



Lee Ranch Mine
PO BOX 757
35 Miles N. of Milan
Grants, NM 87020
505-285-3000
505-285-3084

February 18, 2026

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

Peabody Natural Resources Company, Lee Ranch Mine, Permit 19-2P – Permit Renewal

Dear Mr. Munroe:

On behalf of Peabody Natural Resources Company, LLC (PNRC), I am submitting the enclosed permit renewal application for Lee Ranch Mine Permit 19-2P. The Lee Ranch Mine permit will expire June 30, 2026. PNRC requests that the permit be renewed for a five-year term. It is PNRC's understanding that the renewed permit will be designated Permit 19-2P.

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 changes to the approved permit area are being requested.

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) 285-2876.

Respectfully,

Chad Gaines

Chad Gaines
Tech Service Manager
Peabody Natural Resources Company

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

Permit Renewal Application

Lee Ranch Mine
Permit 19-2P

February 18, 2026

Peabody Natural Resources Company
Grants, New Mexico

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1. Introduction, 19.8.13.1303 NMAC

Peabody Natural Resources Company hereby submits an application for renewal of Permit 19-2P for Lee Ranch Mine. This package has been submitted to renew the Lee Ranch Life of Mine permit. The following information is provided to support the application and make it administratively complete. The review does not propose any revisions to the approved permit boundary or the approved mining and reclamation plan. The renewal package consists of:

- A. 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.
- B. Evidence of liability insurance policy as required by 19.8.13.1303.A.(3) NMAC.
- C. Additional updated information as required by 19.8.13.1303.A.(1) NMAC.
- D. 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.

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

This information is presented in Permit 19-2P Chapter 1

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: 19-2P
Renewal Permit Number: 19-2P
Renewal Term: 5 Year Term

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

Attached is a Certificate of Liability Insurance for Lee Ranch 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 Lee Ranch Mine Permit 19-2P as Exhibit I-8 following approval of the renewal application.

4. 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:

- A. Listing of violation notices during the 3-year period preceding the application date, 19.8.7.702.C NMAC.*

Lee Ranch Mine has not had any NOV's in the 3-year period preceding the application date.

NOVs Issued Between Date 6/1/2020 and 02/18/2026

Mine: Bear Run
 MSHA ID: 12-02422
 Permit: S-256
 State: Indiana
 County: Sullivan
 Mine Status: Active

NOV	Issuing Agency	Issue Date	Violation Description	Remedial Action	Penalty (\$US)	NOV Status	As of	Permittee	Administrative Proceeding	Pattern
N10803-S-256	Indiana Department of Natural Resources	8/3/2021	Part 1 Failure to pass surface drainage from the disturbed area through an approved siltation structure before leaving the permit area	Control all surface drainage from the disturbed area. Begin treatment of the impoundment.		Terminated	8/19/2021	Peabody Midwest Mining, LLC	None	
N10803-S-256	Indiana Department of Natural Resources	8/3/2021	Part 2 Failure to maintain diversion ditch so that it minimizes the adverse impact to the hydrologic balance within the permit and adjacent area.	Repair CDD044A to allow the collection ditch to pass the designed flow volume.		Terminated	10/12/2021	Peabody Midwest Mining, LLC	None	
N-21024-S-256	Indiana Department of Natural Resources	10/25/2022	Failure to conduct active surface coal mining and those activities necessary to facilitate mining only on those lands specifically permitted and/or bonded.	Areas disturbed outside of bonded area were immediately seeded and mulched to prevent erosion.		Terminated		Peabody Midwest Mining, LLC		
N30213-S-256	Indiana Department of Natural Resources	2/13/2023	Part 1 Failure to pass surface drainage from the disturbed area through an approved siltation structure before leaving the permit area.	Cease pumping of pit water into the temporary diversion ditch.		Terminated	2/23/2023	Peabody Midwest Mining, LLC		
N50409-S-256	Indiana Department of Natural Resources	04/11/2025	Failure to conduct active surface coal mining and those activities necessary to facilitate mining only on those lands specifically permitted and/or bonded.	Submit and acquire approval for bond on the area where the surface has been disturbed by equipment outside the permitted and/or bonded areas.		Terminated	05/19/2025	Bear Run, Peabody Midwest Mining, LLC	None	

Mine: Francisco
 MSHA ID: 12-01604

Permit: U-023
 State: Indiana
 County: Gibson
 Mine Status: Active

NOV	Issuing Agency	Issue Date	Violation Description	Remedial Action	Penalty (\$US)	NOV Status	As of	Permittee	Administrative Proceeding	Pattern
N11013-U-023	Indiana Department of Natural Resources	10/21/2021	Failure to notify in writing the six-month notification before mining takes place on all owners and occupants of surface property and structures above the underground workings, including operators of a pipeline.	Submit and obtain approval of the six-month notification letter that was sent to the current property owners, occupants of surface property and structures above the underground workings.		Terminated	11/19/2021	Peabody Midwest Mining, LLC	None	
N30523-s-301	Indiana Department of Natural Resources	5/23/2023	Failure to conduct surface coal mining activities associated with the disposal of fine coal refuse (slurry) wastes in accordance with the approved plan.	<ol style="list-style-type: none"> 1. Immediately cease the discharge of the fine coal refuse slurry pipeline and make the appropriate repairs to the pipeline 2. Obtain permission approval from the landowner to allow Peabody Midwest Mining, LLC to conduct cleanup operations to remove the fine coal refuse slurry material from the property, 3. Submit a plan to the Division of Reclamation describing how the fine refuse (slurry) material will be cleaned up (from the far ditch/creek and county road ditch), by 8:00 AM, Tuesday, June 06, 2023, 4. Submit any water and/or fine refuse (slurry) material analyses to the Division of Reclamation, 5. Peabody Midwest Mining, LLC should be using best technology and practice to lessen the impact of the removal of the fine refuse (slurry) material from the county road ditch, and farm ditch/creek 		Terminated	6/21/2023	Peabody Midwest Mining, LLC		

Mine: Foidel Creek
 MSHA ID: 05-03836

Permit: C-1982-056
 State: Colorado
 County: Routt
 Mine Status: Active

NOV	Issuing Agency	Issue Date	Violation Description	Remedial Action	Penalty (\$US)	NOV Status	As of	Permittee	Administrative Proceeding	Pattern
CV-2023-002	Colorado Division of Reclamation, Mining, and Safety	10/12/2023	Failure to follow the approved Permit Stipulation No. 67 within the required timeframe. Failure to provide a description of the cultural and historic resources affected by planned or probable subsidence over the life of the mine pursuant to Rule 2.04.4. Failure to conduct the stipulated surveys to ensure that accurate maps or plans clearly show all significant known archaeological sites pursuant to C.R.S 34-33-110(2)(n). Failure to conduct the stipulated surveys which ensure that mining activity will not adversely affect any place included in the national register of historic sites pursuant to C.R.S. 34-33-114(g)(III), Rule 2.07.6(2)(e)(i), and Rule 2.02.4(3)(c).	The Operator must complete a supplemental cultural resource survey for the expansion area of panel 7 Right LW Panel 3 (7 East Panel) to satisfy the concerns/obligations of the Office of Archaeology and Historic Preservation. The survey must be submitted to the Division in the form of a Minor Revision (MR) to be incorporated into the PAP.	\$3000	Terminated	1/17/2024	Twentymile Coal Company, LLC		

Mine: Rawhide Mine
 MSHA ID: 48-00993

Permit: WY5600815P
 State: Wyoming
 County: Campbell
 Mine Status: Active

NOV	Issuing Agency	Issue Date	Violation Description	Remedial Action	Penalty (\$US)	NOV Status	As of	Permittee	Administrative Proceeding	Pattern
6238-23	Wyoming Department of Environmental Quality- Land Quality Division	9/19/2023	Failure of three alternative sediment control measures (ASCM) during a precipitation event that did not exceed the 10-year, 24-hour design event (2.59 inches) and allowed for the deposition of sediment from the reclamation on lands unaffected by mining where topsoil had not been salvaged.	1. Repair all damaged ASCMs to meet permit requirements. 2. Repaired and stabilize all rills and gullies. 3. Remove material from native vegetation and topsoil.	\$2500	Terminated	12/18/2024	Peabody Powder River Mining, LLC		

Mine: Seven Hills
 MSHA ID: 23-02441
 Permit: S-357
 State: Indiana
 County: Warrick
 Mine Status: Active

NOV	Issuing Agency	Issue Date	Violation Description	Remedial Action	Penalty (\$US)	NOV Status	As of	Permittee	Administrative Proceeding	Pattern
N20413-S-357	Indiana Department of Natural Resources	4/18/2022	Failure to conduct blasting operations so that the maximum air blast limit of 133dB is not exceeded at a dwelling, public building, school, church or community or institutional building.	1. Conduct blasting operations in accordance with the regulations and the approved permit. 2. Conduct blasting operations so that the maximum airblast limit of 133 db is not exceeded.		Terminated	4/28/2022	United Mineral Company, LLC		

Mine: Shoal Creek
 MSHA ID: 01-02901

Permit: P-3666

State: Alabama

County: Jefferson, Tuscaloosa, and Walker

Mine Status: Active

NOV	Issuing Agency	Issue Date	Violation Description	Remedial Action	Penalty (\$US)	NOV Status	As of	Permittee	Administrative Proceeding	Pattern
22MLF001	Alabama Surface Mining Commission	1/13/2022	Failure to recertify basin 005	Recertify Basin 005	\$ 660.00	Terminated	1/19/2022	Peabody Southeast Mining, LLC	None	

Mine: Somerville

MSHA ID: 12-02258

Permit: S-00335

State: Indiana

County: Gibson

Mine Status: Active

NOV	Issuing Agency	Issue Date	Violation Description	Remedial Action	Penalty (\$US)	NOV Status	As of	Permittee	Administrative Proceeding	Pattern
N00730-S-335	Indiana Department of Natural Resources	7/31/2020	Failure to pass surface drainage from the disturbed area through an approved siltation structure before leaving the permit area.	Immediately stop the water from the disturbed area from flowing into OFD066. Reconstruct the berm that is supposed to separate OFD066 and the active pit area, therefore preventing any future unapproved discharges.		Terminated	8/21/2020	Peabody Midwest Mining, LLC	None	
N30329-S-335	Indiana Department of Natural Resources	3/29/2023	Failure to meet the applicable state effluent limitations for the daily maximum of TSS (70 mg/L) and Total Iron (6.0 mg/L).	Cease discharge of water that exceeds the maximum daily allowance for TSS and Total Iron.		Terminated	4/10/2023	Peabody Midwest Mining, LLC	None	

Mine: Wild Boar
 MSHA ID: 12-02441
 Permit: S-360
 State: Indiana
 County: Warrick
 Mine Status: Active

NOV	Issuing Agency	Issue Date	Violation Description	Remedial Action	Penalty (\$US)	NOV Status	As of	Permittee	Administrative Proceeding	Pattern
N01201-S-360	Indiana Department of Natural Resources	12/2/2020	Exceeding maximum air overpressure limit of 133dB on a Division of Reclamation seismograph for a 2Hz microphone on 11/17/2020.	Conduct blasting operations so that the maximum airblast limit of 133dB is not exceeded at a dwelling, public building, school, church, or community or institutional building.		Terminated	12/2/2020	Peabody Midwest Mining, LLC	None	
N10413-S-360	Indiana Department of Natural Resources	4/13/2021	Failure to pass all surface drainage from the disturbed area through a siltation structure before leaving the bonded area.	Control all surface drainage from the disturbed area.		Terminated	4/16/2021	Peabody Midwest Mining, LLC	None	

Mine: Willow Lake
 MSHA ID: 11-03054
 Permit: 347
 State: Illinois
 County: Saline
 Mine Status: Active

NOV	Issuing Agency	Issue Date	Violation Description	Remedial Action	Penalty (\$US)	NOV Status	As of	Permittee	Administrative Proceeding	Pattern
60-01-2023	Illinois Department of Natural Resources	2/22/2023	Coal mining related support material (approximately 5,800 gallons of transformer oil as reported by the operator) spilled and then deposited within and outside the permitted area. The transformer oil adversely impacted soil in an agricultural field and drainage ditch adjacent to permitted area.	By March 10th, the operator shall develop and prove to the Department a remediation plan outlining corrective measures to be taken to remediate all areas affected by the spill of transformer oil; AND by March 24, 2023, the operator shall have completed all remediation efforts on all the areas affected by the spill; From assessment - no negligence on the part of Peabody; spill was the result of vandalism and theft	\$175	Terminated	3/1/2023	Peabody Arclar Mining, LLC	None	

B. 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 Lee Ranch Mine Permit 19-2P Table I-3.

#	Permit	Legal Authority	Issuing / Responsible	Permit, License, Registration, Certification, Activity, etc.	Issuance / Renewal	Term	Annual	Amount	Date Due	Payable to:
			Agency		Dates					
3	Air Emissions Permit	CAA	NMED	416-M-2	10/05/1999 - LOM					
4	EPA ID	RCRA	USEPA	NMD9866822920	3/1/1984 - LOM					
5	Sec 402 NPDES Permit	CWA	USEPA	NM0029581	06/01/2023 - 05/31/2028					
6	Sec 402 Stormwater Permit	CWA	USEPA	NMR053371	7/11/2011					
7	Wetlands Mitigation and Monitoring	CWA	US Army Corp	SPA - 1997 - 00200	Completed					
8	Sec 112 SPCC Plan	CWA		NA	Certified 08/06/2024					
9	DP-777	CWA	NMED	DP-777	Jun-29					
10	Public Water Supply ID	SDWA	NMED	Sanitary Survey Report NM 3596017	LOM	PDF 2014 Survey		Working on new permit		
11	Sanitary Wastewater Discharge	CWA	NMED	M1970041	10/11/2007 - Extended	5 Year				
12	Significant Water Withdrawal Permit	-	NWSEO	Permit RG-35275	10/20/1982 - LOM					
13	Explosives User Permit	OCCA, SEA	USDJ.BATF	5NM-006-33-2F-12016	04/30/2025 - 06/01/2027					
14	Mining Permit	SMCRA	NM MMD	19-2P	05/18/1990 - LOM					
15	Federal Mine ID	FCMHSA	USDLMSHA	29-01879	05/19/1998 - LOM					

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

Lee Ranch Mine has provided 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.

**MINING AND MINERALS DIVISION
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT**

**DIRECTOR'S ORDER
WITH FINDINGS OF FACT AND CONCLUSIONS OF LAW**

**IN THE MATTER OF PEABODY NATURAL RESOURCES COMPANY LEE
RANCH MINE'S APPLICATION TO ADJUST THE AMOUNT OF THE
PERFORMANCE BOND FOR LEE RANCH MINE PERMIT NO. 19-2P**

THIS MATTER having come before the Director of the Mining and Minerals Division ("Director"), of the Energy, Minerals and Natural Resources Department, of the State of New Mexico, upon application of Peabody Natural Resources Company Lee Ranch Mine ("PNRC" or "Applicant"), to adjust the performance bond amount for Lee Ranch Mine.

The Director, having considered the Application and all other Mining and Minerals Division ("MMD") files, and being fully advised Orders as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Director has jurisdiction over Lee Ranch Mine located in McKinley County, New Mexico, 34 miles northeast of Milan, New Mexico as well as jurisdiction over PNRC and the subject matter of the Application.
2. The Application for an adjusted performance bond calculation was submitted to the Director as Permit Modification 24-03 on February 15, 2024 (Application) pursuant to the New Mexico Surface Mining Act ("Act") and the Coal Surface Mining Commission's Rules ("Rules"), and are subject to the Act, the Rules, and all laws and regulations that are now or hereafter in force, as is the Applicant.
3. The Application was found by MMD found to be complete and technically accurate and addressed all applicable requirements of the Act and Rules.
4. Included in the Application were actual reclamation cost calculations, equipment cost estimates, diesel cost estimates, indirect cost calculation assumptions, mine area cross sections, and a post mining topography map (Approximate Original Contour Map). PNRC supplied this information to provide a numerical and graphical justification to decrease the performance bond amount.
5. Application supporting documents demonstrated remaining earthmoving costs decreased substantially due to material moved between the years 2016 and 2023, for compliance with permitted and required approximate original contour map.

7. The Director may evaluate the performance bond amount pursuant to 19.8.14 NMAC and require any adjustment deemed necessary.

8. After review, MMD has found the cost estimates and topography map to be sufficient to support bond adjustment.

7. The Applicant has a current performance bond approved by the Director in the total amount of SEVENTY-EIGHT MILLION AND 00/100 dollars (\$78,000,000.00)

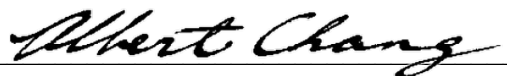
8. Subject to the terms of this Order, the new performance bond amount shall be decreased to the total amount of SIXTY-TWO MILLION, EIGHTY THOUSAND, FOUR HUNDRED SEVENTY-EIGHT AND 00/100 dollars (\$62,080,478.00) to assure completion of the reclamation plan pursuant to 19.8.14.1404(B) NMAC.

ORDER

NOW IT IS ORDERED that the Peabody Natural Resources Company's application for Performance Bond Calculation adjustment, dated February 15, 2024, at the Lee Ranch Mine is approved. The seventy-eight million dollars and zero cents (\$78,000,000.00) surety bond provided by Peabody Natural Resources Company's Lee Ranch Mine shall be reduced by fifteen million, nine hundred nineteen thousand, five hundred twenty-two dollars and zero cents (\$15,919,522.00) to reflect the updated surety bond amount of sixty-two million, eighty thousand, four hundred seventy-eight dollars and zero cents (\$62,080,478.00).

By Order of the Director
Mining and Minerals Division
Energy, Minerals and Natural Resources Department
State of New Mexico

Dated this 23rd day of February, 2024



Albert Chang, Director