currently approved. There are no proposed revisions to the approved mining and reclamation plan.

As required by 19.8.11.1100 NMAC, once MMD has completed their initial review and deemed the application to be administratively complete, PNRC will commence the public notice process and make a copy of the application available for public inspection.

If you have any questions concerning the enclosed material, you can contact me at (505) 285-3076.

Respectfully,

A handwritten signature in black ink that reads "Chad Gaines". The signature is written in a cursive, flowing style.

Chad Gaines
Environmental Specialist
Peabody Natural Resources Company

cc: Seth Puls, Engineering Manager, Peabody New Mexico Services
Jeff Olyphant, Manager Environmental, Peabody Energy Corporation

Permit Renewal Application

El Segundo Mine
Permit 2015-1

February 7, 2020

Peabody Natural Resources Company
Grants, New Mexico

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Introduction

Peabody Natural Resources Company hereby submits an application for renewal of Permit 2015-1 for El Segundo Mine. This package has been submitted at least 120 days prior to the permit expiration date of September 15, 2020. The following information is provided to support the application and make it administratively complete. The renewal does not propose any revisions to the approved permit boundary or the approved mining and reclamation plan. The renewal package consists of:

1. Name and address of the permittee, the term of renewal requested, and the permit number as required by 19.8.13.1303.A.(1) NMAC.
2. A newspaper notice and proof of publication as required by 19.8.13.1303.A.(2) NMAC.
3. Evidence of liability insurance policy as required by 19.8.13.1303.A.(3) NMAC.
4. Additional updated information as required by 19.8.13.1303.A.(1) NMAC.
5. Intent to provide evidence of performance bond in effect as required by 19.8.13.1305.A.(4) NMAC and 19.8.14.1400.A NMAC.

Name and Address of Permittee, Term of Renewal, and Permit Number,
19.8.13.1303.A.(1) NMAC

Name and address of permittee (this information is presented in Permit 2015-1 Subpart 701.B):

Peabody Natural Resources Company
P.O. Box 757
Grants, New Mexico 87020

Listed below is the current permit number, permit number for the requested renewal permit, and the term of the requested renewal:

Current Permit Number: 2015-1

Renewal Permit Number: 2020-1

Renewal Term: September 15, 2020- September 15, 2025

Newspaper Notice and Proof of Publication, 19.8.13.1303.A.(2) NMAC

Below is the proposed public notice of application for renewal of Permit 2015-01. According to 19.8.11.1100 NMAC, PNRC will commence the publication process once MMD has determined the application to be administratively complete and approved the proposed newspaper notice.

Public Notice

Peabody Natural Resources Company, PO Box 757, Grants, New Mexico 87020, gives notice that it has filed an application for renewal of the El Segundo Surface Coal Mine Permit 2015-1 with the Director of Mining and Minerals Division, New Mexico Energy and Minerals Department, pursuant to regulations at 19.8.13.1303 NMAC. El Segundo Mine is located in McKinley County on both sides of New Mexico State Highway 509 approximately 35 miles North of Grants, NM. Mining activities will be conducted within 100 feet of the right of way, of Highway 509. The permit area consists of approximately 16,559.02 acres in Sections 19, 20, 21, 22, 25, 26, 27, 28, 29, 30, 34, 35 and 36 of T17N,R10W in Orphan Annie Rock and Laguna Castillo USGS Quad maps; Sections 31, 32, 33, 34 and 35 of T17,R9W in Orphan Annie Rock USGS Quad maps; Sections 1, 2, 3, 11, 12, 14, 23, 25 and 26 of T16N,R10W in Orphan Annie Rock, Laguna Castillo, and Mesa de los Toros USGS Quad Maps; Sections 3, 4, 5, 6, 7, 8, 18, 19, 28, 29, 30, 33, 34, 35 and 36 of T16N,R9W in Piedra de la Aguila, Mesa de los Toros and Orphan Annie Rock USGS Quad Maps; Sections 6, 7, 17, 18, 20, 28 and 29 of T15N,R8W in Piedra de la Aguila, USGS Quad Map; and Section 31 of T16N, R8W in Piedra de la Aguila USGS Quad Maps.

A copy of the permit and renewal application are available for public inspection at the McKinley County Courthouse, County Clerk's Office, 207 W. Hill St., Gallup, New Mexico, Grants Public Library (by appointment only) 1101 1st Street, Grants, New Mexico, and the Mining and Minerals Division website: www.NMMines.com. Written comments, objections, or requests for informal conferences must be submitted to Director of Mining and Minerals Division at Gerard.schoeppner@state.nm.us or the Coal Mine Reclamation Program Manager of Mining and Minerals Division at Jamesr.smith@state.nm.us, within 30 days after the last publication of this notice.

A copy of the approved public notice and proof of publication will be filed with MMD and shall be made part of the renewal application within four weeks after the last date of publication. The public notice will be published in The Gallup Independent and The Cibola Beacon.

The advertisement and proof of publication shall be maintained in El Segundo Mine Permit 2015-1 as Exhibit 709-1 following approval of the renewal application.

Evidence of Liability Insurance Policy, 19.8.13.1303.A.(3) NMAC

Attached is a Certificate of Liability Insurance for El Segundo Mine. This fulfills the minimum requirements for liability insurance as required by 19.8.14.1414 NMAC. This policy will be maintained for the life of the permit and any future renewals, including the liability period needed to complete reclamation operations.

A copy of the effective Liability Insurance Certificate shall be maintained in El Segundo Mine Permit 2015-1 as Exhibit 701-9 following approval of the renewal application.

Additional Updated Information, 19.8.13.1303(A)(1)

Review of regulations 19.8.7.1 NMAC through 19.8.7.709 NMAC indicated that the following items should be updated with the most recent information:

1. Listing of violation notices during the 3-year period preceding the application date, 19.8.7.702.C NMAC.
2. Listing of all or other licenses and permits needed by the applicant, 19.8.7.707 NMAC.

PNRC will provide any additional information requested by MMD during the technical review.

1. Listing of violation notices during the 3-year period preceding the application date, 19.8.7.702.C NMAC. The following is a summary of violation notices for El Segundo Mine and Lee Ranch Mine covering the period from January 2017 to January 2020. This table is maintained in El Segundo Mine Permit 2015-1 Subpart 702.C.

NOV No.	Date Issued	Date Abated / Terminated	Description	Points / Fine	Issuing Agency	Company / Mine	Remedial Actions
716	12/04/2015	09/13/2016	Failure to complete accurate blast records, stemming value on the Dyno report was not calculating correctly	240 \$500	MMD	PNRC El Segundo	Software was corrected
GA191-19	May 27, 2015		Failure to Calibrate Monitoring Equipment	0	NMED	PNRC Lee Ranch	Lee Ranch Mine

The 3-year violation history for Peabody Energy Corporation is provided in Exhibit 702-1.

**Exhibit 702-1 Violations for Peabody
Applicant and Owners/Controllers of the Applicant Rev.1/09/2020**

Issuing Agency	State and Permit No. or MSHA Number	State Violation No. or MSHA Violation No.	Issue Date	Name of Company or Person to Whom Violation Issued	Description of the Violation	Date, Location and Type of Administrative or Judicial Proceeding	Violation Status	Abatement Actions
Indiana Department of Natural Resources	S-00335	N90625-S-335	6/25/19	Peabody Midwest Mining, LLC	Failure to submit as-built certifications for the designed impoundment SB072	none	Terminated 7/23/2019	Reconstruct pond so as to prevent short circuit and overtopping. Submit as-built

Issuing Agency	State and Permit No. or MSHA Number	State Violation No. or MSHA Violation No.	Issue Date	Name of Company or Person to Whom Violation Issued	Description of the Violation	Date, Location and Type of Administrative or Judicial Proceeding	Violation Status	Abatement Actions
Wyoming DEQ Land Quality Division	569-T8	5881-18	10/31/18	Peabody Powder River Mining LLC	On October 1, 2018 NARM initiated a cast blast that resulted in a citizen's complaint to the Administrator of the Wyoming DEQ LQD. The citizen's complaint stems from blasting emissions observed in the vicinity of the Town of Wright, WY. As a result of citizen complaints, the Wyoming DEQ LQD issued a violation.	none	Terminated 3/7/2019	1. Submit a plan that will be used in the future to prevent fugitive emissions(NOx) from blasts impacting workforce and the public both on and off permit by Nov 20, 2018. 2. Submit a permit revision that incorporates the operational controls used for preventing fugitive emissions (NOx fumes) from blasts impacting workforce and the public into the permit blasting plan by Dec 6, 2018. LQD will need to review and approve the operational control plans before they are submitted as a permit revision.

**Exhibit 702-1 Violations for Peabody
Applicant and Owners/Controllers of the Applicant Rev.1/09/2020**

Issuing Agency	State and Permit No. or MSHA Number	State Violation No. or MSHA Violation No.	Issue Date	Name of Company or Person to Whom Violation Issued	Description of the Violation	Date, Location and Type of Administrative or Judicial Proceeding	Violation Status	Abatement Actions
Wyoming DEQ Land Quality Division	240	5960-19	8/1/19	Peabody Caballo Mining LLC	On May 3, 2019, Rawhide Mine detonated a cast shot (Shot CT519). LQD received two vibration complaints after the shot. This cast was designed to have a maximum of 6,049 pounds of explosives firing in any 8ms delay period. Legally Rawhide Mine could have had 7,741 pounds firing in any 8 ms delay period. The LQD seismograph located adjacent to the complainant's homes had a peak particle velocity of 0.54 inches per second and was approximately 11,000 ft from the shot. Using the expected vibration equation and the scaled distance equation, the scaled distance factor calculated at 34.8 and a maximum pounds of explosives of 100,000 pounds per 8 ms delay. This is 12.9 times greater than the legally allowed maximum of explosives. The mine provided a video of the shot and LQD corroborated findings noted above. The video confirms the cast shot sympathetically detonated.	none	Terminated 12/10/2019	1) Provide LQD with a causation report for the sympathetic detonation. 2) Video all sensitized emulsion cast blasting operations. Videos shall be made available upon request. 3) Submit an operational control plan to LQD explaining how the mine will prevent incidents of sympathetic detonation in the future. Abatement actions completed on 7/24/19, 10/23/19 (verified), and 9/4/19 respectively.

Exhibit 701-10

Ownership and Control Information for Other Permitted U.S. Surface Coal Mining and Reclamation Operations Ver. 1/08/20

Owner/Entity from Table 1.4.1	Permittee/Company Name of Operation in U.S. Individual has been Associated with for the Previous 5 Years.	Position Title to Company	Company EIN	Federal or State Permit Number	State	Name of Regulatory Authority	MSHA Number with Date of Issuance
Peabody Energy Corp.	Peabody Southeast Mining LLC	Shoal Creek Mine	61-1901650	P-3666	Alabama	Alabama Surface Mine Commission	01-02901 3/25/91
Owner/Entity from Table 1.4.1	Permittee/Company Name of Operation in U.S. Individual has been Associated with for the Previous 5 Years.	Position Title to Company	Company EIN	Federal or State Permit Number	State	Name of Regulatory Authority	MSHA Number with Date of Issuance
Peabody Energy Corp.	Peabody Western Coal Co.	Black Mesa Mine	86-0766626	AZ-0001	Arizona	U.S. Office of Surface Mining	02-01195 3/27/73
		Kayenta Mine		AZ-0001E			
	Moffat County Mining LLC	Empire Mine		C-81-044	Colorado	Colorado Division of Reclamation, Mining, and Safety	05-01370 6/30/99
	Hayden Gulch Terminals LLC	Hayden Gulch Mine	86-0719481	C-80-003	""	""	05-03138 5/19/98
		Hayden Gulch Terminal/Loadout		C-92-081			
	Peabody Sage Creek Mining LLC	Sage Creek Mine	26-3730653	C-2009-087	""	""	05-04952
	Seneca Coal Company LLC	Seneca II Mine	84-1273892	C-80-005	""	""	05-00304 5/19/98
		Seneca II-W Mine		C-82-057	""	""	""
		Yeast Mine		C-94-082	""	""	""
		Twentymile Mine	26-3725223	C-82-056	""	""	05-03836 6/30/99

Exhibit 701-10

Ownership and Control Information for Other Permitted U.S. Surface Coal Mining and Reclamation Operations Ver. 1/08/20

Owner/Entity from Table 1.4.1	Permittee/Company Name of Operation in U.S. Individual has been Associated with for the Previous 5 Years.	Position Title to Company	Company EIN	Federal or State Permit Number	State	Name of Regulatory Authority	MSHA Number with Date of Issuance
Peabody Energy Corp.	Peabody Coulterville Mining LLC	Gateway Mine	20-0217834	51	Illinois	Illinois Department of Natural Resources	11-02408 5/9/2005
				53	Illinois	Illinois Department of Natural Resources	11-02408 5/9/2005
				160	Illinois	Illinois Department of Natural Resources	11-02408 5/9/2005
				205	Illinois	Illinois Department of Natural Resources	11-02408 5/9/2005
				221	Illinois	Illinois Department of Natural Resources	11-02408 5/9/2005
				225	Illinois	Illinois Department of Natural Resources	11-02408 5/9/2005
				426	Illinois	Illinois Department of Natural Resources	11-02408 5/9/2005
Peabody Energy Corp.	Peabody Gateway North Mining LLC	Gateway North Mine	27-2294407	416	Illinois	Illinois Department of Natural Resources	11-03235 9/24/13

Owner/Entity from Table 1.4.1	Permittee/Company Name of Operation in U.S. Individual has been Associated with for the Previous 5 Years.	Position Title to Company	Company EIN	Federal or State Permit Number	State	Name of Regulatory Authority	MSHA Number with Date of Issuance	
Peabody Energy Corp.	Hillside Recreational Lands LLC	Randolph Prep	13-2606920	63	Illinois	Illinois Department of Natural Resources	11-01999 1/16/08	
				318	Illinois	Illinois Department of Natural Resources	11-01999 1/16/08	
				218	Illinois	Illinois Department of Natural Resources	11-01999 1/16/08	
	Peabody Energy Corp.	Peabody Midwest Mining LLC	Riola Mine Complex, Riola Portal	35-1799736	338	Illinois	Illinois Department of Natural Resources	11-02971 2/9/95
					350	Illinois	Illinois Department of Natural Resources	11-02971 2/9/95
			Riola Complex- Vermillion Grove Portal		342	Illinois	Illinois Department of Natural Resources	11-03060
	Peabody Energy Corp.	Conservancy Resources LLC	Universal Mine	20-5744701	115	Illinois	Illinois Department of Natural Resources	11-00877 2/5/18
			Hawthorn Mine	20-5744701	S-00010	Indiana	Indiana Department of Natural Resources	
					S-00266	Indiana	Indiana Department of Natural Resources	
S-00268					Indiana	Indiana Department of Natural Resources		
Lynnville Mine			20-5744701	S-00221	Indiana	Indiana Department of Natural Resources		
				S-00330	Indiana	Indiana Department of Natural Resources		
Wabash Mine			20-5744701	#39	Illinois	IL DNR	11-00877 2/5/18	
				#158	Illinois	IL DNR	11-00877 2/5/18	
				#276	Illinois	IL DNR	11-00877 2/5/18	
	#290	Illinois		IL DNR	11-00877 2/5/18			
	#298	Illinois		IL DNR	11-00877 2/5/18			
		U-00001 SG-76	Indiana	IN DNR				

Exhibit 701-10

Ownership and Control Information for Other Permitted U.S. Surface Coal Mining and Reclamation Operations Ver. 1/08/20

Owner/Entity from Table 1.4.1	Permittee/Company Name of Operation in U.S. Individual has been Associated with for the Previous 5 Years.	Position Title to Company	Company EIN	Federal or State Permit Number	State	Name of Regulatory Authority	MSHA Number with Date of Issuance
Peabody Energy Corp.	Peabody Midwest Mining LLC	Air Quality Mine	35-1799736	U-00013	Indiana	Indiana Department of Natural Resources	12-02010 8/19/87
				U-00015			
				U-00016	""		
				U-00021	""		
		Bear Run Mine	35-1799736	S-00264	""		12-02422 1/4/10
				S-00256	""		""
		Caledonia Mine	""	S-00242	""		12-00332
		Farmersburg Mine	""	S-00287	""		12-02174 2/2/95
		Francisco Mine	""	S-00301	""		12-02147 11/22/93
		Francisco Mine, Underground	""	U-00023	""		12-02295 10/3/00
		Miller Creek, Jenlin Pit	""	S-00348	""		12-02294 9/1/00
		Miller Creek, Sugar Ridge Pit	""	S-00300	""		12-02284 9/1/00
		Somerville #1 Mine (Central)	""	S-00322	""		12-02258 10/13/99
		Somerville East Mine	""	S-00354	""		12-02363 8/9/04
		Somerville South Mine	""	S-00335	""		12-02258 10/1/99
		Somerville South Mine Discovery Pit	""	S-00159	""		12-01965 6/27/00
		Somerville South Mine Discovery Prep	""	S-00150	""		12-01965 6/27/00
		Sullivan North Mine	""	P-00005	""		12-00332 4/1/05
				S-00041	""		""
				S-00042	""		""
		Viking Mine	""	S-00135	""		12-01946 4/12/99
		Viking, Corning Pit	""	S-00308	""		12-01946 4/12/99
		Viking, Knox Pit	""	S-00222	""		12-02063 4/1/05
		Wild Boar Mine		S-00360	""		12-02441

Exhibit 701-10

Ownership and Control Information for Other Permitted U.S. Surface Coal Mining and Reclamation Operations Ver. 1/08/20

Owner/Entity from Table 1.4.1	Permittee/Company Name of Operation in U.S. Individual has been Associated with for the Previous 5 Years.	Position Title to Company	Company EIN	Federal or State Permit Number	State	Name of Regulatory Authority	MSHA Number with Date of Issuance
Peabody Energy Corp.	United Minerals Company LLC	Cardinal Mine	35-1922432	S-00365	Indiana	Indiana Department of Natural Resources	12-02446
		Elites Mine		S-00247	""	""	12-02407
		West 61 Mine		S-00361	""	""	12-02407
		High Point Mine		S-00374	""	""	12-02469
		Seven Hills Mine		S-00357	""	""	

Owner/Entity from Table 1.4.1	Permittee/Company Name of Operation in U.S. Individual has been Associated with for the Previous 5 Years.	Position Title to Company	Company EIN	Federal or State Permit Number	State	Name of Regulatory Authority	MSHA Number with Date of Issuance
Peabody Energy Corp.	Cyprus Creek Land Co.	Gibraltar P&L		889-0144	Kentucky	Kentucky Department of Natural Resources	
		Gibraltar PSF		889-0142	""	""	

Owner/Entity from Table 1.4.1	Permittee/Company Name of Operation in U.S. Individual has been Associated with for the Previous 5 Years.	Position Title to Company	Company EIN	Federal or State Permit Number	State	Name of Regulatory Authority	MSHA Number with Date of Issuance
Peabody Energy Corp.	Peabody Natural Resources Company	El Segundo Mine	20-8162824	2005-1	New Mexico	New Mexico Mining and Minerals Division	29-02257 1/10/06
				2010-1	""		
				2015-1	""		
		Lee Ranch Mine		19-2P	""		29-01879 5/19/98

Exhibit 701-10

Ownership and Control Information for Other Permitted U.S. Surface Coal Mining and Reclamation Operations Ver. 1/08/20

Owner/Entity from Table 1.4.1	Permittee/Company Name of Operation in U.S. Individual has been Associated with for the Previous 5 Years.	Position Title to Company	Company EIN	Federal or State Permit Number	State	Name of Regulatory Authority	MSHA Number with Date of Issuance
Peabody Energy Corp.	Peabody Caballo Mining LLC	Caballo Mine	83-0309633	433-T5	Wyoming	Wyoming Department of	48-01034 5/19/98
				433-T6	""	Environmental Quality	
				433-T7	""	""	
		Rawhide Mine	""	240-T5	""	""	48-00993 5/19/98
				240-T6	""	""	
				240-T7	""	""	
	Peabody Powder River Mining, LLC	North Antelope Rochelle Mine	43-0996010	569-T6	""	""	48-01353 4/1/98
				569-T7	""	""	
				569-T8	""	""	
	Peabody School Creek Mining, LLC	School Creek Mine		764	""	""	
				764-T2	""	""	
	Shoshone Coal Corp.	Shoshone Mine	25-1336898	477-T6	""	""	48-01186 6/30/90

2. Listing of all or other licenses and permits needed by the applicant, 19.8.7.707 NMAC. The table on the following page identifies other licenses and permits pending or issued to PNRC to conduct surface coal mining operations. This table is maintained in the El Segundo Mine Permit 2015-1 Table 707-1.doc.

**TABLE 707-1
OTHER LICENSES PERMITS AND APPROVALS**

Issuing Authority	Type of Permit	Decision
Environmental Protection Agency 1445 Ross Avenue, Suite 1200 Dallas, TX 75202	1. NPDES	NM0030996 issued 2/1/2009
	2. Stormwater Construction Permit	NMR15FI60 issued 4/9/2007, terminated
	3. Multi Sector General Permit (Stormwater)	NMR05GC33 issued 2/4/2009
New Mexico State Land Office P.O. Box 1148 Santa Fe, NM 87504	1. Right-of-Way and Easement, railroad spur	No. RW-21581 March 16, 1982 No. RW-22181 September 29, 1983
New Mexico State Engineer Office 130 South Capitol Street Concha Ortiz y Pino Building P.O. Box 25102 Santa Fe, NM 87504-5102	1. Declaration of underground water, 650 acre-feet of groundwater	Declaration made October 29, 1976. EXHIBIT 707-1 (EXHIBIT 707-1.pdf)
	2. SJ-120 POD 3	EXHIBIT 707-3 SJ 120 POD 2 & POD 3
	3. RG-35275	EXHIBIT 707-2 NMSEO APPROVAL FOR EAST SIDE GALLUP WELL
New Mexico Environment Department P.O. Box 5469 Santa Fe, NM 87502-5469	1. Permit to construct or modify and certificate of registration for mineral processing plant located with the State of New Mexico (Air)	Permit No. 2604 issued 1/2/2002
	2. Notice of intent to discharge, and discharge plan approval for sewage treatment system.	DP-1679 issued 6/11/2009
	3. Public Drinking Water	NM35960-17
New Mexico State Cultural Properties Review Committee Room 403 Executive Legislative Bldg. Santa Fe, NM 87503	1. Archaeological clearance	Initial archaeological survey completed. Survey information included with Application. Clearance ongoing.
New Mexico Department of Game and Fish Department P.O. Box 25112 Santa Fe, NM 87504	1. Threatened and endangered species clearance	Consultation with MMD and Game and Fish after Review of Application
U.S. Army Corps of Engineers Albuquerque District 4101 Jefferson Plaza NE Albuquerque, NM 87109	1. Clean Water Act section 404	Not required, no defined waters of the U.S.

**TABLE 707-1
OTHER LICENSES PERMITS AND APPROVALS**

Issuing Authority	Type of Permit	Decision
Bureau of Land Management New Mexico State Office PO Box 27115 Santa Fe, NM 87502-0115	1. Lease to mine BLM coal in T17N, R9W, section 34	Lease approved March 1, 2014
Federal Communications Commission 445 12 th Street SW Washington, DC 20554	1. Wireless Telecommunications	MR05161400385 Effective Date 06-02-2014
Mine Safety and Health Administration District 9 - Coal Mine Safety and Health 6th & Kipling 2nd Street, Bldg. 25, E-18 Denver, CO 80225	1. Mine Safety Permit	ID# 2902257 Operator begin date: 1/10/2006
Federal Explosives Licensing Center 244 Needy Road Martinsburg, WV 25405-9431	1. User of Explosives	License # 5-NM-006-33-5F-12016 Issued 08-30-2012

Intent to provide evidence of performance bond in effect, 19.8.13.1305.A.(4) NMAC and 19.8.14.1400 NMAC

El Segundo Mine will provide evidence of the performance bond in effect for the period of renewal following approval of the application but prior to permit issuance as required by 19.8.13.1305.A.(4) NMAC and 19.8.14.1400.A NMAC.



Daniel R. Wofsey

Direct T 314.552.6687 F 314.612.2305

dwofsey@armstrongteasdale.com

MISSOURI KANSAS COLORADO NEVADA ILLINOIS SHANGHAI

April 3, 2017

VIA UPS OVERNIGHT DELIVERY

New Mexico Mining and Minerals Division
Wendell Chino Building, Third Floor
1220 South Street Francis Drive
Santa Fe, NM 87505
Attn: James Smith

Re: Peabody Reclamation Bonds

Dear Mr. Smith:

Enclosed please find the Reclamation Bonds listed on Exhibit A to this letter. The Bonds are issued on behalf of the Obligees listed on Exhibit A. The permit number, mine and amount of the Bond are also referenced on Exhibit A.

Please don't hesitate to let me know if you have any questions.

Sincerely,

Daniel R. Wofsey

DRW:csm
Enclosures

cc: Chris Wittenauer, via email

Exhibit A

Permit No.	Mine	Obligee	Bond Amount
19-2P	Lee Ranch	Peabody Natural Resources Company	\$78,000,000
2015-01	El Segundo	Peabody Natural Resources Company	\$19,000,000
2015-01	El Segundo	Peabody Natural Resources Company	\$43,223,730

MMD Permit No. 2015-01

Bond No. SUR0024105

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
MINING AND MINERALS DIVISION

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDERSIGNED

PEABODY NATURAL RESOURCES COMPANY
(Name of Principal)

ARGONAUT INSURANCE COMPANY, a corporation
(Name of Surety)

duly incorporated under the laws of the State of IL and licensed, registered and otherwise authorized pursuant to the requirements of New Mexico law and regulations to do business as a surety in the State of New Mexico, are held and firmly bound unto the Mining and Minerals Division of the Energy, Minerals and Natural Resources Department of the State of New Mexico (MMD) or its lawful successor agency, and the Office of Surface Mining Reclamation and Enforcement of the U. S. Department of the Interior, and in the penal sum of Forty Three Million Two Hundred Twenty Three Thousand Seven Hundred Thirty and 00/100 dollars (\$ 43,223,730.00) lawful money of the United States for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION is such, that:

Whereas, the Principal has submitted to MMD an application for surface coal mining and reclamation operations, MMD Permit No. 2015-01, including a mining and reclamation plan, to conduct and reclaim a surface coal mining operations, as defined in the New Mexico Surface Mining Act, Sections 69-25A-1 et seq. NMSA 1978, (New Mexico Act) and the regulations of New Mexico Coal Surface Mining Commission 19.8 NMAC.

Whereas, the Principal has chosen to provide this Surety Bond as a guarantee that the reclamation of the land disturbed during this surface mining operation at the Mine, McKinley County, State of New Mexico, will be performed and completed as required by the New Mexico Act and CSMC Rule 19.8 NMAC, and as specified or included by reference or adoption in the Permit as issued or modified;

Whereas, the Surety and their successors and assigns agree to guarantee the obligation

MMD Permit No. 2015-01

Bond No. SUR0024105

and to indemnify, defend, and hold harmless MMD from any and all losses and expenses which MMD may sustain as a result of the Principal's failure to comply with the condition of the obligation;

Whereas, obligations guaranteed by this Surety Bond shall be in effect for the following described lands approved as the permit areas or increments upon which initial of succeeding operations will be conducted:

If the Principal faithfully completes all reclamation and abatement requirements set forth in the , the New Mexico Act, CSMC Rule 19.8 NMAC and the Permit, including the mining and reclamation plan, and MMD has approved said completion, then this Surety Bond shall be void; otherwise, it shall remain in full force and effect:

- (a) beginning on the date of the approval and issuance of MMD Permit No. 2015-01 and extending until all reclamation, restoration, and abatement work pursuant to the New Mexico Act, CSMC Rule 19.8 NMAC and the Permit has been performed and completed to the satisfaction of MMD; and
- (b) continuing until the bond is released pursuant to 19.8.14.1412 NMAC, replaced in accordance with 19.8.14.1411 NMAC or until the Permit has been sold, reassigned or otherwise transferred in accordance with 19.8.13.1307 NMAC; and
- (c) for a minimum period of ten (10) years from completion of reclamation, notwithstanding the requirements of this paragraph and subparagraph (a) above, it being further understood that if the Principal performs any augmented seeding, fertilization or other supplemental reclamation work on the site prior to bond release, the period of liability under this Surety Bond shall begin again on the date such work is completed and, if required, approved by MMD, unless subject to the exception found in 19.8.20.2065.B NMAC.

The failure of the Principal to fulfill the obligations specified by the New Mexico Act, CSMC Rule 19.8 NMAC and the Permit, shall result in a forfeiture of this Surety Bond according to the procedure described in 19.8.14.1413 NMAC.

THE SURETY AGREES THIS BOND SHALL NOT BE CANCELED AT ANY TIME FOR ANY REASON, INCLUDING, BUT NOT LIMITED TO, NONPAYMENT OF THE

MMD Permit No. 2015-01

Bond No. SUR0024105

PREMIUM OR BANKRUPTCY OF THE PRINCIPAL DURING THE PERIOD OF LIABILITY.

The amount of the Surety's liability may be reduced by MMD pursuant to 19.8.14.1405 NMAC, for lands covered by this Surety Bond which have not been and will not be disturbed by the Principal, upon application by the Principal pursuant to 19.8.13.1301 NMAC, for revision of the Permit to delete such acreage as approved by MMD. This Surety Bond may also be reviewed by MMD annually, at permit mid-term or at other more frequent periods as deemed necessary, pursuant to 19.8.14.1405 NMAC. Pursuant to any such review, MMD may require an increase in this Surety Bond.

The Surety hereby agrees to give prompt notice to the Principal and to MMD of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations or regulatory requirements which would result in suspension or revocation of the Surety's license or powers to do business.

Upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed without bond coverage in violation of 19.8.14.1401 NMAC, and subject to enforcement action described in 19.8.14.1406 NMAC.

IN WITNESS WHEREOF, THE Principal and Surety have caused this Surety Bond to be sealed with their respective corporate seals and executed by their respective duly authorized officials this 3rd day of April, 2017.

PEABODY NATURAL RESOURCES
COMPANY

ARGONAUT INSURANCE COMPANY

Principal

Surety

BY: James Tubero
Authorized Official

BY: Jeannette M. Davis
Authorized Official

Title: Vice President & Treasurer

Title: Jeannette M. Davis, Attorney In Fact

MMD Permit No. 2015-01

Bond No. SUR0024105

ACKNOWLEDGEMENT OF PRINCIPAL

On this 3rd day of April, 2017, before me appeared
to me personally known, who, being by me duly sworn, did depose and say that he signed the
attached Surety Bond and acknowledged said instrument to be a free act and deed.

In WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day
and year in this certificate first above written.



LORENE L. MEYER
My Commission Expires
March 28, 2020
St. Louis City
Commission #12320868

Notary Public

Lorene L. Meyer

My commission expires:

3/28/20

MMD-AUTHORIZED REPRESENTATIVE SIGNATURE:

BY: *[Signature]*

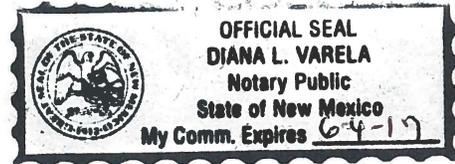
Date: 4/10/2017

MMD Director

The foregoing instrument was acknowledged and subscribed to before me this 10th day of
April, 2017.

Witness my hand and official seal.

[Signature]
NOTARY PUBLIC
6-4-2017
My Commission Expires:



MMD Permit No. 2015-01

Bond No. 106692982

NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
MINING AND MINERALS DIVISION

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, THAT THE UNDERSIGNED

PEABODY NATURAL RESOURCES COMPANY
(Name of Principal)

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, a corporation
(Name of Surety)

duly incorporated under the laws of the State of CT and licensed, registered and otherwise authorized pursuant to the requirements of New Mexico law and regulations to do business as a surety in the State of New Mexico, are held and firmly bound unto the Mining and Minerals Division of the Energy, Minerals and Natural Resources Department of the State of New Mexico (MMD) or its lawful successor agency, and the Office of Surface Mining Reclamation and Enforcement of the U. S. Department of the Interior, and in the penal sum of Nineteen Million and 00/100 dollars (\$ 19,000,000.00) lawful money of the United States for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns.

THE CONDITION OF THE ABOVE OBLIGATION is such, that:

Whereas, the Principal has submitted to MMD an application for surface coal mining and reclamation operations, MMD Permit No. 2015-01, including a mining and reclamation plan, to conduct and reclaim a surface coal mining operations, as defined in the New Mexico Surface Mining Act, Sections 69-25A-1 et seq. NMSA 1978, (New Mexico Act) and the regulations of New Mexico Coal Surface Mining Commission 19.8 NMAC.

Whereas, the Principal has chosen to provide this Surety Bond as a guarantee that the reclamation of the land disturbed during this surface mining operation at the Mine, McKinley County, State of New Mexico, will be performed and completed as required by the New Mexico Act and CSMC Rule 19.8 NMAC, and as specified or included by reference or adoption in the Permit as issued or modified;

Whereas, the Surety and their successors and assigns agree to guarantee the obligation

MMD Permit No. 2015-01

Bond No. 106692982

and to indemnify, defend, and hold harmless MMD from any and all losses and expenses which MMD may sustain as a result of the Principal's failure to comply with the condition of the obligation;

Whereas, obligations guaranteed by this Surety Bond shall be in effect for the following described lands approved as the permit areas or increments upon which initial of succeeding operations will be conducted:

If the Principal faithfully completes all reclamation and abatement requirements set forth in the , the New Mexico Act, CSMC Rule 19.8 NMAC and the Permit, including the mining and reclamation plan, and MMD has approved said completion, then this Surety Bond shall be void; otherwise, it shall remain in full force and effect:

- (a) beginning on the date of the approval and issuance of MMD Permit No. 2015-01 and extending until all reclamation, restoration, and abatement work pursuant to the New Mexico Act, CSMC Rule 19.8 NMAC and the Permit has been performed and completed to the satisfaction of MMD; and
- (b) continuing until the bond is released pursuant to 19.8.14.1412 NMAC, replaced in accordance with 19.8.14.1411 NMAC or until the Permit has been sold, reassigned or otherwise transferred in accordance with 19.8.13.1307 NMAC; and
- (c) for a minimum period of ten (10) years from completion of reclamation, notwithstanding the requirements of this paragraph and subparagraph (a) above, it being further understood that if the Principal performs any augmented seeding, fertilization or other supplemental reclamation work on the site prior to bond release, the period of liability under this Surety Bond shall begin again on the date such work is completed and, if required, approved by MMD, unless subject to the exception found in 19.8.20.2065.B NMAC.

The failure of the Principal to fulfill the obligations specified by the New Mexico Act, CSMC Rule 19.8 NMAC and the Permit, shall result in a forfeiture of this Surety Bond according to the procedure described in 19.8.14.1413 NMAC.

THE SURETY AGREES THIS BOND SHALL NOT BE CANCELED AT ANY TIME FOR ANY REASON, INCLUDING, BUT NOT LIMITED TO, NONPAYMENT OF THE

MMD Permit No. 2015-01

Bond No. 106692982

PREMIUM OR BANKRUPTCY OF THE PRINCIPAL DURING THE PERIOD OF LIABILITY.

The amount of the Surety's liability may be reduced by MMD pursuant to 19.8.14.1405 NMAC, for lands covered by this Surety Bond which have not been and will not be disturbed by the Principal, upon application by the Principal pursuant to 19.8.13.1301 NMAC, for revision of the Permit to delete such acreage as approved by MMD. This Surety Bond may also be reviewed by MMD annually, at permit mid-term or at other more frequent periods as deemed necessary, pursuant to 19.8.14.1405 NMAC. Pursuant to any such review, MMD may require an increase in this Surety Bond.

The Surety hereby agrees to give prompt notice to the Principal and to MMD of any notice received or action filed alleging the insolvency or bankruptcy of the Surety, or alleging any violations or regulatory requirements which would result in suspension or revocation of the Surety's license or powers to do business.

Upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed without bond coverage in violation of 19.8.14.1401 NMAC, and subject to enforcement action described in 19.8.14.1406 NMAC.

IN WITNESS WHEREOF, THE Principal and Surety have caused this Surety Bond to be sealed with their respective corporate seals and executed by their respective duly authorized officials this 3rd day of April, 2017.

PEABODY NATURAL RESOURCES COMPANY

Principal

BY: James Tubero
Authorized Official

Title: Vice President & Treasurer

TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA

Surety

BY: Jeannette M. Davis
Authorized Official

Title: Jeannette M. Davis, Attorney In Fact

MMD Permit No. 2015-01

Bond No. 106692982

ACKNOWLEDGEMENT OF PRINCIPAL

On this 3rd day of April, 2017, before me appeared
to me personally known, who, being by me duly sworn, did depose and say that he signed the
attached Surety Bond and acknowledged said instrument to be a free act and deed.

In WITNESS HEREOF I have hereunto set my hand and affixed my official seal the day
and year in this certificate first above written.



LORENE L. MEYER
My Commission Expires
March 28, 2020
St. Louis City
Commission #12320868

Notary Public

Lorene L. Meyer

My commission expires:

3/28/20

MMD-AUTHORIZED REPRESENTATIVE SIGNATURE:

BY: *[Signature]*
MMD Director

Date: *4/10/2017*

The foregoing instrument was acknowledged and subscribed to before me this 10th day of
April, 2017.

Witness my hand and official seal.

[Signature]
NOTARY PUBLIC
6-4-2017
My Commission Expires:

