



Armando Martinez
Operations Lead

Chevron Environmental
Management Company

P.O. Box 469
Questa, NM 87556
Cell (505) 690 5408
amarti@chevron.com

February 3, 2026

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

**Re: McKinley Mine Permit No. 2021-02
Permit Renewal Application**

Dear Mr. Munroe,

Transmitted through this letter is a minor modification to the application to renew Permit No. 2021-02 (2021-02) submitted by Chevron Mining Inc. (CMI) through correspondence dated November 5, 2025 (November 5). There was only one change, and that was to update the draft public notice contained in Appendix 2.7-A with some additional contact information.

The following is contained in this submittal:

1. The November 5 cover letter;
2. Revised insertion instructions referencing this change to Appendix 2.7-A; and
3. The full application submitted November 5 with the new public notice inserted, but minus the binder covers and spines, and the Table of Contents (which were previously sent but remain unchanged).

As requested by MMD, only an electronic copy of this application will be provided at this time. A copy of these same materials will be incorporated into the McKinley Mine's copy of 2021-02. These revised materials will also be incorporated into Volume I of 2021-02 that will be placed in the McKinley County courthouse. This cover letter, the November 5 cover letter, and the insertion instructions will be placed at the front of the binder going to the courthouse so readers can note where changes were made.

If you have any questions regarding this submittal, please contact me at (575) 586-7639 or Frank Rivera at (505) 870-0941.

Sincerely,

Armando Martinez
McKinley Mine – Operations Lead
CEMC

Frank Rivera, P.E.
Assistant Vice President
WSP USA, Inc

w/enclosure

**Re: McKinley Mine Permit No. NM-2026-02
Permit Renewal Application
List of Materials and Insertion Instructions**

11/05/25 (Revised 2/3/26: Only the public notice was updated)

<u>Volume</u>	<u>Location</u>	<u>Description</u>
Covers	All Binders	Replace all front cover and spine inserts that currently say MMD Permit No. 2021-02 with the new inserts that say MMD Permit No. 2026-02
I thru XIV	Table of Contents	<p>Replace the entire table of contents at the front of Volume I with a full set of the new table of contents.</p> <p>From a second set of the table of contents, insert or replace the table of contents at the start of each volume with the enclosed table of contents that corresponds to that volume.</p>
I	1.0	Replace the existing pages 1.1-1 through 1.5-2 with the enclosed revised pages 1.1-1 through 1.5-3 (dated 11/05/2025).
	Appendix 1.3-A	Replace the existing Verification of Application with the enclosed Verification of Application (dated 11/5/2025).
	2.0	Replace existing pages 2.0-1 through 2.9-1 with the enclosed revised pages 2.0-1 through 2.9-1 (dated 11/05/25). Maintain any figures in their existing locations.
	Appendix 2.2-A	Replace all the contents of Appendix 2.2-A Directors & Officers with the enclosed revised list of directors and officers (dated 11/05/25).
	Appendix 2.2-B	Replace all the contents of Appendix 2.2-B Pending, Present, and Prior Permits with the enclosed updated list of permits (dated 11/05/25).
	Appendix 2.3-A	Replace all the contents of Appendix 2.3-A Notices of Violation Three Year History with the enclosed Cover Page, which has a statement summarizing the three-year NOV history (dated 11/05/25).
	Appendix 2.4-A	Insert the Appendix 2.4-A new additional contents into the front of this appendix. The Cover page for these materials lists the new contents being added, which includes Phase III Bond Release Approvals, The BOR Navajo Gallup Water Supply Project easements information, and the USDI to OSMRE Right of Entry on Expired Leases Document.

	Appendix 2.6-A	Remove all other certificates of liability insurance in Appendix 2.6-A Certificate of Insurance (and file into a permanent record), and insert the enclosed current copy of the 2025 Certificate of Liability Insurance and associated documents (5 pages).
	Appendix 2.7-A	Replace the existing Appendix 2.7-A Proof of Publication, with the enclosed proposed Permit 26-02 public notice with Figure 1 showing the permit area.



Armando Martinez
Operations Lead

**Chevron Environmental
Management Company**

P.O. Box 469
Questa, NM 87556
Cell (505) 690 5408
amarti@chevron.com

November 05, 2025

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

**Re: McKinley Mine Permit No. 2021-02
Permit Renewal Application**

Dear Mr. Munroe,

Pursuant to 19.8.13.1302 NMAC, Chevron Mining Inc. (CMI) hereby submits an application to renew the McKinley Mine's mining and reclamation Permit No. 2021-02 (2021-02), which expires on March 7, 2026.

The new permit number will be 2026-02. The permit term would be for a five-year period that extends from March 7, 2026 through March 7, 2031.

There will be no change to the permit boundaries contained in 2021-02. The 2026-02 application contains general, legal, financial, and compliance updates, which includes the minimum information needed for a complete renewal-application in accordance with 19.8.13.1303 NMAC:

1. A statement of the name and address of the permittee, the term of the renewal requested, the permit number, and a description of any changes to the prior permit renewal (for this information and changes, see the insertion instructions detailing the updated permit materials included in this submittal);
2. A copy of the proposed newspaper notice (see insertion instructions for the location of the draft notice); and
3. A copy of the current liability insurance policy (see the insertion instructions for the location of the current liability insurance policy).

The renewal application will consist of the existing approved 2021-02 application updated with the enclosed permit materials. As requested by MMD, only an electronic copy of this application will be provided at this time. These same materials will be incorporated into the McKinley Mine's copy of 2021-02 and the copy that will be placed in the McKinley County courthouse.

If you have any questions regarding this submittal, please contact me at (575) 586-7639 or Frank Rivera at (505) 870-0941.

Sincerely,

Armando Martinez
McKinley Mine – Operations Lead
CEMC

Frank Rivera, P.E.
Assistant Vice President
WSP USA, Inc

w/enclosure

1.0 OVERVIEW

Section 1.0 contains an overview and general information about this renewal application. The section is divided into the following:

1.1 INTRODUCTION

1.2 GENERAL INFORMATION

1.3 VERIFICATION OF APPLICATION

1.4 LIFE-OF-MINE PLAN

1.5 TECHNICAL CONSULTANTS

1.1 INTRODUCTION

1.1.1 PURPOSE OF APPLICATION

Chevron Mining Inc. (CMI) hereby submits an application for renewal of McKinley Mine's current Permanent Program Permit No. 2021-02 under New Mexico Administrative Code 19 NMAC 8.2. The application addresses the requirements for a permit renewal as set forth in NMAC 8.2, Part 13. Upon MMD approval of this renewal application, the new permit number will be 2026-02. The term for Permit No. 2026-02 will be from March 7, 2026 through March 7, 2031.

The renewal application contains updated legal, financial, and compliance information, and includes the most current reclamation and monitoring information. Although mining has ceased, the application still contains (as documentation), the most recent mining information up to cessation of those operations.

1.1.2 INFORMATION PROVIDED

This renewal application included changes to those sections of the currently approved permit application that required updating to reflect the current conditions. Each of the primary permanent program regulatory sections concerning permit applications has been addressed.

This renewal application also includes relevant information for Indian Lands affiliated with the Navajo Nation and under the jurisdiction of the Office of Surface Mining Reclamation and Enforcement (OSMRE). This additional information is being provided as a convenience and because MMD and OSMRE jurisdictional lands are all part of the McKinley Mine. This additional information will give a better overview of activities mine-wide and their influence on operations within MMD jurisdictional lands.

1.2 GENERAL INFORMATION

This section provides information showing that the minimum permit renewal application requirements have been addressed in accordance with 19 NMAC 8.13. This information is provided in Table 1.2-1. Table 1.2-1 has been formatted and ordered according to the applicable sections of 19 NMAC 8.13 and 8.14, followed by the information addressing that requirement.

TABLE 1.2-1: PERMIT RENEWAL LIST

CITATION	INFORMATION REQUIRED*
13.1302	CMI has a valid permit for the McKinley Mine: Permit No. 2021-02. Renewal is requested within the approved boundaries of this permit.
13.1302 & 1304	The new permit identification number is 2026-02. The name and address of the permittee is provided in Section 2.2. The specific term of the renewal requested is provided in Section 1.1.1 and 2.1.
13.1302	A copy of the proposed newspaper public notice is provided in Section 2.7.
13.1302	Evidence of liability insurance is provided in Section 2.6.
14.1401	Performance bonding is addressed in Section 2.9
* Note: "Sections" referenced in this table mean section in this renewal application	

1.3 VERIFICATION OF APPLICATION

A notarized statement has been prepared by the responsible official of CMI verifying that the information in this permit renewal application is true and correct to the best of his knowledge and belief. This statement is located in Appendix 1.3-A.

1.4 LIFE-OF-MINE PLAN

An overview of the areas previously mined during the life of the McKinley Mine is provided on Exhibit 1.4-1. With mining now complete, the exhibit no longer shows proposed mining areas.

Exhibit 1.4-2 depicts the relative position of the 1"=400' map sheets. In summary it shows how the mine was broken out by sheet-number where more detailed mapping was needed to show mining and reclamation information.

All exhibits in this renewal application show the MMD permit boundary. The lease boundary embodies those lands on which CMI has surface and/or mineral rights. Land control rights are discussed in more detail in Section 2.4 and on Exhibits 2.4-1 and 2.4-2 of this renewal application. The permit boundary is inclusive of those lands within the lease boundary that are permitted for mining. OSMRE jurisdictional lands have been identified with the notation "OSM," or a similar identifier.

The permit boundary has been updated over time as areas that have had full liability release were removed from the permit area.

1.5 TECHNICAL CONSULTANTS

The consulting firms listed in Table 1.5-1 have made specific contributions to various sections of this renewal application.

TABLE 1.5-1: CONSULTANTS & CONTRIBUTIONS

CONTRIBUTION	CONSULTANT AND/OR LABORATORY
Geology	Amuedo and Ivey 155 South Madison Street, Suite 230 Denver, Colorado 80209
Geology	Sergent, Hauskins & Beckworth 4700 Lincoln Road N.E. Albuquerque, New Mexico 87109
Lithologic Sample Analysis, Soil Analysis, Drilling Water Analysis	Core Laboratories, Inc. 3428 Stanford N.E. Albuquerque, New Mexico 87107
Soil	Harner-White Ecological Consultants, Inc. 4509 Radio Road Gillette, Wyoming 82716
Soil	James P. Walsh & Associates, Inc. 1002 Walnut Street P.O. Box 2003 Boulder, Colorado
Soil	Lewis Munk and Paul Boden, Soil and Water West, Inc. 1700 Southern Boulevard Rio Rancho, New Mexico 87124
Soil & Vegetation	Golder Associates Inc. 5200 Pasadena Avenue, NE, Suite C Albuquerque, NM 87113
Vegetation	Harner-White Ecological Consultants, Inc. 4901 E. Dry Creek Road Littleton Colorado 80122
Vegetation	Metric Corporation 2025 San Pedro, N.E. Albuquerque, New Mexico 87110
Vegetation	Western Resource Development Corporation 711 Walnut Street P.O. Box 467 Boulder, Colorado 80306

TABLE 1.5-1: CONSULTANTS & CONTRIBUTIONS (Cont.)

Vegetation	Horizon Resource Management (Richard Bonine) 1206 East Aztec Gallup, NM 87301
Vegetation	WSP USA Inc. 2440 Louisiana Boulevard NE, Suite 400 Albuquerque, NM 87110 (505) 881-5357
CONTRIBUTION	CONSULTANT AND/OR LABORATORY
Hydrology, Alluvial Valley Floor Investigation	Geohydrology Associates, Inc. 3225 Candelaria Road, N.E., Suite B Albuquerque, New Mexico 87107
Hydrology	Water and Earth Technologies, Inc. 1225 Red Cedar Circle, Unit A Fort Collins, CO 80524
Hydrology	Golder Associates Inc. 13515 Barrett Parkway Dr. Suite 260 Ballwin, MO 63021
Water Analysis	Albuquerque Analytical, Inc. 4115 Silver Avenue, S.E. Albuquerque, New Mexico 87108
Water Analysis	Green Analytical Laboratories 75 Suttle Street Durango, CO 81303
Hydrologic Monitoring and NPDES Permit	Trihydro Corporation 1252 Commerce Drive Laramie, WY 82070
NPDES Permit (Original)	Habitat Management Inc. 14 Inverness Drive East, Suite A-100 Englewood, CO 80112
Fish and Wildlife	Bio-Resources, Inc. P.O. Box 3447 Logan, Utah 84321
Raptors	Hawks Aloft 6715 Eagle Rock Road, NE, Suite A Albuquerque, NM 87113

TABLE 1.5-1: CONSULTANTS & CONTRIBUTIONS (Cont.)

Archaeology	University of New Mexico Office of Contract Archaeology Department of Anthropology Albuquerque, New Mexico 87131
Archaeology	Environmental Consultants, Inc. 4951 Airport Pkwy, Suite 500 Dallas, Texas 75248
Archaeology	New Mexico State University Department of Sociology & Anthropology Cultural Resources Management Division P.O. Box 5700 Las Cruces, New Mexico 88033
Cultural Resources	Southwest Archaeological Consultants 1200 Don Diego Ave Santa Fe, NM 87505
Cultural Resources	SWCA Environmental Consultants 114 North San Francisco St., Suite 100 Flagstaff, AZ 86001

2.0 LEGAL, FINANCIAL, COMPLIANCE INFORMATION

Section 2.0 contains legal, financial, compliance and performance bonding information. The section is divided into the following:

2.1 PERMIT TERM

2.2 IDENTIFICATION OF INTERESTS

2.3 VIOLATION INFORMATION

2.4 RIGHT-OF-ENTRY

2.5 AREAS DESIGNATED UNSUITABLE FOR MINING

2.6 INSURANCE INFORMATION

2.7 PROOF OF PUBLICATION

2.8 WATER RIGHTS

2.9 PERFORMANCE BONDING

2.1 PERMIT TERM

Information in this renewal application covers the new permit term, which is the time period between March 7, 2026 and March 7, 2031. Because the mine is now closed and most of it is reclaimed, no new disturbance of land is anticipated.

2.2 IDENTIFICATION OF INTERESTS

2.2.1 APPLICANT & OPERATOR

Chevron Mining Inc. (CMI) is the applicant and operator. CMI headquarters are located at:

1400 Smith Street
Houston, TX 77002

Correspondence concerning this application should be addressed to the following:

Chevron Environmental Management Company
McKinley Mine
Attn: Armando Martinez
P.O. Box 469
354 State Road 38
Questa, NM 87556
Telephone: (505) 690-5408

2.2.2 STATEMENT OF OWNERSHIP

CMI is a corporation, incorporated under the laws of the State of Missouri and is a wholly-owned subsidiary of Chevron Corporation. (See Appendix 2.2-D)

2.2.3 SERVICES OF PROCESS

Service of Process is received by the following:

CSC of Lea County, Inc
Mc-Csc1
726 E. Michigan Drive, Ste 101
Hobbs, NM 88240-3465
Telephone: (888) 702-0997

2.2.4 DIRECTORS AND OFFICERS

Lists of directors and officers for both CMI and Chevron Corporation are contained in Appendix 2.2-A.

2.2.5 OPERATIONS UNDER OTHER NAMES

In the past five years from the date of this permit-renewal application, CMI has not had coal-mining operations under other names.

2.2.6 PENDING, PRESENT, AND PRIOR PERMITS

CMI has coal mines permitted in New Mexico and Texas; these mines no longer produce coal and are in various phases of closure and reclamation.. Appendix 2.2-B contains a list with the status of all coal-mining permits issued to CMI in the past five years from the date of this application renewal.

2.2.7 MINE SAFETY AND HEALTH ADMINISTRATION NUMBERS

The McKinley Mine was assigned MSHA identification number: 2900096; McKinley Mine, however, is no longer under the MSHA regulatory program. The MSHA Mine Data Retrieval System webpage reflects this status as of 9/30/2013.

2.2.8 OTHER LICENSES AND PERMITS

A listing of other licenses and permits required to operate the McKinley Mine during this permit term is provided in Appendix 2.2-C.

2.2.9 ABANDONED MINE LAND RECLAMATION FEES

Coal production and sales at McKinley Mine have ceased; therefore, CMI no longer submits fees on behalf of McKinley Mine for the Abandoned Mine Reclamation Fund.

2.2.10 CONTIGUOUS LAND INTERESTS

Exhibit 2.4-1 shows CMI ownership of lands contiguous to the permit boundary. Currently, there are no pending options or bids on any other lands.

2.3 VIOLATION INFORMATION

2.3.1 BOND OR PERMIT REVOCATION INFORMATION

Neither the applicant nor any subsidiary, affiliate, or persons controlled by or under common control with the applicant has:

- 1) Had a Federal or State mining permit suspended or revoked in the last five years; nor
- 2) Forfeited a mining bond or similar security deposit in lieu of bond.

2.3.2 NOTICES OF VIOLATION

A list of Notices of Violation (NOV) received by CMI and affiliated companies during the last three years is contained in Appendix 2.3-A. That appendix includes the following when applicable: company name, permit affected, violation number and brief description; date; status of proceedings, current status of the violation; and any actions taken to abate the violation.

2.4 RIGHT-OF-ENTRY

2.4.1 OVERVIEW

This section provides information documenting CMI's right-to-enter to mine and reclaim the lands within the McKinley Mine permit area. A detailed description of CMI's surface and mineral control is depicted on Exhibits 2.4-1 and 2.4-2, respectively. Appendix 2.4-A lists the file numbers associated with right-to-entry at the McKinley Mine.

2.4.2 SURFACE AND MINERAL CONTROL

ODD NUMBERED SECTIONS - MINERALS

Minerals beneath all odd-numbered sections are owned by the Peabody Natural Resources Company (PNRC). CMI has the right to the coal beneath these sections through a coal lease from Santa Fe Railroad (File # 601-001-AA), which was assigned to PNRC on June 25, 1993.

ODD-NUMBERED SECTIONS - SURFACE

The majority of the surface of the odd-numbered sections is owned by CMI under various file numbers. A listing of these file numbers is contained in Appendix 2.4-A.

The surface lands within odd-numbered sections not owned by CMI are as follows:

- One parcel within Section 15, T16N-R20W is leased to CMI from Paula Westbrook (File # 601-022-AA). CMI has been granted the right to disturb the surface to mine the coal via the lease agreement. A copy of this written consent is provided in Appendix 2.4-B.
- Section 13, T16N, R20W was transferred to the Navajo Tribal Utility Authority by Chevron. Chevron retained rights to the 12.39 acres (more or less) under permit in the northwest quarter through a provision in the transfer document.

EVEN-NUMBERED SECTIONS - MINERALS

The majority of minerals beneath even-numbered sections are owned by the U.S. Government. CMI has the right to the coal in these sections through a Federal Government coal lease (File #s 601-043-AA, 601-047-AA, 601-064-AA, and 601-077-AA).

The minerals beneath even-numbered sections that are not owned by the Federal Government are owned by the State of New Mexico and are leased to CMI. These areas are as follows:

- Section 36, T17N-R21W (File # 601-039-AA).
- Lots 1 and 2, Section 36, T17N-R20-W (File # 601-094-AA).

EVEN NUMBERED SECTIONS - SURFACE

The majority of the surface of even-numbered sections is Indian Allotments administered by the BIA and leased to CMI under various files. CMI has the right to disturb the surface to mine the coal via each of the lease agreements. A copy of a letter from the BIA documenting this right is provided in Appendix 2.4-C.

The surface of the even-numbered sections that are not Indian Allotments are as follows:

- Section 6, T16N-R20W (File # 601-064-AA), NE $\frac{1}{4}$ of Section 22, T-16N-R20W (File # 601-047-AA), and S $\frac{1}{2}$ of SE $\frac{1}{4}$, Section 36, T-17N-R20W (File # 601-043-AA). The surface is owned by the Federal Government and administered by the BLM. CMI has been granted the right to disturb the surface to mine the coal via the lease agreement. A copy of this document of conveyance is provided in Appendix 2.4-B.
- Lots 1 and 2, Section 36, T17N-R20W (File # 601-094-AA) Surface is owned by the State of New Mexico. CMI has been granted the right to disturb the surface to mine the coal via the lease agreement. A copy of this document of conveyance is provided in Appendix 2.4-B.

WATERLINE EASEMENTS

The United States Department of Interior Bureau of Reclamation (BOR) secured easements to construct a waterline that would lie within the boundary of the McKinley Mine Permit No. NM 2026-02 as part of the federal project to construct a waterline to the Navajo Nation under the Navajo-Gallup Water Supply Project (NGWSP)-San Juan Lateral. More specifically, the easements for the waterline cross portions of Sections 6, 7, 8, 10 and 11, T16N, R20W. The easements included a temporary construction easement that is 150-foot wide (approximately 75 feet each side of the centerline), and a perpetual easement 80-foot wide (40 feet either side of the centerline) after construction. Figure 2.4.2 shows the approximate route of the proposed waterline. Approximately 61.8 acres of the 150-foot wide construction easement falls within the current permit boundary of Permit NM-2021-02.

The easements are located in both CMI-owned lands (Section 7 and 11) and leased lands (Sections 6, 8 and 10). BOR secured easements with CMI on lands CMI owns, and BOR secured easements with the appropriate land owner or representative for lands leased by CMI.

The lands within the easements included both reclaimed land that were still under CMI liability as well as undisturbed lands. The waterline has been constructed and reclamation of disturbed lands was completed in 2025. The lands in the construction easement are no longer under SMCRA requirements and they are no longer a CMI liability. Executed easement documents for tracts within

the permit boundary may be found in Appendix 2.4-A.

2.4-3 BOND RELEASE AREAS

Phase III bond-release areas will be documented in this permit after they are approved by MMD. Information regarding the bond-release application and associated approval documents will be placed in Appendix 2.4-A. Exhibits 2.4-1 and 2.4-2 will be updated to show any MMD-approved changes to the permit boundary in association with Phase III activities and related CMI-land ownership changes.

2.5 AREAS DESIGNATED UNSUITABLE FOR MINING

The permit area is not legally designated or pending under petition for designation as an area unsuitable for surface coal mining.

During active mining, CMI mined and disturbed selected areas within 100 feet of public road right-of-ways in accordance with its SMCRA permit. CMI claims that these lands are exempt from Areas Designated Unsuitable for Mining as outlined in Part 2-11(b). This claim for exemption is based on Valid Existing Rights as outlined in Part 3-13(a), (b) and (c). Coal mining operations were present and on-going at The McKinley Mine prior to August 3, 1977. Distinct financial and legal commitments were made to CMI's utility customers under long term contracts prior to January 4, 1977.

CMI protected the public interest by submitting mining and reclamation plans, with appropriate schedules and operating procedures, to the Director for approval prior to disturbance.

2.6 INSURANCE INFORMATION

Appendix 2.6-A contains the current Certificate of Insurance showing CMI is insured to limits of \$300,000.00 per occurrence and \$500,000.00 aggregate against personal injury and property damage claims, including those arising from the use of explosives at the McKinley Mine.

MMD will be notified in the event of substantive changes in the coverage, including termination or failure to renew. The insurance policy will be maintained in full force during the life of the permit or any renewal thereof, including completion of all reclamation operations.

2.7 PROOF OF PUBLICATION

2.7.1 NEWSPAPER ADVERTISEMENT

A copy of the proposed legal notice to be published for this permit renewal application has been provided in Appendix 2.7-A. After the last public notice has been published, a copy of the notice and an Affidavit of Publication will be filed with MMD and inserted into Appendix 2.7-A.

2.7.2 PUBLIC OFFICE LOCATION FOR FILING

A copy of this application will be filed with the following:

McKinley County Courthouse
201 W. Hill Street
Gallup, New Mexico 87301

New Mexico Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

2.8 WATER RIGHTS

2.8-1 SURFACE WATER RIGHTS

A search of the records of surface water rights maintained by the State Engineer's Office shows that within the McKinley Mine lease boundary, the only known existing surface water rights are owned by CMI. These rights, File 3294, approved December 14, 1972, have a diversion point on the Tse Bonita Wash at the northeast corner of the NE $\frac{1}{4}$, NE $\frac{1}{4}$, Sec 5, T16N, R20W, and are for 20 acre-feet per year. CMI is not aware of any other owners of surface water rights within five miles of the lease boundary.

Copies of CMI's application to "Appropriate the Natural Public Surface Waters of the State of New Mexico" have been placed in Appendix 2.8-A.

2.8-2 GROUNDWATER RIGHTS

Groundwater rights in the Gallup basin were not required prior to declaration of that basin on March 5, 1980. Since then, the declarations listed in Table 2.8-1 have been filed.

Table 2.8-1: Groundwater Declarations

DECLARER	LOCATION	AMOUNT (ac-ft/annum)	FILE NUMBER
Yah-Ta-Hey Trading Post, J. B. Tanner	Sec 7, T16N, R18W	169.73	G-13
	Sec 7, T16N, R18W	35	G-13-S
Carbon Coal Company	Sec 4, T15N, R19W	200	G-14
Chevron Mining Inc.- McKinley Mine (Last Update 4/27/11)	SE $\frac{1}{4}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$, Sec 17, T16N, R20W	1,005.2	G-87
	NE $\frac{1}{4}$, SW $\frac{1}{4}$, SW $\frac{1}{4}$ Sec 29, T17N, R20W	634	G-88
	SE $\frac{1}{4}$, NW $\frac{1}{4}$, SW $\frac{1}{4}$ Sec 5, T16N, R20W	431	G-89
	SE $\frac{1}{4}$, NW $\frac{1}{4}$, SW $\frac{1}{4}$ Sec 5, T16N, R20W	431	G-89-S
	NE $\frac{1}{4}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ Sec 17, T16N, R20W	6.5	G-90
	NW $\frac{1}{4}$, SW $\frac{1}{4}$, NW $\frac{1}{4}$ Sec 26, T16N, R20W	29	G-91
	NE $\frac{1}{4}$, NE $\frac{1}{4}$, SW $\frac{1}{4}$ Sec 4 T16N, R20W	16.1	G-92
	108°56'40"; 35 41'38"	16.1	G-93
	108°54'35"; 35 40'52"	16.1	G-94
	SW $\frac{1}{4}$, NW $\frac{1}{4}$, SE $\frac{1}{4}$ Sec 14, T16N, R20W	16.1	G-95
	NW $\frac{1}{4}$, SE $\frac{1}{4}$, NW $\frac{1}{4}$, Sec 14, T16N, R20W	3.0	G-258

2.9 PERFORMANCE BONDING

2.9.1 OVERVIEW

The bond amount for McKinley Mine permit area under MMD jurisdiction is calculated using the assumption that the mine ceases to exist during the permit term and that work is required to complete the reclamation of remaining liabilities. Costs are based upon a third party contractor, under the supervision of the Regulatory Authority, performing all work required.

2.9.2 BOND AMOUNT

The bonding calculations were originally developed based on the worst-case scenario for each mining area. Since then various Phase I, II and III bond releases have occurred throughout the mine reducing the original worst-case bond. Bonding calculations are located in Appendix 2.9-A of this volume, which includes any updates to the bond and any associated riders. CMI has a surety bond for Permit No. 2026-02 in the amount of \$24,645,642 (see Appendix 2.9-A). This bond amount will be adjusted during the permit term to reflect the Phase I, II, and III bond-release approvals with MMD guidance; the adjusted remaining bond amount reflecting these releases will be documented in Appendix 2.9-A. MMD Director's Orders approving Phase III bond release applications may be found in Appendix 2.4-A.

2.9.3

This section intentionally omitted.

2.9.4 PERMIT AREA LEGAL DESCRIPTION

Appendix 2.9-B contains a legal description of the permit area covered by this application. This description has been prepared by a Registered Professional Land Surveyor.

Appendix 1.3-A

Verification of Application

Verification of Application

I, Armando Martinez, Operations Lead, for Chevron Mining Inc.'s McKinley Mine, verify that the information contained in this permit-renewal application is true and correct to the best of my knowledge and belief.

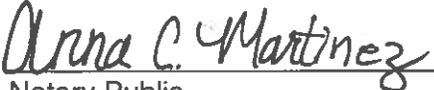

Armando Martinez
Operations Lead
Chevron Environmental Management Company (CEMC)

11/6/25
Date

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of New Mexico)
) SS
County of Taos)

Subscribed and sworn to before me, in my presence, this 6th day of November, 2025, a Notary Public in and for the State of New Mexico.


Notary Public

My Commission expires: July 24, 2026

ANNA C. MARTINEZ
Notary Public - State of New Mexico
Commission # 1058122
My Comm. Expires Jul 24, 2026

Appendix 2.2-A
DIRECTORS & OFFICERS

Chain of Ownership as of November 04, 2025

Chevron Corporation (156224)

Chevron Investments Inc (156450)

Texaco Inc (151514)

Texaco Overseas Holdings Inc (151540)

Chevron Global Energy Inc (156657)

Chevron Mining Inc (246587)

Farco Mining Inc (147065)

Chevron Mining Inc. Organizational Chart (as of 11/05/25)

Gaynor, Shirreffs, President, Chevron Asset Retirement (Legal Entity Name: Chevron Environmental Management Company [CEMC])

Kevin Behrens, Sr. Manager, AR Mining Portfolio (CEMC), President of CMI

Armando Martinez, Operations Lead, Asset Retirement Mining Portfolio (CEMC) (which includes CMI's McKinley Mine)

Appendix 2.2-B

Pending, Present & Prior Permits

Name: York Canyon Surface Mine
Mailing Address: 1400 Smith Street
City: Houston
State: TX
Zip: 77002
Employer Identification Number: 44-0648937
Federal or State Permit Number: State of New Mexico #2016-03
MSHA I.D. Number: 29-00095 Date of Issuance: June 24, 2016
Describe the Ownership of control relationship to the applicant: Former Operator
Percentage of ownership by the applicant: 0
Location in Organizational Structure of the applicant:
CMI Permitted Mine. Supersedes 2011-03.
Permit released from bond on February 22, 2018

Name: York Canyon Underground Mine
Mailing Address: 1400 Smith Street
City: Houston
State: TX
Zip: 77002
Employer Identification Number: 44-0658937
Federal or State Permit Number: State of New Mexico #2017-01
MSHA I.D. Number: 29-00095 Date of Issuance: February 1, 2017
Describe the Ownership of control relationship to the applicant: Former Operator
Percentage of ownership by the applicant: 0
Location in Organizational Structure of the applicant:
CMI Permitted Mine. Supersedes 2012-01.
Permit released from bond on February 22, 2018

Name: Ancho/Gachupin-Brackett Coal Mine
Mailing Address: 1400 Smith Street
City: Houston
State: TX
Zip: 77002
Employer Identification Number: 44-0658937
Federal or State Permit Number: State of New Mexico #2017-02
MSHA I.D. Number: 29-00095 Date of Issuance: June 9, 2017
Describe the Ownership of control relationship to the applicant: Operator
Percentage of ownership by the applicant: 0
Location in Organizational Structure of the applicant:
CMI Permitted Mine. Supersedes 2021-02.
Permit released from bond on August 16, 2023

Name: McKinley Surface Mine
Mailing Address: 1400 Smith Street
City: Houston
State: TX
Zip: 77002
Employer Identification Number: 44-0658937
Federal of State Permit Number: State of New Mexico # 2021-02
MSHA I.D. Number: 29-00096 Date of Issuance: September 15, 2025
Describe the Ownership of control relationship to the applicant: Operator
Percentage of ownership by the applicant: 100
Location in Organizational Structure of the applicant:
CMI Permitted Mine. Supersedes 2016-02.

Name: McKinley Surface Mine
Mailing Address: 1400 Smith Street
City: Houston
State: TX
Zip: 77002
Employer Identification Number: 44-0658937
Federal of State Permit Number: Office of Surface Mining # NM-0001K
MSHA I.D. Number: 29-00096 Date of Issuance: October 27, 2017
Renewal application submitted May 6, 2021; OSMRE action pending. Current permit under OSMRE administrative extension.
Describe the Ownership of control relationship to the applicant: Operator
Percentage of ownership by the applicant: 100
Location in Organizational Structure of the applicant:
P&M Permitted Mine. Supersedes NM-0001J.

Name: Rachal Mine
Mailing Address: 1400 Smith Street
City: Houston
State: TX
Zip: 77002
Employer Identification Number: 74-1729788
Federal of State Permit Number: State of Texas # 9D
MSHA I.D. Number: 41-02803 Date of Issuance: October 2, 2012
Describe the Ownership of control relationship to the applicant: Operator
Percentage of ownership by the applicant: 100
Location in Organizational Structure of the applicant:
Farco Mining Inc. Permitted Mine. Supersedes #9C.
Non producing mine in reclamation phase, so Texas Railroad Commission does not require permit renewals (Oct 2012)

November 05, 2025

Name: Palafox Mine
Mailing Address: 1400 Smith Street
City: Houston
State: TX
Zip: 77002
Employer Identification Number: 74-1729788
Federal of State Permit Number: State of Texas # 37C
MSHA I.D. Number: 41-02803 Date of Issuance: September 12, 2006
Describe the Ownership of control relationship to the applicant: Former Operator
Percentage of ownership by the applicant: 0
Location in Organizational Structure of the applicant:
Farco Mining Inc. Permitted Mine. Superseded #37B.
Permit released from bond August 6, 2019

Name: Trevino Mine
Mailing Address: 1400 Smith Street
City: Houston
State: TX
Zip: 77002
Employer Identification Number: 74-1729788
Federal of State Permit Number: State of Texas # 45D
MSHA I.D. Number: 41-02803 Date of Issuance: December 13, 2011
Describe the Ownership of control relationship to the applicant: Operator
Percentage of ownership by the applicant: 0
Location in Organizational Structure of the applicant:
Farco Mining Inc. Permitted Mine. Supersedes #45C
Permit released from bond June 8, 2021.

Note: Permits showing 0% for "Percentage of Ownership by Applicant" are permits that have been released within the last 5 years.

Appendix 2.3-A

Notices of Violation History

Three-Year History

Effective November 5, 2025

There have been no Notice of Violations issued to Chevron Mining Inc. in the past 3 years.

Appendix 2.4-A
Right of Entry

Appendix 2.4-A

Permit Renewal 26-02 Additional Appendix Content (11/5/25)

Documents 1 through 5 are related to approved Phase III bond releases. Documents 6 through 9 are related to the Bureau of Reclamation Navajo Gallup Water Supply Project. Document 10 is the USDI Solicitor to OSMRE Right-of-Entry December 23, 2010 letter on expired Allotment Leases.

-  1_Phase III Bond Releases Summary Page
-  2_FINAL AMENDED 9S Director's Order Signed
-  3_OSMRE McKinley Area 9S Concurrence Letter
-  4_Final DO 2023 Phase I-III 9N_revised
-  5_OSMRE McKinley Area 9N Concurrence Letter
-  6_Navajo Gallup Water Supply Project
-  7_Recorded CGE Chevron Gulf Oil NGP-21A, 21B
-  8_Recorded CGE Chevron Mining Inc. - Parcel No. NGP-12(P)(T)
-  9_Recorded CGE Chevron USA Inc. - Parcel Nos. NGP-11(P)(T) & NGP-13(P)(T)
-  10_OSMRE_Right-Of-Entry_122310

Phase III Bond Releases
Director's Orders and OSMRE Concurrences
(9 South and 9 North)

**MINING AND MINERALS DIVISION
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
STATE OF NEW MEXICO**

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

**IN THE MATTER OF CHEVRON MINING INC. APPLICATION FOR PHASE I, II, III
BOND RELEASE OF LANDS LOCATED ON THE MCKINLEY MINE
PERMIT 2016-02**

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 Chevron Mining Inc. (“CMI” or “Applicant”) for Phase II and III Bond Release of 1,151 acres of reclamation, and Phase I, II, and III Bond Release of 42 acres of reclamation on McKinley Coal Mine as specified in the Phase I, II, III Bond Release Application dated August 12, 2022, (“Application”).

The Director, having considered the Application and its associated documentation, reviewed Mining and Minerals Division (“MMD”) files, and being otherwise fully advised in the premises, now Finds, Concludes and Orders as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. The Director has jurisdiction over the McKinley Coal Mine located in McKinley County, New Mexico, approximately 23 miles northwest of Gallup, New Mexico, as well as jurisdiction over CMI and the subject matter of the Application.
2. The areas requested for release includes federal lands managed by the Bureau of Indian Affairs and the Bureau of Land Management. *See* Supporting Documents at #0033. Therefore, the concurrence of the U.S. Office of Surface Mining Reclamation and Enforcement (“OSMRE”), is required prior to the release of the requested area. 30 CFR 931.30 Article X Sec. 28.
3. The Application for the release of performance bond was submitted 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. *See* Supporting Documents for McKinley Coal Mine “Area 9S-VMU4 Section” 2022 Phase I, II, II Bond Release Director’s Order (“Supporting Documents”), at #0001-0427.
4. The Application was submitted to the Director on August 12, 2022 and was determined to be administratively complete on October 28, 2022. The Application addressed all applicable requirements of the Act and Rules. *See* Supporting Documents at #0003-0017 and #0329.

5. CMI has provided surety bonds issued by Liberty Mutual Insurance Company in the amount of twenty-four million, six hundred forty-five thousand, six hundred forty-two dollars and no cents (\$24,645,642.00) in favor of MMD to cover the total cost of reclamation of the lands disturbed by mining operations under Permit 2016-02.

6. The applicant requested a bond reduction of two million, six hundred thirty-four thousand, two hundred thirty-nine dollars and no cents (\$2,634,239.00) in actual bond monies posted for this bond release application. *See* Supporting Documents at #0017 and #0025-0028.

7. CMI provided public notice of the request for release of the surety bonds through publication of legal advertisements in the *Gallup Independent* on September 7, 14, 21, and 28. In addition, CMI provided public notice of the request through publication in the *Navajo Times* on September 8, 15, 22, and 29. These advertisements fulfilled the requirements of 19.8.14.1412(A)(3) NMAC. In September 2022, CMI notarized multiple affidavits of publication to document that said advertisement was placed at least once a week for four consecutive weeks in the *Gallup Independent* and the *Navajo Times*, which are newspapers of general circulation in the locality of the permit area. *See* Supporting Documents at #0330-0342.

8. CMI sent notification letters to adjoining landowners, local governmental bodies, and other planning agencies on August 24, 2022, which provided a notice of intent to seek Phase I, II, and III bond release, as required by 19.8.14.1412(A)(2)(f) NMAC. MMD determined that there are no planning agencies, sewage and water treatment authorities, or water companies in the locality of the McKinley Coal Mine that would be subject to this rule. *See* Supporting Documents at #0343-0346.

9. The McKinley Coal Mine is not located within a municipality. Accordingly, the provisions of 19.8.14.1412(E) NMAC are not applicable.

10. MMD staff conducted a field inspection and evaluation of lands encompassed by the Application, pursuant to 19.8.14.1412(B) NMAC, on September 21 and October 6, 2022. The surface landowners were given notice of the inspection and were invited to participate. Representatives of OSMRE were in attendance. No other person requested access to the permit area for the inspection. Deficiencies were identified during the inspection. Corrections were accepted and addressed during follow-up inspections. *See* Supporting Documents at #0347-0423.

11. The Director has determined that the backfilling, regrading and drainage control performance standards specified in Permit 2016-02 have been achieved by CMI for the areas requested for release in accordance with the approved reclamation plan, thus meeting the requirements of 19.8.14.1412(C)(1) NMAC. The areas requested for release were all indicated in Exhibits of the McKinley Coal Mine Application. *See* Supporting Documents at #0018-0024.

12. Pursuant to 19.8.14.1412(C)(2) NMAC, CMI completed vegetation sampling in 2019, 2020 and 2021 which established successful revegetation. This was subsequently validated by MMD staff. *See* Supporting Documents at #0424-0426.

13. Trihydro Corporation collected and managed water quality and quantity at McKinley Coal Mine and provided an evaluation report of water data from 2013 to 2021 pursuant to 19.8.14.1412 NMAC. The report was reviewed and approved by MMD staff. *See* Supporting Documents at #0427.

14. The Application contains all the information required by 19.8.14.1412(A)(2) NMAC, including a notarized statement by Mr. Jeff Schoenbacher, Operations Lead of the McKinley Coal Mine, which certifies that all Phase I, II, III reclamation activities have been accomplished on the lands that are subject to the Application in accordance with the Surface Mining Control and Reclamation Act, the New Mexico Surface Mining Act, 19.8 NMAC and the reclamation plan approved in Permit 2016-02. *See* Supporting Documents at #0065.

15. The Director received no written objections or requests for a hearing by the end of the 30-day public comment period after the last publication of the public notices required by 19.8.14.1412(A)(3) NMAC. Nor did the Director receive objections or requests for hearing from any of the persons notified pursuant to 19.8.14.1412(A)(2)(f) NMAC.

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

17. In February of 2025, the Director was made aware of certain errors and omissions in the original Director's Order for this matter, issued on December 11, 2024. The Director therefore hereby issues this instant Amended Director's Order to accurately reflect the applicable phases of bond release involved in this action, and to accurately reflect the OSMRE concurrence requirement prior to the order taking effect.

18. OSMRE concurred with this Amended Director's Order in a letter dated June 13, 2025.

ORDER

THEREFORE, IT IS ORDERED that Chevron Mining Inc.'s August 12, 2022, application for Phase II, III Bond release, on 1,151 acres of reclamation, and Phase I, II, and III Bond Release of 42 acres of reclamation, at McKinley Coal Mine is hereby APPROVED. The McKinley Coal Mine surety bond will be reduced to twenty-two million, eleven thousand, four hundred and three dollars and no cents (\$22,011,403.00), and the combined total of 1,193 acres of land released by this Order shall be returned to the landowners for their future use.

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

Dated this 13th day of June 2025



Albert C.S. Chang, Director

United States Department of the Interior



OFFICE OF SURFACE
MINING RECLAMATION
AND ENFORCEMENT
Western Region
One Denver Federal Center, Building 41
Lakewood, CO 80225



June 13, 2025

Mr. Albert Chang, Director
New Mexico Mining and Minerals
Division 1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Proposed Decision to Approve the McKinley Mine Area 9S Application for Phase I, II, and III Bond Release

Dear Mr. Chang:

On February 19, 2025, the New Mexico Mining and Minerals Division (MMD) requested the Office of Surface Mining Reclamation and Enforcement's (OSMRE) concurrence with MMD's proposed decision to approve an application which includes 1,193 acres of land eligible for Phase II and III bond release, and 42 acres of land eligible for Phase I bond release located within the Phase II and III acreage in an area of the McKinley Mine designated as Area 9S.

MMD staff conducted a field inspection and evaluation of lands encompassed by the Application, pursuant to 19.8.14.1412(B) NMAC, on September 21 and October 6, 2022. The surface landowners were given notice of the inspection and were invited to participate; representatives of OSMRE were in attendance.

OSMRE's Denver Field Branch reviewed the information presented by the McKinley Mine permittee in its bond release application, including Appendix 8: "Area 9S Complete 2019, 2020, and 2021 Vegetation Monitoring Reports for VMU #4." On March 31, 2025, OSMRE provided an objection letter withholding its concurrence and provided the state with concerns the Monitoring Report data are outdated and no longer valid for demonstrations of vegetative establishment or success.

On April 24, 2025, the MMD's Director provided a response to the objection letter. The letter indicated that OSMRE has misinterpreted New Mexico state regulation NMAC 19.8.20.2065(B)(3) and that the vegetation data for this bond release was indeed timely under New Mexico's regulations because the data showed that vegetation met standards for two of the "last four years" at the time the application for release was submitted to MMD. After reviewing the response, OSMRE agrees with the state of New Mexico's interpretation of the regulations

under SMCRA and Chapter 8 of the New Mexico Administrative Code. OSMRE concurs with MMD's Order in accordance with the requirements under SMCRA Sec. 515 (b)(20)(A), 1 NMAC 9.8.14.1412(A)(2), NMAC 19.8.14.1412(C)(1), NMAC 19.8.14.1412(C)(2), NMAC 19.8.14.1412(C)(3), and NMAC 19.8.20.2065(B)(3). Accordingly, OSMRE rescinds its March 31, 2025, objection letter.

CMI has provided surety bonds issued by Liberty Mutual Insurance Company in the amount of twenty-four million, six hundred forty-five thousand, six hundred forty-two dollars and no cents (\$24,645,642.00) in favor of MMD to cover the total cost of reclamation of the lands disturbed by mining operations under Permit 2016-02. Under this application CMI has requested a bond reduction of two million, six hundred thirty-four thousand, two hundred thirty-nine dollars and no cents (\$2,634,239.00) in actual bond monies.

Thank you and your staff for coordinating this bond release action through the OSMRE Denver Field Branch. Please direct any questions to Andrew Monroy, Civil Engineer, at amonroy@osmre.gov.

Sincerely,

Jeffery Fleischman
Chief, Denver Field Division

**MINING AND MINERALS DIVISION
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
STATE OF NEW MEXICO**

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

**IN THE MATTER OF CHEVRON MINING INC. APPLICATION FOR PHASE I, II, III
BOND RELEASE OF LANDS LOCATED ON THE MCKINLEY MINE
PERMIT 2016-02**

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, from a Phase I, II, and III bond release application by Chevron Mining Inc. (“CMI”) dated June 1, 2023 (“Application”); wherein CMI requested a Bond Release of Phase I, II and III of 139 acres of reclamation; and Bond Release of Phase II and III of 1,164 acres of reclamation. The combined total of 1,303 acres are both located on McKinley Coal Mine.

The Director, having considered the Application and relevant information, and being fully advised, Orders as follows:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

1. Pursuant to the New Mexico Surface Mining Act, Chapter 69, Article 25A NMSA 1978 (“Act”), the Director has jurisdiction over the McKinley Coal Mine located in McKinley County, New Mexico, approximately 23 miles northwest of Gallup, New Mexico, as well as jurisdiction over CMI and the subject matter of the Application.
2. The areas requested for release include federal lands managed by the U.S. Department of the Interior, Bureau of Land Management; and the U.S. Department of the Interior, Bureau of Indian Affairs. Therefore, the concurrence of the U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement (“OSMRE”) is required prior to the release of the requested area. 30 CFR 931.30, Article X, Sec. 28.
3. The Application for the release of performance bond was submitted pursuant to New Mexico, Coal Surface Mining Commission Rule located in 19.8.1 NMAC (“Rules”) , and are subject to the Act, the Rules, and all applicable laws and regulations. *See* Supporting Documents for McKinley Coal Mine “Area 9N-VMU3 Section” 2023 Phase I, II and III Bond Release Director’s Order (“Supporting Documents”), at #0002-0045.

4. The Application was submitted to the Director on June 1, 2023, and was determined to be administratively complete on February 23, 2024, because it met all applicable requirements of the Act and Rules. *See Supporting Documents at #0002 and #0046.*
5. CMI has provided surety bonds issued by Liberty Mutual Insurance Company in the total amount of twenty-four million, six hundred forty-five thousand, six hundred forty-two dollars and no cents (\$24,645,642.00) and in favor of MMD to cover the total cost of reclamation of the lands disturbed by mining operations under McKinley Surface Coal Mine Permit 2016-02.
6. CMI is requesting a bond release of two million, eight hundred seventy-six thousand, nine hundred twenty-one dollars and no cents (\$2,876,921.00) in actual bond monies posted for this bond release application. *See Supporting Documents at #0010.*
7. On December 11, 2024, MMD submitted a proposed Director's Order to OSMRE for "Area 9S-VMU4" at the McKinley Coal Mine, which would allow a bond release of two million, six hundred thirty-four thousand, two hundred and thirty-nine dollars and no cents (\$2,634,239.00). Should OSMRE concur with the previous proposed release and the current release of two million, eight hundred seventy-six thousand, nine hundred twenty-one dollars and no cents (\$2,876,921.00), it will collectively reduce the total surety bond amount of McKinley Coal Mine to nineteen million, one hundred thirty-four thousand, four hundred and eighty-two dollars and no cents (\$19,134,482.00).
8. CMI provided public notice of the request for release of the surety bonds through publication of legal advertisements in the *Gallup Independent* on August 16, 23, 30, and September 6, 2023. In addition, CMI provided public notice of the request through publication in the *Navajo Times* on August 17, 24, 31, and September 7, 2023. These advertisements fulfilled the requirements of 19.8.14.1412(A)(3) NMAC. In September 2023, CMI submitted affidavits of publication that an advertisement was placed at least once a week for four consecutive weeks in the *Gallup Independent* and the *Navajo Times* which are newspapers of general circulation in the locality of the permit area. *See Supporting Documents at #0047-0048.*
9. CMI sent notification letters to adjoining landowners, local governmental bodies, and other planning agencies on July 14, 2023, which provided a notice of intent to seek Phase I, II, and III bond release, as required by 19.8.14.1412(A)(2)(f) NMAC. MMD determined that there are no tribal agencies, sewage and water treatment authorities, or water companies in the locality of the McKinley Coal Mine that would be subject to this rule. *See Supporting Documents at #0049-0050.*
10. When an application for bond release is filed, the Director is required to notify the municipality where the coal mine is located. However, the McKinley Coal Mine is not located within a municipality. Accordingly, the provisions of 19.8.14.1412(E) NMAC do not apply.

11. MMD staff conducted a field inspection and evaluation of lands encompassed by the Application, pursuant to 19.8.14.1412(B)(1) NMAC, on August 25, 2023. The surface landowners were given notice of the inspection and were invited to participate. A representative from OSMRE was present. No other person requested access to the permit area for the inspection. Deficiencies were identified during the inspection. Corrections were accepted and verified by MMD staff during follow-up inspections. *See Supporting Documents at #0120-0138.*

12. The Director has determined that the performance standards specified in Permit 2016-02 have been achieved by CMI for the areas requested for release in accordance with the approved reclamation plan, thus meeting the requirements of 19.8.14.1412(C) NMAC. The areas requested for release were all indicated in the Application for Phase I, II and III Bond Release. *See Supporting Documents at #0002-0026.*

13. Pursuant to 19.8.14.1412(C)(1) NMAC, as specified in reclamation plan under Permit 2016-02, CMI completed backfill and regrade for this area in 1992, which was validated by MMD staff. Pursuant to 19.8.14.1412(C)(2) NMAC, during the August 23, 2023, field inspection, MMD staff determined vegetation density was sufficient to inhibit erosion and that the land is not contributing suspended solids to streamflow. Pursuant to 19.8.14.1412(C)(3) NMAC, CMI completed vegetation sampling in 2019, 2020, 2021 and 2022, which established successful revegetation, this was subsequently validated by MMD staff. *See Supporting Documents at #0139-0141.*

14. Trihydro Corporation collected and managed water quality and quantity at McKinley Coal Mine and provided an evaluation report of water data from 2013 to 2022 pursuant to 19.8.14.1412(B)(1) NMAC. The report was reviewed and approved by MMD staff citing there are no water quality issues at the McKinley Coal Mine. *See Supporting Documents at #0142-0145.*

15. The Application contains all the information required by 19.8.14.1412(A)(2) NMAC, including a notarized statement by Mr. Jeff Schoenbacher, Operations Lead of the McKinley Coal Mine, which certifies that all Phase I, II, III reclamation activities have been accomplished on the lands that are subject to the Application in accordance with the Act, Rules, and the reclamation plan approved in Permit 2016-02. *See Supporting Documents at #0041.*

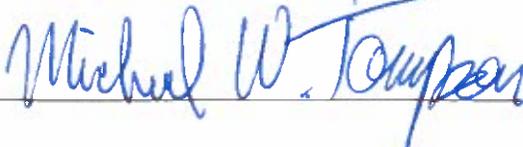
16. The Director received no written objections or requests for a hearing by the end of the 30-day public comment period after the last publication of the public notices required by 19.8.14.1412(A)(3) NMAC. Nor did the Director receive objections or requests for hearing from any of the persons notified pursuant to 19.8.14.1412(A)(2)(f) NMAC.

ORDER

THEREFORE, IT IS ORDERED that Chevron Mining Inc.'s June 1, 2023, application for Phase I, II, and III Bond release of 139 acres of reclamation and Phase II and III Bond release, on 1,164 acres of reclamation at McKinley Coal Mine is APPROVED to take effect upon OSMRE's concurrence. Providing OSMRE also concurs with Area 9S-VMU4, as specified in Section #7 of this Director's Order, the McKinley Coal Mine surety bond will be reduced to nineteen million, one hundred thirty-four thousand, four hundred and eighty-two dollars and no cents (\$19,134,482.00). Upon OSMRE concurrence, the combined total of 1,303 acres of land released by this Order shall be returned to the landowners for their future use.

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

Dated this 14th day of July 2025

A handwritten signature in blue ink that reads "Michael W. Tompson". The signature is written in a cursive style and is positioned above a horizontal line.

Mike Tompson, Acting Director

United States Department of the Interior



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Western Region
One Denver Federal Center, Building 41
Lakewood, CO 80225



July 8, 2025

Mr. Mike Tompson, Acting Director
New Mexico Mining and Minerals
Division 1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Proposed Decision to Approve the McKinley Mine Area 9N Application for Phase I, II, and III Bond Release

Dear Mr. Tompson:

On May 13, 2025, the New Mexico Mining and Minerals Division (MMD) requested the Office of Surface Mining Reclamation and Enforcement's (OSMRE) concurrence with MMD's proposed decision to approve an application which includes 139 acres of area eligible for Phase I bond release, and 1,303 acres of land eligible for Phase II and III bond release (which includes the 139 acres of land eligible for Phase I bond release). The parcels requested for release are located within the area of the McKinley Mine designated as Area 9N.

MMD staff conducted a field inspection and evaluation of lands encompassed by the Application, pursuant to 19.8.14.1412(B) NMAC, on August 22nd and 23rd of 2023. BIA Allotees were given notice of the inspection and were invited to participate in a field inspection of the various allotments; a representative of OSMRE was in attendance on August 22, 2023.

OSMRE's Denver Field Branch reviewed the information presented by the McKinley Mine permittee in its bond release application and OSMRE hereby concurs with the Decision in accordance with 30 CFR § 740.15 (d)(3) and 30 CFR § 931.30, Article X, Section 28 of the State-Federal Cooperative Agreement. The mineral ownership associated with this bond release is private and federal.

CMI has provided surety bonds issued by Liberty Mutual Insurance Company in the amount of twenty-four million, six hundred forty-five thousand, six hundred forty-two dollars and no cents (\$24,645,642.00) in favor of MMD to cover the total cost of reclamation of the lands disturbed by mining operations under Permit 2016-02. Under this application CMI has requested a bond reduction of two million, eight hundred seventy-six thousand, nine hundred twenty-one dollars and no cents (\$2,876,921.00) in actual bond monies.

Thank you and your staff for coordinating this bond release action through the OSMRE Denver Field Branch. Please direct any questions to Andrew Monroy, Civil Engineer, at amonroy@osmre.gov.

Sincerely,

Jeffery Fleischman
Chief, Denver Field Division

Navajo Gallup Water Supply Project
Easements and Agreements
2022
(Three Documents)

Contract No. 22-LA-40-0050
Parcel Nos. NGP-21A(P) and NGP-21B(P)

UNITED STATES
DEPARTMENT OF THE INTERIOR

NAVAJO GALLUP WATER SUPPLY PROJECT
NAVAJO CODE TALKERS SUBLATERAL - REACH 12.2

CONTRACT AND GRANT OF EASEMENT

THIS CONTRACT AND GRANT OF EASEMENT, is made this 12th day of April, 2022, pursuant to the Act of Congress of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, all of which acts are commonly known and referred to as Reclamation Laws, and particularly Section 10602 of Pub. L. No. 111-11, as amended, between the UNITED STATES OF AMERICA and its assigns, hereinafter referred to as the United States, and CHEVRON U.S.A. INC., A PENNSYLVANIA CORPORATION FKA GULF OIL CORPORATION, hereinafter referred to as the Grantor.

WITNESSETH, that for and in consideration of the mutual agreements herein contained, the parties hereto do covenant and agree as follows:

1. The Grantor by this Contract and Grant of Easement hereby conveys and warrants to the United States, free of lien or encumbrance, except as otherwise provided herein, the following described interests in real property situated in the County of McKinley, State of New Mexico, to-wit:

Two perpetual easements to construct, reconstruct, operate and maintain underground water pipeline or pipelines, appurtenant structures, on, over, under, or across the following described land:

A. Parcel No. NGP-21 A(P) Permanent Easement

A strip of land lying within the North half of Section 07, Township 16 North, Range 20 West, N.M.P.M., McKinley County, New Mexico. More particularly described as follows:

A strip of land being 60 feet wide, lying 30 feet each side of the following described centerline:

Point of Beginning being Reach 12.2 station 122081+80.40 which is a point on the East line of said Section 07, from which the Northeast corner of said Section 07,

DOCH 400815

05/31/2022 10:14 AM Page: 1 of 16
CONTRACT R: \$25.00 J. K. Sloan, McKinley County



A handwritten signature in black ink, appearing to be 'JK' or similar initials.

bears North 00°21'04" East a distance of 36.89 feet; Thence from the Point of Beginning North 85°19'51" West a distance of 705.13 feet to station 122088+85.53; Thence North 84°28'59" West a distance of 890.17 feet to station 122097+75.70; Thence North 84°49'06" West a distance of 491.56 feet to station 122102+67.26; Thence North 84°28'51" West a distance of 464.15 feet to station 122107+31.41; Thence North 85°16'37" West a distance of 400.58 feet to station 122111+31.99; Thence South 85°27'40" West a distance of 337.31 feet to station 122114+69.30, a point lying on the North line of the Right-of-Way of New Mexico State Road 264 and the Point of Terminus, from which the North West Corner of said Section 07 bears North 81°20'28" West a distance of 1507.22 feet.

The sidelines of described strip shall be lengthened or shortened, as necessary, so as to intersect the North line of the Right-of-Way of New Mexico State Road 264 and the east boundary line of said Section 07.

Parcel No. NGP-21 A(P) contains 4.52 acres more or less.

B. Parcel No. NGP-21 B(P) Permanent Easement

A strip of land lying in the North half of the Section 07, Township 16 North, Range 20 West, N.M.P.M., McKinley County, New Mexico. More particularly described as follows:

A strip of land being 60 feet wide, lying 30 feet each side of the following described centerline:

Point of Beginning being Reach 12.2 station 122114+69.30, a point lying on the North line of the Right-of-Way of New Mexico State Road 264 from which the Northeast corner of said Section 07 bears North 86°28'55" West a distance of 3282.26 feet; Thence, from the Point of Beginning, South 85°27'40" West a distance of 167.10 feet to station 122116+36.40; Thence North 83°49'58" West a distance of 130.61 feet to station 122117+67.01, a point on the East line of a Private Parcel described by Warranty Deed recorded on Book 18, Comp, Page 7055 in the McKinley County, New Mexico courthouse on July 25, 2002 and being the point of Terminus, from which the West quarter corner of said Section 07 bears South 26°35'40" West a distance of 2960.54 feet.

The sidelines of described strip shall be lengthened or shortened, as necessary, so as to intersect said North line of the Right-of-Way of New Mexico State Road 264 and the boundary lines of said Private Parcel.

Thence continuing North 83°49'58" West, 597.67' to the Point of Beginning being Reach 12.2 Station 122123+64.48, a point on the East line of said Private Parcel from which the West quarter corner of said Section 07 bears South 15°05'26" West a distance of 2808.36 feet; Thence North 83°49'58" West a distance of 607.35 feet to station 122129+72.03, the West line of said Section 07 and the Point of

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Terminus, from which the Northwest corner of said Section 07 bears North 02°37'30" East a distance of 96.76 feet.

The sidelines of described strip shall be lengthened or shortened, as necessary, so as to intersect the boundary lines of said Private Parcel and the West boundary line of said Section 07.

Parcel No. NGP-21 B(P) contains 1.25 acres more or less.

- 1.a. The Grantor warrants that Grantor is the owner of the real property whereon the above described easements lie.
- 1.b. The Grantor, for itself, its successors and assigns, agrees that, within the perpetual easement area described herein they shall not: (i) erect, construct, or permit to be constructed, any permanent building, structure, or improvement of any kind (except as may be defined hereinafter), nor shall Grantor construct or permit others to construct or install any fences, hard surfaced areas, or other permanent or temporary obstructions or improvements within the boundaries of the easement area that might interfere with the United States ability to gain access to the easement for operation, maintenance, repair, and replacement purposes. Any such obstruction installed or permitted to be constructed, installed, or maintained within the boundaries of the easement area shall be removed at Grantor's sole expense; (ii) plant any tree or shrubs on any portion of the easement, nor dig or drill any holes or wells, nor increase or decrease the ground elevations existing at the time this document is executed, on all or any portion of the easement; (iii) remove materials from the area without the approval of the United States, its agents or assigns. (iv) The damage to the road or appurtenant structures will be repaired by the Grantor, at the sole cost of the Grantor.
- 1.c. In the event that Grantor, its heirs, successors, or assigns, places or permits to be placed, any encroachment on any portion of the easements, the United States shall have the right to remove the encroachment after five (5) days written notice to Grantor, and Grantor, its heirs, or successors, or assigns, agrees to pay all costs incurred by the United States in removing the encroachment. All costs shall earn interest at the rates set by New Mexico law for interest on judgments until Grantor has reimbursed the United States for the cost of removal of any such encroachment. Any damage to the United States' property or appurtenant structures caused by the Grantor's use or encroachment of the easements shall be repaired at the sole cost and expense of the Grantor.
- 1.d. The Grantor, for itself, its successors and assigns, understands and agrees that any alteration, modification, change, or placement of improvements, by Grantor or any third party, within the above-described easement areas, subsequent to the date of execution of this Contract and Grant of Easement, shall be made at Grantor's own risk, and Grantor hereby releases the United States from liability for any and all loss or damage of every description or kind whatsoever which is caused by or as a direct result of such alteration, modification, change, or placement of improvements within said area; provided, however, that nothing in this Article shall be construed as releasing the United States from liability for its own negligence or the negligence of its employees, agents or contractors. The United States' liability is

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governed by the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. §1346(b), 2671 et seq.) or other applicable law.

- 1.e. The rights to be granted to the United States, as described in Article 1 hereof, shall be free from lien or encumbrance except: (i) coal, oil, gas, and other mineral rights reserved to or outstanding in Grantor and/or in third parties if not administratively objectionable; (ii) rights-of-way for roads, railroads, telephone lines, transmission lines, ditches, conduits, or pipelines, on, over, under, or across said lands if not administratively objectionable; and (iii) court liens, judgments or financial encumbrances, such as Deeds of Trust, where (a) obtaining a release of the interest to be acquired by the United States requires payment of an administrative fee to the lienholder that is deemed prohibitively expensive by the acquiring agency and the reviewing attorney, and (b) a property is not encumbered in excess of fifty percent of its reasonable value and the purchase price being paid by the United States does not exceed twenty percent of the value of the tract, as value is estimated by the acquiring agency or by the local tax assessor.
- 1.f. It is understood and agreed that the United States or its assigns shall have the right to install gates where the pipeline or access road crosses existing fences, and also to install temporary construction fencing during construction.
- 1.g. The United States may, in its sole discretion, erect, maintain, or use gates in all fences which now cross or later may cross any portion of the easement(s) to enable the United States to take equipment along the easement(s) to perform required maintenance and repair. Grantor may lock any such gate to prohibit the public from unlawful access to the easement area, but Grantor shall provide the United States a key to any such lock at Grantor's expense. The United States shall also be entitled to trim, cut, or clear away trees, brush, or other vegetation or flora from time to time as the United States determines in its sole discretion without additional compensation; (ii) grade to reasonably even and regular surfaces, all fills, cuts, and waste banks within the easement area; (iii) replace topsoil within the easement area.
- 1.h. Subject to statutory authority and available appropriations, the United States shall restore or repair, at the expense of the United States with material of like kind and equal quality, any damages to existing improvements, pipelines, crops, lawns, shrubs, or other landscaping within the easement area as a result of and during construction, of said Navajo Gallup Water Supply Pipeline and appurtenant structures. Nothing herein shall be deemed to increase the liability of the United States beyond the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. § 1346(b), 2671) et seq. or other applicable law.
2. The acquiring federal agency is the Bureau of Reclamation represented by the officer executing this Contract and Grant of Easement, his duly appointed successor, or his duly authorized representative.
3. The United States shall purchase said easements on the terms herein expressed, and on execution and delivery of this Contract and Grant of Easement, and approval by the proper officials of the United States, it shall cause to be paid to the Grantor the following amounts:
 - i. \$5,800.00 for Easement NGP-21A(P) described herein, and

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ii. \$900.00 for Easement NGP-21B(P) described herein.

For a total amount of \$6,700.00 (SIX-THOUSAND SEVEN-HUNDRED DOLLARS AND NO CENTS), which will be sent directly to a financial institution by Direct Deposit/ Electronic Funds Transfer.

4. The Grantor shall, at its own cost, procure and have recorded all assurances of title and affidavits which the Grantor may be advised by the United States are necessary and proper to show in the Grantor complete fee simple unencumbered title to the property whereon the above-described easement lies, subject to the interests, liens, or encumbrances expressly provided herein and to all interests, liens, and encumbrances of record at the time this Contract and Grant of Easement is executed. Abstracts or certificates of title or title insurance will be procured by the United States at its expense unless otherwise provided in this Contract and Grant of Easement. The expense of recording this Contract and Grant of Easement shall be borne by the United States.

The United States shall reimburse the Grantor in an amount deemed by the United States to be fair and reasonable for the following expenses incurred by the Grantor:

- (a) Recording fees, transfer taxes and similar expenses incidental to granting the easements described herein to the United States.
- (b) Penalty cost for prepayment of any pre-existing recorded mortgage entered into in good faith encumbering said real property.
- (c) The pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting title in the United States, or the effective date of possession of such real property by the United States, whichever is earlier.

The Grantor agrees to furnish the United States evidence that these items of expenses have been billed to and paid by Grantor and further agrees that the United States alone shall determine the fairness and reasonableness of the expenses to be paid.

5. To the extent permitted by law, the United States shall require its contractors to indemnify, defend and hold harmless the Indemnitees (as hereinafter defined) from and against all claims, demands, actions, causes of action, losses, liabilities, damages, injuries and expenses (including without limitation any fines, penalties, judgments, litigation costs and attorneys' fees), which Indemnitees may sustain, incur or become liable for, (including but not limited to liability for injury to or death of any person, and for loss or destruction of or damage to real or personal property), arising out of or in any way connected with the rights and obligations of the United States under this Contract and Grant of Easement, or the acts or omissions of the employees, agents or contractors of the United States, except where such liability, costs, claims, losses, damages, injuries or expenses are proximately caused solely by the gross negligence or willful misconduct of any Indemnitee. The term "Indemnitees" as used in this Contract and Grant of Easement shall collectively mean Grantor, its subsidiaries and affiliates, and its and their directors, officers, employees and agents. The term "affiliate"

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as used in this Contract and Grant of Easement means Chevron Corporation or any company in which Chevron Corporation owns directly or indirectly at least fifty-one percent (51%) of the shares entitled to vote at a general election of directors.

6. In To the extent permitted by law, the United States will require that its contractors agree to release and forever discharge the Indemnitees from any and all claims, demands, actions or causes of action whatsoever that the United States' contractors may have, or may hereafter have, against the Indemnitees specifically arising out of the matter of the entry of the United States' contractors, its agents, employees, contractors, subcontractors, consultants, and invitees into Grantor's property. The United States will further require that this release by the United States' contractors is a complete and final release and that it shall be binding upon the undersigned and the heirs, executors, administrators, successors and assigns of the United States' contractors and covers claims arising out of or connected with the United States' contractors use of Grantor's property. The United States will also require that its contractors will expressly waive any right under the benefit of any law or any jurisdiction whatsoever providing to the contrary. Neither the acceptance of this release by the United States' contractors nor any payment made hereunder shall constitute any admission of any liability of the United States.
7. In lieu of insurance coverage, the United States maintains a self-administered claims program with respect to its duties hereunder. The United States is able to meet the insurance requirements of this Section 6 through self-insurance. Upon request by Grantor, the United States shall provide a statement of self-insurance in a form acceptable to Grantor and the United States. The United States shall require contractors who perform work under this Contract and Grant of Easement to maintain all insurances required by applicable law during the time that the work is being performed. Any Workers' Compensation (or equivalent government compensation scheme) and/or Employer's Liability Insurance maintained by the United States' contractors covering claims arising out of bodily injury, death, or occupational disease to employees of the United States' contractors must waive subrogation against Grantor unless prohibited by applicable law. Any Third-Party Liability insurance maintained by the United States' contractors up to a limit of \$1,000,000 per occurrence must include Grantor as an additional insured. The insurance coverages and limits of the United States' contractors will not in any way limit their indemnity obligations under this Contract and Grant of Easement. Upon Grantor's request, the United States shall ensure its contractors provide Grantor with certificates of insurance.
8. Both Grantor and the United States agree to comply with the requirements of the Waterline Construction and Maintenance Stipulations ("Stipulations") attached hereto as Exhibit A. The parties acknowledge that the Stipulations do not supersede any United States Environmental Protection Agency ("EPA") Construction General Permit erosion and sediment control requirements. The parties further agree that nothing in this paragraph or the Stipulations shall be deemed to increase the liability of the United States beyond the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. § 1346(b), 2671) et seq. or other applicable law.
9. In the event that liens or encumbrances other than those expressly provided herein do exist, the United States may, at its option, remove any and all such outstanding liens and

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encumbrances by reserving from the purchase price herein set forth the necessary amount and discharge same with the money so reserved, but this provision shall not be construed to authorize the incurrence of any lien or encumbrance as against this Contract and Grant of Easement, nor as an assumption of any lien or encumbrance by the United States.

10. It is agreed that, at its election, the United States may draw its check in payment for granting the above-described easement to the order of the title contractor or closing agent, and the Grantor hereby authorizes the said contractor or agent to cash the check and make disbursements out of the proceeds to satisfy and pay any taxes, assessments, and encumbrances which are a lien against the real estate; to pay any State and local recording or transfer taxes where required, and any other expenses incident to the closing of title which are properly chargeable to the Grantor; and to remit the balance of the proceeds to Grantor; together with an itemized statement of the payments made on Grantor's behalf.
11. This Contract and Grant of Easement shall inure to the benefit of and be binding on the heirs, executors, administrators and assigns of the Grantor, and the assigns of the United States.
12. After execution of this contract by the United States, the proper officers, agents, and assigns of the United States shall, at all times, have unrestricted access to said easements for any purpose including the construction, reconstruction, operation, or maintenance of the Navajo Code Talkers Lateral - Reach 12.2, free of any claim for damage or compensation on the part of the Grantor, except as otherwise provided for in this contract.
13. If the Secretary of the Interior determines that the title to the easement should be acquired by the United States by judicial procedures, either to procure a safe title or to obtain title more quickly, then the award to be made for the interest acquired in said lands in said proceedings shall be the same amount as the purchase price herein provided.
14. Nothing herein shall be deemed to increase the liability of the United States beyond the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. §1346(b), 2671 et seq.) or other applicable law.
15. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Contract and Grant of Easement, or to any benefit that may arise therefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.
16. Time is of the essence in the performance of this Contract and Grant of Easement.
17. The terms of this Contract and Grant of Easement will survive the grant provided for herein.

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IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above-written.

Approved for legal sufficiency:



U.S. Department of the Interior
Office of the Regional Solicitor

THE UNITED STATES OF AMERICA

By _____
Regional Realty Officer

CHEVRON U.S.A. INC., A
PENNSYLVANIA CORPORATION FKA
GULF OIL CORPORATION

By 

Harpreet K Tiwana
Assistant Secretary

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IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above-written.

Approved for legal sufficiency:

THE UNITED STATES OF AMERICA

U.S. Department of the Interior
Office of the Regional Solicitor

By 
Regional Realty Officer

CHEVRON U.S.A. INC., A
PENNSYLVANIA CORPORATION FKA
GULF OIL CORPORATION

By 
Harpreet K Tiwana
Assistant Secretary

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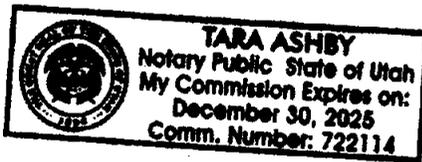
ACKNOWLEDGMENT (Reclamation)

State of Utah)
) ss.
County of Salt Lake)

On the 13 day of May, 2022, personally appeared before me Tyler Larsen, known to me to be the Regional Realty Officer of the Bureau of Reclamation, Upper Colorado Region, the United States Department of the Interior, the signer of the above instrument, who duly acknowledged to me that he/she executed the same on behalf of the United States of America.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(seal)



Tara Ashby
Notary Public in and for the
State of UT
Residing at Layton
My commission expires: 12/30/25

ACKNOWLEDGMENT

State of)
) ss.
County of)

On this _____ day of _____, 20____, personally appeared before me _____, who, being by me duly sworn, did say that s/he is the Vice President and Assistant Secretary of the Corporation of CHEVRON U.S.A. INC. A PENNSYLVANIA CORPORATION FKA GULF OIL CORPORATION and the said instrument was signed on behalf of said Company by authority of the _____ dated _____, and said Secretary acknowledged that said Company executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed by official seal the day and year first above written.

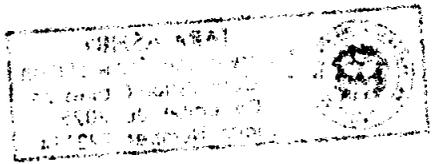
(seal)

Notary Public in and for the
State of _____
Residing at _____
My commission expires: _____

SEE ATTACHED NOTARY CERTIFICATE!

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CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Contra Costa }

On April 12, 2022 before me, Sandy M. Nunes, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Harpreet K. Tiwana
Name(s) of Signer(s)
N/A

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal and/or Stamp Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sandy M. Nunes
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Contract and Grant of Easement

Document Date: April 12, 2022 Number of Pages: 14

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: Harpreet K. Tiwana

Corporate Officer – Title(s): Assistant Secretary

Partner – Limited General Treasurer

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: Chevron U.S.A. Inc.

Signer's Name: N/A

Corporate Officer – Title(s): N/A

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: N/A

Signer is Representing: N/A





EXHIBIT A
Contract No. 22-LA-40-0050

Waterline Construction and Maintenance Stipulations

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McKinley Mine

Sections 6, 7, 8, 10 and 11, T16N, R20W

Waterline Construction and Maintenance Stipulations:

1. The United States will secure all necessary sediment control permits.
2. Grantor will review and approve the Stormwater Pollution Prevention Plan (SWPPP) prior to beginning work.
3. The Right-of-Way (ROW) boundaries will be delineated by the United States in the field prior to disturbance.
4. All construction and maintenance conducted by the United States will take place within the ROW boundaries.
5. The United States will remove all trash and debris from the site daily.
6. Prior to commencing construction activities, Grantor will be provided with detailed designs for the installation methods to be utilized in Section 6, 7, 8, 10 and 11 T16N, R20W.
7. Equipment brought into the site by the United States will be cleaned to ensure that contaminants from other areas, such as weed seeds, are not brought into the area.
8. Best Management Practices (BMPs) (silt fence or wattles) will be installed by the United States prior to ground disturbance on the downgradient side of trenches and disturbance and around any windrows or stockpiles.
9. BMPs will be inspected by the United States at least once every seven (7) calendar days; or once every 14 calendar days and within 24 hours of the occurrence of a storm event of 0.25 inches or greater, or the occurrence of runoff from snowmelt sufficient to cause a discharge in accordance with the current version of the EPA National Pollutant Discharge Elimination System (NPDES) General Permit for Construction Activities, otherwise known as the Construction General Permit (CGP). Damaged or non-functional BMPs will be repaired or replaced by the United States immediately, taking all reasonable steps to address the condition, including cleaning up any contaminated surfaces so the material will not discharge in subsequent storm events. When the problem does not require a new or replacement control or significant repair, the corrective action must be completed by the close of the next business day. When the problem requires a new or replacement control or significant repair, the United States will install the new or modified control and make it operational, or complete the repair, by no later than seven (7) calendar days from the time of discovery. If it is infeasible to complete the installation or repair within seven (7) calendar days, the United States must document in its records why it is infeasible to complete the installation or repair within the 7-day timeframe and document its schedule for installing the stormwater control(s) and making it operational as soon as feasible after the 7-day timeframe. Where these actions result in changes to any of the stormwater controls or procedures documented in the SWPPP, the United

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States must modify the SWPPP accordingly within seven (7) calendar days of completing this work.

10. Prior to disturbance and excavation activities, the United States will remove a minimum of 6-inches of topsoil that will be salvaged and placed into stockpiles. Stockpile locations will be chosen by both parties to minimize impacts from runoff and wind. Topsoil stockpiles will be signed as such, graded to a 3:1 or flatter, and contained with berms, wattles, or silt fence regardless of stockpile longevity. Stockpiles left inactive for more than 60 days will be seeded and mulched.
11. When working within watersheds and where practical, the United States will stockpile or windrow all material on the upgradient side of the trench to mitigate sediment and pollutant transport to hydraulic structures and outfalls. Every effort should be taken to minimize disturbance.
12. The United States will limit all open trenches within disturbed areas of the mine to 300 feet and delineated using lathe and/or construction fencing.
13. Any open trenches will be inspected daily by the United States so that wildlife or livestock are not trapped in the excavation. Where possible, egress ramps will be provided to allow to escape.
14. Large channels or washes (generally defined as a wash 12 feet or greater in depth measured from the lowest bank to the thalweg elevation) within the McKinley mine permit area will utilize Horizontal Direction Drill (HDD) installation methods rather than open trench installation methods. Any open trench crossings must be approved by Grantor prior to installation and detailed designs for restoration of the corridor in these crossings will be required.
15. The United States will stockpile separately any coal containing materials that are encountered during the excavation of the trench. Any coal containing materials that are stockpiled will be either removed from the site or buried within the construction right-of-way at a depth of at least 4 feet below the final surface.
16. The United States' equipment and materials delivery ingress and egress will only be at dedicated locations.
17. The United States will stage all equipment and materials only in designated locations within the waterline ROW boundaries. Materials ready for installation may be laid out within the waterline ROW.
18. Staging areas will be contained with BMPs following the same inspection and repair schedule as noted above.
19. The United States will inspect all equipment daily and inspection forms will be provided to Grantor upon request. Leaking equipment (hydraulic oil, oil, fuel, antifreeze) will not be allowed onsite.
20. Any spills will be contained immediately and contaminated material removed from the site by the United States. Grantor's site representative will be immediately notified. Equipment maintenance will only be performed in designated staging areas. Each open trench location must have at least one spill kit.

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21. Portable generators, fuel tanks, and pumps used onsite by the United States will have internal or external secondary containment.
22. Trench or site dewatering conducted by the United States may only be discharged onsite if clean and free of hydrocarbon sheen or deleterious materials and will be filtered through BMPs. If a hydrocarbon sheen or other deleterious material is present in or on water, it will be disposed of offsite in an appropriate manner.
23. Discharge hoses will not be left in the same location during dewatering long enough to create surface erosion.
24. Grantor will be given at least seven days written (electronic is acceptable) notification prior to crossing Grantor's road for waterline construction. Notification by the United States will provide a signage plan for the work being conducted across Grantor's road and an estimated duration for the work. Access for Grantor's operations must be maintained when gravel roads are crossed.
 - o Prior to trenching, the United States will remove, segregate, and stockpile the gravel haul road surface.
 - o Once trenching and backfilling are complete across the haul road, the United States will replace and compact the gravel surface.
25. Where access will cross fence lines, the United States will install gates with locks.
26. After construction, the United States will grade the construction zone to eliminate earthen mounds and holes. Drainage patterns that existed prior to construction of the waterline will be re-established by the United States to a condition at least as stable as what was there prior to disturbance. If necessary, such drainages will be engineered to control erosion.
27. The United States will regrade the trench surface and any access roads to match the surrounding landscape as closely as possible.
28. Drainages impacted will be restored by the United States to the prior condition including reconstructing riprap portions that may be impacted.
29. The United States will seed the area with the approved McKinley Mine seed mix or a native seed mix developed from species recommended by the appropriate EPA New Mexico ecoregion (or a comparable source) and approved by Grantor. Seeded areas will be mulched with 2 tons per acre of weed free mulch, and the mulch crimped along the contour. Certified weed free seed and mulch is required. The area will be restored to a condition suitable for the land use of rangeland. Vegetation establishment will be considered successful if it is at least 70% of the perennial vegetative cover prior to disturbance within (3) years and, to the extent necessary to prevent erosion on the seeded or planted area in accordance with the current version of the EPA's CGP for arid, semi-arid, and drought-stricken areas, or a comparable standard accepted in New Mexico. Adequate transects measuring cover before disturbance and after vegetation establishment should be collected along the corridor to meet the requirements of the selected standard.

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CONTRACT R: \$25.00 J. K. Sloan, McKinley County



30. The United States will maintain BMPs until the vegetative cover is reestablished.
31. After reclamation, the United States will inspect the waterline corridor at least twice a year for up to three years to identify any conditions that require repair such as areas with excessive erosion, soil settlement along the waterline that needs to be filled, and waterline leaks. Disturbance associated with repairs will be graded, seeded and mulched. After the waterline is constructed, the waterline location will be marked with markers that are durable and are readily visible in the field.
32. Grantor will have access through designated locations within the ROW to access the mine property. Grantor will assume responsibility for maintaining the accesses through the ROW until the accesses are no longer needed by Grantor.
33. Equipment and materials will be removed by the United States upon completion of the project.
34. The United States will design two-track access roads created for the waterline along the ROW to avoid the concentration of flow and development of erosion within and outside the ROW corridor.
35. The United States will use only approved access routes for maintenance and repair, after the waterline is installed and the ROW is seeded.
36. The United States will arrange for a representative from El Paso Natural Gas to be on site during construction activities conducted over the gas pipelines.
37. The United States will, at areas where installation of line pipe is located under a high voltage electrical line; maintain distances between equipment and energized lines of at least 20 feet. If a distance of at least 20 feet is not possible, The United States will notify Grantor and request that the electrical line be de-energized.
38. Traffic Control – Prior to and during construction, the United States and/or their Contractor will coordinate with the appropriate Grantor representatives to ensure that NGWSP pipeline install activities on the parcels described in this Contract do not interfere with Grantor’s activities in the near vicinity of the United States’ pipeline right-of-way.
39. RCRA – Attached please see ‘Section 01 74 00 – Cleaning and Waste Management’, which is taken directly from the United States’ contract with SJ Lewis (Contractor) to address any RCRA issues that may arise during pipeline construction.

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CONTRACT R: \$25.00 J. K. Sloan, McKinley County



Contract No. 21-LA-40-0040

Parcel No. NGP-12 (P) (T)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

NAVAJO GALLUP WATER SUPPLY PROJECT
SAN JUAN LATERAL REACH 12.1

CONTRACT AND GRANT OF EASEMENT

THIS CONTRACT AND GRANT OF EASEMENT, made this 24th day of June, 2021, in pursuance of the Reclamation Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, and Public Law 111-11, Omnibus Public Land Management Act of 2009, signed on March 30, 2009, Section 10602 (a), as amended, among the UNITED STATES OF AMERICA, and its assigns, hereinafter styled the United States, acting through such officer as is authorized therefore by the Secretary of the Interior; and CHEVRON MINING INC., hereinafter styled Grantor,

WITNESSETH, That for and in consideration of the mutual agreements herein contained, the parties hereto do covenant and agree as follows:

1. The Grantor hereby conveys and warrants to the United States, free of lien or encumbrance, except as otherwise provided herein, the following described interests in real property situated in the County of McKinley, State of New Mexico, to-wit:

Perpetual easement to construct, reconstruct, operate and maintain underground water pipeline or pipelines, appurtenant structures, on, over, under, or across the following-described land:

Parcel No. NGP-12 (P) (Perpetual Easement)

A strip of land lying in the Southeast Quarter of Section 9, Township 16 North, Range 20 West, N.M.P.M. McKinley County, New Mexico lying north of New Mexico State Road 264. More particularly described as follows:

A strip of land being 80 feet wide, lying 40 feet each side of the following described centerline:

Beginning at the East Quarter Corner of said Section 9, thence South 01°20'02" West, along the East Boundary of said Section 9, a distance of 814.64 feet to the

DOCH 397183

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EASE R: \$25.00 J. K. Sloan, McKinley County



Northeast corner of said property; Thence continuing South 01°20'02" West, along the East Boundary of said Section 9 and said property, a distance of 280.96 feet, to Station 121583+37.71, which is the true Point of Beginning; Thence from the Point of Beginning North 86°35'19" West a distance of 547.03 feet to Station 121588+84.74; Thence South 86°07'37" West a distance of 817.59 feet to Station 121597+02.33, a point on the West boundary of said property and the point of terminus; Thence along the West boundary of said property North 01°20'02" East a distance of 369.59 feet to the Northwest corner of said property, thence along the North Boundary of said property South 87°13'30" East a distance of 1361.30 feet to Northeast corner of said property and the East boundary of said Section 9, Thence along East boundary said Section 9 North 01°20'02" East a distance of 814.64 feet to the East Quarter Corner of said Section 9.

The sidelines of described strip shall be lengthened or shortened, as necessary, so as to intersect the boundary lines of said property.

Parcel No. NGP-12(P) contains 2.50 acres, more or less.

ALSO:

Temporary easement for construction purposes during construction of the pipeline and appurtenant structures, on over, and across the following described land:

Parcel No. NGP-12(T) (Temporary Easement)

A strip of land lying in the Southeast Quarter of Section 9, Township 16 North, Range 20 West, N.M.P.M. McKinley County, New Mexico lying north of New Mexico State Road 264. More particularly described as follows:

A strip of land being 150 feet wide, lying 75 feet each side of the centerline described in Parcel No. NGP12(P).

The sidelines of described strip shall be lengthened or shortened, as necessary, so as to intersect the boundary lines of said property. Less Parcel NGP-12(P) described above.

Parcel NGP-12(T) contains 2.19 acres, more or less.

1a. The Grantor warrants that Grantor is the owner of the real property whereon the above-described easement lies.

1b. The Grantor, for itself, its successors and assigns, agrees that, within the perpetual easement area described herein they shall not: (i) erect, construct, or permit to be constructed, any permanent building, structure, or improvement of any kind (except as may be defined hereinafter), nor shall Grantor construct or permit others to construct or install any fences, hard surfaced areas, or other permanent or temporary obstructions



or improvements within the boundaries of the easement area that might interfere with the United States ability to gain access to the easement for operation, maintenance, repair, and replacement purposes. Any such obstruction installed or permitted to be constructed, installed, or maintained within the boundaries of the easement area shall be removed at Grantor's sole expense; (ii) plant any tree or shrubs on any portion of the easement, nor dig or drill any holes or wells, nor increase or decrease the ground elevations existing at the time this document is executed, on all or any portion of the easement; (iii) remove materials from the area without the approval of the United States, its agents or assigns. (iv) The damage to the road or appurtenant structures will be repaired by the Grantor, at the sole cost of the Grantor.

1c. In the event that Grantor, its heirs, successors, or assigns, places or permits to be placed, any encroachment on any portion of the easement, the United States shall have the right to remove the encroachment after five (5) days written notice to Grantor, and Grantor, its heirs, or successors, or assigns, agrees to pay all costs incurred by the United States in removing the encroachment. All costs shall earn interest at the rates set by New Mexico law for interest on judgments until Grantor has reimbursed the United States for the cost of removal of any such encroachment. Any damage to the United States' property or appurtenant structures caused by the Grantor's use or encroachment of the easement shall be repaired at the sole cost and expense of the Grantor.

1d. The Grantor, for itself, its successors and assigns, understands and agrees that any alteration, modification, change, or placement of improvements, by Grantor or any third party as directed by Grantor, within the above-described easement area, subsequent to the date of execution of this Contract and Grant of Easement, shall be made at Grantor's own risk, and Grantor hereby releases the United States from liability for any and all loss or damage of every description or kind whatsoever which is caused by or as a direct result of such alteration, modification, change, or placement of improvements within said area; provided, however, that nothing in this Article shall be construed as releasing the United States from liability for its own negligence or the negligence of its employees, agents or contractors.

1e. It is understood and agreed that the rights to be granted to the United States, as described in Article 1 hereof, shall be free from lien or encumbrance except: (i) coal, oil, gas, and other mineral rights reserved to or outstanding in Grantor and/or in third parties if not administratively objectionable; (ii) rights-of-way for roads, railroads, telephone lines, transmission lines, ditches, conduits, or pipelines, on, over, under, or across said lands if not administratively objectionable; and (iii) court liens, judgments or financial encumbrances, such as Deeds of Trust, for which a formal consent has been obtained from the court or the lien holder.

1f. It is understood and agreed that the United States or its assigns shall have the right to install gates where the pipeline or access road crosses existing fences, and also to install temporary construction fencing during construction.

1g. It is understood and agreed that the temporary easement herein granted shall



terminate on June 30, 2024, or at the end of construction, whichever comes first.

1h. The United States may, in its sole discretion, erect, maintain, or use gates in all fences which now cross or later may cross any portion of the easement(s) to enable the United States to take equipment along the easement(s) to perform required maintenance and repair. Grantor may lock any such gate to prohibit the public from unlawful access to the easement area, but Grantor shall provide the United States a key to any such lock at Grantor's expense. The United States shall also be entitled to trim, cut, or clear away trees, brush, or other vegetation or flora from time to time as the United States determines in its sole discretion without additional compensation; (ii) grade to reasonably even and regular surfaces, all fills, cuts, and waste banks within the easement area; (iii) replace topsoil within the easement area.

1i. Subject to statutory authority and available appropriations, the United States shall restore or repair, at the expense of the United States with material of like kind and equal quality, any damages to existing improvements, pipelines, crops, lawns, shrubs, or other landscaping within the easement area as a result of and during construction, of said Navajo Gallup Water Supply Pipeline and appurtenant structures. Nothing herein shall be deemed to increase the liability of the United States beyond the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. § 1346(b), 2671) et seq. or other applicable law.

2. The United States shall purchase said easement on the terms herein expressed, and on execution and delivery of this Contract and Grant of Easement, and approval by the proper officials of the United States, it shall cause to be paid to the Grantor as full purchase price the sum of SIX THOUSAND EIGHT HUNDRED TWENTY-SEVEN DOLLARS (\$6,827.00), which will be sent directly to a financial institution by Direct Deposit/Electronic Funds Transfer.

3. The Grantor shall, at its own cost, procure and have recorded all assurances of title and affidavits which the Grantor may be advised by the United States are necessary and proper to show in the Grantor complete fee simple unencumbered title to the property whereon the above-described easement lies, subject to the interests, liens, or encumbrances expressly provided herein and to all interests, liens, and encumbrances of record at the time this Contract and Grant of Easement is executed. Abstracts or certificates of title or title insurance will be procured by the United States at its expense unless otherwise provided in this Contract and Grant of Easement. The expense of recording this Contract and Grant of Easement shall be borne by the United States.

The United States shall reimburse the Grantor for the actual amount for the following expenses incurred by the Grantor:

(a) Recording fees, transfer taxes and similar expenses incidental to granting the easement described herein to the United States; and

(b) Penalty cost for prepayment of any pre-existing recorded mortgage entered



into in good faith encumbering said real property.

(c) The pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting title in the United States, or the effective date of possession of such real property by the United States, whichever is earlier.

The Grantor agrees to furnish the United States evidence that these items of expenses have been billed to and paid by him.

4. To the extent permitted by law, the United States shall require its contractors to indemnify, defend and hold harmless the Indemnitees (as hereinafter defined) from and against all claims, demands, actions, causes of action, losses, liabilities, damages, injuries and expenses (including without limitation any fines, penalties, judgments, litigation costs and attorneys' fees), which Indemnitees may sustain, incur or become liable for, (including but not limited to liability for injury to or death of any person, and for loss or destruction of or damage to real or personal property), arising out of or in any way connected with the rights and obligations of the United States under this Contract and Grant of Easement, or the acts or omissions of the employees, agents or contractors of the United States, except where such liability, costs, claims, losses, damages, injuries or expenses are proximately caused solely by the gross negligence or willful misconduct of any Indemnitee. The term "Indemnitees" as used in this Contract and Grant of Easement shall collectively mean Grantor, its subsidiaries and affiliates, and its and their directors, officers, employees and agents. The term "affiliate" as used in this Contract and Grant of Easement means Chevron Corporation or any company in which Chevron Corporation owns directly or indirectly at least fifty-one percent (51%) of the shares entitled to vote at a general election of directors.

5. To the extent permitted by law, the United States will require that its contractors agree to release and forever discharge the Indemnitees from any and all claims, demands, actions or causes of action whatsoever that the United States' contractors may have, or may hereafter have, against the Indemnitees specifically arising out of the matter of the entry of the United States' contractors, its agents, employees, contractors, subcontractors, consultants, and invitees into Grantor's property. The United States will further require that this release by the United States' contractors is a complete and final release and that it shall be binding upon the undersigned and the heirs, executors, administrators, successors and assigns of the United States' contractors and covers claims arising out of or connected with the United States' contractors use of Grantor's property. The United States will also require that its contractors will expressly waive any right under the benefit of any law or any jurisdiction whatsoever providing to the contrary. Neither the acceptance of this release by the United States' contractors nor any payment made hereunder shall constitute any admission of any liability of the United States.

6. In lieu of insurance coverage, the United States maintains a self-administered claims program with respect to its duties hereunder. The United States is able to meet the insurance requirements of this Section 6 through self-insurance. Upon request by



Grantor, the United States shall provide a statement of self-insurance in a form acceptable to Grantor and the United States. The United States shall require contractors who perform work under this Contract and Grant of Easement to maintain all insurances required by applicable law during the time that the work is being performed. Any Workers' Compensation (or equivalent government compensation scheme) and/or Employer's Liability Insurance maintained by the United States' contractors covering claims arising out of bodily injury, death, or occupational disease to employees of the United States' contractors must waive subrogation against Grantor unless prohibited by applicable law. Any Third-Party Liability insurance maintained by the United States' contractors up to a limit of \$1,000,000 per occurrence must include Grantor as an additional insured. The insurance coverages and limits of the United States' contractors will not in any way limit their indemnity obligations under this Contract and Grant of Easement. Upon Grantor's request, the United States shall ensure its contractors provide Grantor with certificates of insurance.

7. Both Grantor and the United States agree to comply with the requirements of the Waterline Construction and Maintenance Stipulations ("Stipulations") attached hereto as Exhibit A. The parties acknowledge that the Stipulations do not supersede any United States Environmental Protection Agency ("EPA") Construction General Permit erosion and sediment control requirements. The parties further agree that nothing in this paragraph or the Stipulations shall be deemed to increase the liability of the United States beyond the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. § 1346(b), 2671) et seq. or other applicable law.

8. In the event that liens or encumbrances other than those expressly provided herein, do exist, the United States may, at its option, remove any and all such outstanding liens and encumbrances by reserving from the purchase price herein set forth the necessary amount and discharge same with the money so reserved, but this provision shall not be construed to authorize the incurrence of any lien or encumbrance as against this Contract and Grant of Easement, nor as an assumption of any lien or encumbrance by the United States.

9. It is agreed that, at its election, the United States may draw its check in payment for granting the above-described easement to the order of the title contractor or closing agent, and the Grantor hereby authorizes the said contractor or agent to cash the check and make disbursements out of the proceeds to satisfy and pay any taxes, assessments, and encumbrances which are a lien against the real estate; to pay any State and local recording or transfer taxes where required, and any other expenses incident to the closing of title which are properly chargeable to the Grantor; and to remit the balance of the proceeds to Grantor; together with an itemized statement of the payments made on Grantor's behalf.

10. After execution of this contract by the United States, the proper officers, agents, and assigns of the United States shall, at all times, have unrestricted access to said easements for any purpose including the construction, reconstruction, operation, or maintenance of the Navajo Gallup Water Supply Project, free of any claim for damage



or compensation on the part of the Grantor, except as otherwise provided for in this contract. Notwithstanding the foregoing, the United States agrees to compensate the Grantor for any damage to Grantor's real and personal property outside of the easement areas resulting from or arising out of the construction, reconstruction, operation or maintenance of the Navajo Gallup Water Supply Project.

11. If the Secretary of the Interior determines that the title to the easement should be acquired by the United States by judicial procedures, either to procure a safe title or to obtain title more quickly, then the award to be made for the interest acquired in said lands in said proceedings shall be the same amount as the purchase price herein provided.

12. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Contract and Grant of Easement, or to any benefit that may arise therefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

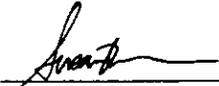
13. Time is of the essence in the performance of this Contract and Grant of Easement.

14. The terms of this Contract and Grant of Easement will survive the grant provided for herein.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

Approved for Legal Sufficiency

THE UNITED STATES OF AMERICA



U.S. Department of Interior
Office of the Regional Solicitor

By _____
Regional Realty Officer

CHEVRON MINING INC.

By 

Kari H. Endries, Vice President and Assistant Secretary
Grantor



or compensation on the part of the Grantor, except as otherwise provided for in this contract. Notwithstanding the foregoing, the United States agrees to compensate the Grantor for any damage to Grantor's real and personal property outside of the easement areas resulting from or arising out of the construction, reconstruction, operation or maintenance of the Navajo Gallup Water Supply Project.

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Approved for Legal Sufficiency

THE UNITED STATES OF AMERICA

U.S. Department of Interior
Office of the Regional Solicitor

By David Kuyper
Regional Realty Officer

CHEVRON MINING INC.

By Kari H. Endries
Kari H. Endries, Vice President and Assistant Secretary
Grantor



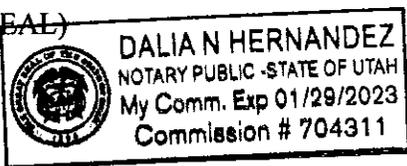
ACKNOWLEDGMENT (United States)

State of Utah)
) ss.
County of Salt Lake)

On the 14th day of July, 2021, personally appeared before me David Krueger, known to me to be the Regional Realty Officer of the Bureau of Reclamation, Interior Region 7 - Upper Colorado Basin, the United States Department of the Interior, the signer of the above instrument, who duly acknowledged to me that he/she executed the same on behalf of the United States of America.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)



Dalian M Hernandez
Notary Public in and for the
State of Utah
Residing at Fruit Heights

ACKNOWLEDGMENT (Chevron Mining Inc.)

State of)
) ss.
County of)

On this ____ day of _____, 2021, personally appeared before me _____ and say, each for himself/herself, that he/she, the said _____ is the _____ of Chevron Mining Inc., and that the within and foregoing instrument was signed on behalf of said Corporation by authority of a Special Meeting of its Board of Directors, and said _____ and _____ each duly acknowledged that said Corporation executed the same and that the seal affixed is the seal of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)

Notary Public in and for the
State of _____
Residing at _____



CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Contra Costa }

On June 24, 2021 before me, Sandy M. Nunes, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Kari H. Endries
Name(s) of Signer(s)
N/A

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Sandy M. Nunes
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Contract and Grant of Easement

Document Date: June 24, 2021 Number of Pages: _____

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: Kari H. Endries Signer's Name: N/A

Corporate Officer – Title(s): VP & Asst. Secretary Corporate Officer – Title(s): N/A

Partner – Limited General Partner – Limited General

Individual Attorney in Fact Individual Attorney in Fact

Trustee Guardian or Conservator Trustee Guardian or Conservator

Other: _____ Other: N/A

Signer is Representing: Chevron Mining Inc. Signer is Representing: N/A



EXHIBIT A

Waterline Construction and Maintenance Stipulations



McKinley Mine

Sections 6, 7, 8, 10 and 11, T16N, R20W

Waterline Construction and Maintenance Stipulations:

1. The United States will secure all necessary sediment control permits.
2. Grantor will review and approve the Stormwater Pollution Prevention Plan (SWPPP) prior to beginning work.
3. The Right-of-Way (ROW) boundaries will be delineated by the United States in the field prior to disturbance.
4. All construction and maintenance conducted by the United States will take place within the ROW boundaries.
5. The United States will remove all trash and debris from the site daily.
6. Prior to commencing construction activities, Grantor will be provided with detailed designs for the installation methods to be utilized in Section 6, 7, 8, 10 and 11 T16N, R20W.
7. Equipment brought into the site by the United States will be cleaned to ensure that contaminants from other areas, such as weed seeds, are not brought into the area.
8. Best Management Practices (BMPs) (silt fence or wattles) will be installed by the United States prior to ground disturbance on the downgradient side of trenches and disturbance and around any windrows or stockpiles.
9. BMPs will be inspected by the United States at least once every seven (7) calendar days; or once every 14 calendar days and within 24 hours of the occurrence of a storm event of 0.25 inches or greater, or the occurrence of runoff from snowmelt sufficient to cause a discharge in accordance with the current version of the EPA National Pollutant Discharge Elimination System (NPDES) General Permit for Construction Activities, otherwise known as the Construction General Permit (CGP). Damaged or non-functional BMPs will be repaired or replaced by the United States immediately, taking all reasonable steps to address the condition, including cleaning up any contaminated surfaces so the material will not discharge in subsequent storm events. When the problem does not require a new or replacement control or significant repair, the corrective action must be completed by the close of the next business day. When the problem requires a new or replacement control or significant repair, the United States will install the new or modified control and make it operational, or complete the repair, by no later than seven (7) calendar days from the time of discovery. If it is infeasible to complete the installation or repair within seven (7) calendar days, the United States must document in its records why it is infeasible to complete the installation or repair within the 7-day timeframe and document its schedule for installing the stormwater control(s) and making it operational as soon as feasible after the 7-day timeframe. Where these actions result in changes to any of the stormwater controls or procedures documented in the SWPPP, the United

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EASE R: \$25.00 J. K. Sloan, McKinley County



States must modify the SWPPP accordingly within seven (7) calendar days of completing this work.

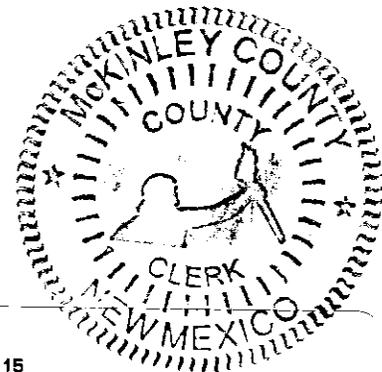
10. Prior to disturbance and excavation activities, the United States will remove a minimum of 6-inches of topsoil that will be salvaged and placed into stockpiles. Stockpile locations will be chosen by both parties to minimize impacts from runoff and wind. Topsoil stockpiles will be signed as such, graded to a 3:1 or flatter, and contained with berms, wattles, or silt fence regardless of stockpile longevity. Stockpiles left inactive for more than 60 days will be seeded and mulched.
11. When working within watersheds and where practical, the United States will stockpile or windrow all material on the upgradient side of the trench to mitigate sediment and pollutant transport to hydraulic structures and outfalls. Every effort should be taken to minimize disturbance.
12. The United States will limit all open trenches within disturbed areas of the mine to 300 feet and delineated using lathe and/or construction fencing.
13. Any open trenches will be inspected daily by the United States so that wildlife or livestock are not trapped in the excavation. Where possible, egress ramps will be provided to allow to escape.
14. Large channels or washes (generally defined as a wash 12 feet or greater in depth measured from the lowest bank to the thalweg elevation) within the McKinley mine permit area will utilize Horizontal Direction Drill (HDD) installation methods rather than open trench installation methods. Any open trench crossings must be approved by Grantor prior to installation and detailed designs for restoration of the corridor in these crossings will be required.
15. The United States will stockpile separately any coal containing materials that are encountered during the excavation of the trench. Any coal containing materials that are stockpiled will be either removed from the site or buried within the construction right-of-way at a depth of at least 4 feet below the final surface.
16. The United States' equipment and materials delivery ingress and egress will only be at dedicated locations.
17. The United States will stage all equipment and materials only in designated locations within the waterline ROW boundaries. Materials ready for installation may be laid out within the waterline ROW.
18. Staging areas will be contained with BMPs following the same inspection and repair schedule as noted above.
19. The United States will inspect all equipment daily and inspection forms will be provided to Grantor upon request. Leaking equipment (hydraulic oil, oil, fuel, antifreeze) will not be allowed onsite.
20. Any spills will be contained immediately and contaminated material removed from the site by the United States. Grantor's site representative will be immediately notified. Equipment maintenance will only be performed in designated staging areas. Each open trench location must have at least one spill kit.



21. Portable generators, fuel tanks, and pumps used onsite by the United States will have internal or external secondary containment.
22. Trench or site dewatering conducted by the United States may only be discharged onsite if clean and free of hydrocarbon sheen or deleterious materials and will be filtered through BMPs. If a hydrocarbon sheen or other deleterious material is present in or on water, it will be disposed of offsite in an appropriate manner.
23. Discharge hoses will not be left in the same location during dewatering long enough to create surface erosion.
24. Grantor will be given at least seven days written (electronic is acceptable) notification prior to crossing Grantor's road for waterline construction. Notification by the United States will provide a signage plan for the work being conducted across Grantor's road and an estimated duration for the work. Access for Grantor's operations must be maintained when gravel roads are crossed.
 - o Prior to trenching, the United States will remove, segregate, and stockpile the gravel haul road surface.
 - o Once trenching and backfilling are complete across the haul road, the United States will replace and compact the gravel surface.
25. Where access will cross fence lines, the United States will install gates with locks.
26. After construction, the United States will grade the construction zone to eliminate earthen mounds and holes. Drainage patterns that existed prior to construction of the waterline will be re-established by the United States to a condition at least as stable as what was there prior to disturbance. If necessary, such drainages will be engineered to control erosion.
27. The United States will regrade the trench surface and any access roads to match the surrounding landscape as closely as possible.
28. Drainages impacted will be restored by the United States to the prior condition including reconstructing riprap portions that may be impacted.
29. The United States will seed the area with the approved McKinley Mine seed mix or a native seed mix developed from species recommended by the appropriate EPA New Mexico ecoregion (or a comparable source) and approved by Grantor. Seeded areas will be mulched with 2 tons per acres of weed free mulch, and the mulch crimped along the contour. Certified weed free seed and mulch is required. The area will be restored to a condition suitable for the land use of rangeland. Vegetation establishment will be considered successful if it is at least 70% of the perennial vegetative cover prior to disturbance within (3) years and, to the extent necessary to prevent erosion on the seeded or planted area in accordance with the current version of the EPA's CGP for arid, semi-arid, and drought-stricken areas, or a comparable standard accepted in New Mexico. Adequate transects measuring cover before disturbance and after vegetation establishment should be collected along the corridor to meet the requirements of the selected standard.



30. The United States will maintain BMPs until the vegetative cover is reestablished.
31. After reclamation, the United States will inspect the waterline corridor at least twice a year for up to three years to identify any conditions that require repair such as areas with excessive erosion, soil settlement along the waterline that needs to be filled, and waterline leaks. Disturbance associated with repairs will be graded, seeded and mulched. After the waterline is constructed, the waterline location will be marked with markers that are durable and are readily visible in the field.
32. Grantor will have access through designated locations within the ROW to access the mine property. Grantor will assume responsibility for maintaining the accesses through the ROW until the accesses are no longer needed by Grantor.
33. Equipment and materials will be removed by the United States upon completion of the project.
34. The United States will design two-track access roads created for the waterline along the ROW to avoid the concentration of flow and development of erosion within and outside the ROW corridor.
35. The United States will use only approved access routes for maintenance and repair, after the waterline is installed and the ROW is seeded.
36. The United States will arrange for a representative from El Paso Natural Gas to be on site during construction activities conducted over the gas pipelines.
37. The Bureau of Reclamation will, at areas where installation of line pipe is located under a high voltage electrical line, maintain distances between equipment and energized lines of at least 20 feet. If a distance of at least 20 feet is not possible, The Bureau of Reclamation will notify Grantor and request that the electrical line be de-energized.



Contract No. 21-LA-40-0030
Parcel Nos. NGP-11 (P) (T) and
NGP-13 (P) (T)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

NAVAJO GALLUP WATER SUPPLY PROJECT
SAN JUAN LATERAL REACH 12.1

CONTRACT AND GRANT OF EASEMENT

THIS CONTRACT AND GRANT OF EASEMENT, made this 24th day of June, 2021, in pursuance of the Reclamation Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof or supplementary thereto, and Public Law 111-11, Omnibus Public Land Management Act of 2009, signed on March 30, 2009, Section 10602 (a), as amended, among the UNITED STATES OF AMERICA, hereinafter styled the United States, acting through such officer as is authorized therefore by the Secretary of the Interior; and CHEVRON U.S.A. INC., hereinafter styled Grantor,

WITNESSETH, That for and in consideration of the mutual agreements herein contained, the parties hereto do covenant and agree as follows:

1. The Grantor hereby conveys and warrants to the United States, free of lien or encumbrance, except as otherwise provided herein, the following described interests in real property situated in the County of McKinley, State of New Mexico, to-wit:

Two perpetual easements to construct, reconstruct, operate and maintain underground water pipeline or pipelines, appurtenant structures, on, over, under, or across the following-described land:

Parcel No. NGP-11 (P) (Perpetual Easement)

A strip of land lying in Section 11, Township 16 North, Range 20 West, N.M.P.M. McKinley County, New Mexico. More particularly described as follows:

A strip of land being 80 feet wide, lying 40 feet each side of the following described centerline:

Point of Beginning being said Reach 12.1 Station 121472+86.93, a point on the East line of said Section 11 and the East boundary of said property from which

DOCH 397184

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EASE R:\$25.00 J. K. Sloan, McKinley County



the East quarter corner of said Section 11 bears North 00°52'37" East, a distance of 192.72 feet; Thence from the Point of Beginning South 80°33'43" West a distance of 155.08 feet to Station 121474+42.01; Thence South 70°13'03" West a distance of 1259.89 feet to Station 121487+01.90; Thence South 78°12'02" West a distance of 1258.04 feet to Station 121499+59.94; Thence North 27°48'10" West a distance of 363.23 feet to Station 121503+23.17; Thence South 76°24'25" West a distance of 1514.98 feet to Station 121518+38.15; Thence South 84°37'11" West a distance of 1206.96 feet to Station 121530+45.11, a point on the West line of said Section 11 and the West boundary of said property and the point of terminus, from which the West quarter corner of said Section 11 bears North 01°24'48" East a distance of 1112.88 feet.

The sidelines of described strip shall be lengthened or shortened, as necessary, so as to intersect the boundary lines of said property.

Parcel No. NGP-11(P) contains 10.95 acres, more or less.

Parcel No. NGP-13 (P) (Permanent Easement)

A strip of land lying in the Southeast quarter of Section 9, Township 16 North, Range 20 West, N.M.P.M. McKinley County, New Mexico that also lies within the Boundary of the parcel described in Book 38 Page 209 of said McKinley County records. More particularly described as follows:

A strip of land being 80 feet wide, lying 40 feet each side of the following described centerline:

Point of Beginning being said Reach 12.1 Station 121597+02.33, a point on the East boundary of said property from which the East quarter corner of said Section 9 bears North 51°08'04" East a distance of 1781.69 feet; Thence from the Point of Beginning South 86°07'37" West a distance of 297.93 feet to Station 121600+00.26; Thence North 40°54'46" West a distance of 337.40 feet to Station 121603+37.66, a point on the West boundary of said property and point of terminus from which the East quarter corner of said Section 9 bears North 65°08'00" East a distance of 2100.20 feet.

The sidelines of described strip shall be lengthened or shortened, as necessary, so as to intersect the boundary lines of said property.

Parcel No. NGP-13(P) contains 1.17 acres, more or less.

ALSO:

Two temporary easements for construction purposes during construction of the pipeline and appurtenant structures, on over, and across the following described land:

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EASE R: \$25.00 J. K. Sloan, McKinley County



Parcel No. NGP-11(T) (Temporary) Easement

A strip of land lying in Section 11, Township 16 North, Range 20 West, N.M.P.M. McKinley County, New Mexico. More particularly described as follows:

A strip of land being 150 feet wide, lying 75 feet each side of the following described centerline:

Point of Beginning being said Reach 12.1 Station 121472+86.93, a point on the East line of said Section 11 and the East boundary of said property from which the East quarter corner of said Section 11 bears North 00°52'37" East, a distance of 192.72 feet; Thence from the Point of Beginning South 80°33'43" West a distance of 155.08 feet to Station 121474+42.01; Thence South 70°13'03" West a distance of 1259.89 feet to Station 121487+01.90; Thence South 78°12'02" West a distance of 1258.04 feet to Station 121499+59.94; Thence North 27°48'10" West a distance of 363.23 feet to Station 121503+23.17; Thence South 76°24'25" West a distance of 1514.98 feet to Station 121518+38.15; Thence South 84°37'11" West a distance of 1206.96 feet to Station 121530+45.11, a point on the West line of said Section 11 and the West boundary of said property and the point of terminus, from which the West quarter corner of said Section 11 bears North 01°24'48" East a distance of 1112.88 feet.

The sidelines of described strip shall be lengthened or shortened, as necessary, so as to intersect the boundary lines of said property.

Less Parcel NGP-11(P) described above.

Parcel NGP-11(T) contains 8.88 acres, more or less.

Parcel No. NGP-13(T) (Temporary) Easement

A strip of land lying in the Southeast quarter of Section 9, Township 16 North, Range 20 West, N.M.P.M. McKinley County, New Mexico that also lies within the Boundary of the parcel described in Book 38 Page 209 of said McKinley County records. More particularly described as follows:

A strip of land being 150 feet wide, lying 75 feet each side of the centerline in Parcel No. NGP-13(P) described above:

The sidelines of described strip shall be lengthened or shortened, as necessary, so as to intersect the boundary lines of said property.

Less Parcel NGP-13(P) described above, Parcel NGP-13(T) contains 1.02 acres, more or less.

DOCH 397184



1a. The Grantor warrants that Grantor is the owner of the real property whereon the above-described easement lies.

1b. The Grantor, for itself, its successors and assigns, agrees that, within the perpetual easement area described herein they shall not: (i) erect, construct, or permit to be constructed, any permanent building, structure, or improvement of any kind (except as may be defined hereinafter), nor shall Grantor construct or permit others to construct or install any fences, hard surfaced areas, or other permanent or temporary obstructions or improvements within the boundaries of the easement area that might interfere with the United States ability to gain access to the easement for operation, maintenance, repair, and replacement purposes. Any such obstruction installed or permitted to be constructed, installed, or maintained within the boundaries of the easement area shall be removed at Grantor's sole expense; (ii) plant any tree or shrubs on any portion of the easement, nor dig or drill any holes or wells, nor increase or decrease the ground elevations existing at the time this document is executed, on all or any portion of the easement; (iii) remove materials from the area without the approval of the United States, its agents or assigns. (iv) The damage to the road or appurtenant structures will be repaired by the Grantor, at the sole cost of the Grantor.

1c. In the event that Grantor, its heirs, successors, or assigns, places or permits to be placed, any encroachment on any portion of the easement, the United States shall have the right to remove the encroachment after five (5) days written notice to Grantor, and Grantor, its heirs, or successors, or assigns, agrees to pay all costs incurred by the United States in removing the encroachment. All costs shall earn interest at the rates set by New Mexico law for interest on judgments until Grantor has reimbursed the United States for the cost of removal of any such encroachment. Any damage to the United States' property or appurtenant structures caused by the Grantor's use or encroachment of the easement shall be repaired at the sole cost and expense of the Grantor.

1d. The Grantor, for itself, its successors and assigns, understands and agrees that any alteration, modification, change, or placement of improvements, by Grantor or any third party, within the above-described easement area, subsequent to the date of execution of this Contract and Grant of Easement, shall be made at Grantor's own risk, and Grantor hereby releases the United States from liability for any and all loss or damage of every description or kind whatsoever which is caused by or as a direct result of such alteration, modification, change, or placement of improvements within said area; provided, however, that nothing in this Article shall be construed as releasing the United States from liability for its own negligence or the negligence of its employees, agents or contractors.

1e. It is understood and agreed that the rights to be granted to the United States, as described in Article 1 hereof, shall be free from lien or encumbrance except: (i) coal, oil, gas, and other mineral rights reserved to or outstanding in Grantor and/or in third parties if not administratively objectionable; (ii) rights-of-way for roads, railroads, telephone lines, transmission lines, ditches, conduits, or pipelines, on, over, under, or across said lands if not administratively objectionable; and (iii) court liens, judgments or



financial encumbrances, such as Deeds of Trust, for which a formal consent has been obtained from the court or the lien holder.

1f. It is understood and agreed that the United States or its assigns shall have the right to install gates where the pipeline or access road crosses existing fences, and also to install temporary construction fencing during construction.

1g. It is understood and agreed that the temporary easement herein granted shall terminate on June 30, 2024, or at the end of construction, whichever comes first.

1h. The United States may, in its sole discretion, erect, maintain, or use gates in all fences which now cross or later may cross any portion of the easement(s) to enable the United States to take equipment along the easement(s) to perform required maintenance and repair. Grantor may lock any such gate to prohibit the public from unlawful access to the easement area, but Grantor shall provide the United States a key to any such lock at Grantor's expense. The United States shall also be entitled to trim, cut, or clear away trees, brush, or other vegetation or flora from time to time as the United States determines in its sole discretion without additional compensation; (ii) grade to reasonably even and regular surfaces, all fills, cuts, and waste banks within the easement area; (iii) replace topsoil within the easement area.

1i. Subject to statutory authority and available appropriations, the United States shall restore or repair, at the expense of the United States with material of like kind and equal quality, any damages to existing improvements, pipelines, crops, lawns, shrubs, or other landscaping within the easement area as a result of and during construction, of said Navajo Gallup Water Supply Pipeline and appurtenant structures, Nothing herein shall be deemed to increase the liability of the United States beyond the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. § 1346(b), 2671) et seq. or other applicable law.

1j. The United States acknowledges that Parcel No. NGP-11(P) (T) is located on property subject to New Mexico Mining and Minerals Division Permit No. 2016-02 ("Permit") for the McKinley Mine. The United States shall use best management practices to control sedimentation during construction and reclaim the land after the pipeline is installed, and to not impact water quality at any downstream McKinley Mine NPDES outfall.

2. The United States shall purchase said easement on the terms herein expressed, and on execution and delivery of this Contract and Grant of Easement, and approval by the proper officials of the United States, it shall cause to be paid to the Grantor as full purchase price the sum of NINE THOUSAND FOUR HUNDRED THIRTY DOLLARS (\$9,430.00), which will be sent directly to a financial institution by Direct Deposit/Electronic Funds Transfer.



3. The Grantor shall, at its own cost, procure and have recorded all assurances of title and affidavits which the Grantor may be advised by the United States are necessary and proper to show in the Grantor complete fee simple unencumbered title to the property whereon the above-described easement lies, subject to the interests, liens, or encumbrances expressly provided herein and to all interests, liens, and encumbrances of record at the time this Contract and Grant of Easement is executed, including but not limited to the El Paso Natural Gas pipeline easement. Abstracts or certificates of title or title insurance will be procured by the United States at its expense unless otherwise provided in this Contract and Grant of Easement. The expense of recording this Contract and Grant of Easement shall be borne by the United States.

The United States shall reimburse the Grantor in an amount deemed by the United States to be fair and reasonable for the following expenses incurred by the Grantor:

(a) Recording fees, transfer taxes and similar expenses incidental to granting the easement described herein to the United States; and

(b) Penalty cost for prepayment of any pre-existing recorded mortgage entered into in good faith encumbering said real property.

(c) The pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting title in the United States, or the effective date of possession of such real property by the United States, whichever is earlier.

The Grantor agrees to furnish the United States evidence that these items of expenses have been billed to and paid by him and further agrees that the United States alone shall determine the fairness and reasonableness of the expenses to be paid.

4. To the extent permitted by law, the United States shall require its contractors to indemnify, defend and hold harmless the Indemnitees (as hereinafter defined) from and against all claims, demands, actions, causes of action, losses, liabilities, damages, injuries and expenses (including without limitation any fines, penalties, judgments, litigation costs and attorneys' fees) which Indemnitees may sustain, incur or become liable for, (including but not limited to liability for injury to or death of any person, and for loss or destruction of or damage to real or personal property), arising out of or in any way connected with the rights and obligations of the United States under this Contract and Grant of Easement, or the acts or omissions of the employees, agents or contractors of the United States, except where such liability, costs, claims, losses, damages, injuries or expenses are proximately caused solely by the gross negligence or willful misconduct of any Indemnitee. The term "Indemnitees" as used in this Contract and Grant of Easement shall collectively mean Grantor, its subsidiaries and affiliates, and its and their directors, officers, employees and agents. The term "affiliate" as used in this Contract and Grant of Easement means Chevron Corporation or any company in which Chevron Corporation owns directly or indirectly at least fifty-one percent (51%) of the shares entitled to vote at a general election of directors.



5. To the extent permitted by law, the United States will require that its contractors agree to release and forever discharge the Indemnitees from any and all claims, demands, actions or causes of action whatsoever that the United States' contractors may have, or may hereafter have, against the Indemnitees specifically arising out of the matter of the entry of the United States' contractors, its agents, employees, contractors, subcontractors, consultants, and invitees into Grantor's property. The United States will further require that this release by the United States' contractors is a complete and final release and that it shall be binding upon the undersigned and the heirs, executors, administrators, successors and assigns of the United States' contractors and covers claims arising out of or connected with the United States' contractors use of Grantor's property. The United States will also require that its contractors will expressly waive any right under the benefit of any law or any jurisdiction whatsoever providing to the contrary. Neither the acceptance of this release by the United States' contractors nor any payment made hereunder shall constitute any admission of any liability of the United States.

6. In lieu of insurance coverage, the United States maintains a self-administered claims program with respect to its duties hereunder. The United States is able to meet the insurance requirements of this Section 6 through self-insurance. Upon request by Grantor, the United States shall provide a statement of self-insurance in a form acceptable to Grantor and the United States. The United States shall require contractors who perform work under this Contract and Grant of Easement to maintain all insurances required by applicable law during the time that the work is being performed. Any Workers' Compensation (or equivalent government compensation scheme) and/or Employer's Liability Insurance maintained by the United States' contractors covering claims arising out of bodily injury, death, or occupational disease to employees of the United States' contractors must waive subrogation against Grantor unless prohibited by applicable law. Any Third-Party Liability insurance maintained by the United States' contractors up to a limit of \$1,000,000 per occurrence must include Grantor as an additional insured. The insurance coverages and limits of the United States' contractors will not in any way limit their indemnity obligations under this Contract and Grant of Easement. Upon Grantor's request, the United States shall ensure its contractors provide Grantor with certificates of insurance.

7. Both Grantor and the United States agree to comply with the requirements of the Waterline Construction and Maintenance Stipulations ("Stipulations") attached hereto as Exhibit A. The parties acknowledge that the Stipulations do not supersede any United States Environmental Protection Agency ("EPA") Construction General Permit erosion and sediment control requirements. The parties further agree that nothing in this paragraph or the Stipulations shall be deemed to increase the liability of the United States beyond the provisions of the Federal Tort Claims Act, Act of June 25, 1948, 62 Stat. 982 (28 U.S.C. §1346(b), 2671) et seq. or other applicable law.



8. In the event that liens or encumbrances other than those expressly provided herein, do exist, the United States may, at its option, remove any and all such outstanding liens and encumbrances by reserving from the purchase price herein set forth the necessary amount and discharge same with the money so reserved, but this provision shall not be construed to authorize the incurrence of any lien or encumbrance as against this Contract and Grant of Easement, nor as an assumption of any lien or encumbrance by the United States.

9. It is agreed that, at its election, the United States may draw its check in payment for granting the above-described easement to the order of the title contractor or closing agent, and the Grantor hereby authorizes the said contractor or agent to cash the check and make disbursements out of the proceeds to satisfy and pay any taxes, assessments, and encumbrances which are a lien against the real estate; to pay any State and local recording or transfer taxes where required, and any other expenses incident to the closing of title which are properly chargeable to the Grantor; and to remit the balance of the proceeds to Grantor; together with an itemized statement of the payments made on Grantor's behalf.

10. After execution of this contract by the United States, the proper officers, agents, and assigns of the United States shall, at all times, have unrestricted access to said easements for any purpose including the construction, reconstruction, operation, or maintenance of the Navajo Gallup Water Supply Project, free of any claim for damage or compensation on the part of the Grantor, except as otherwise provided for in this contract. Notwithstanding the foregoing, the United States agrees to compensate the Grantor for any damage to Grantor's real and personal property outside of the easement areas resulting from or arising out of the construction, reconstruction, operation or maintenance of the Navajo Gallup Water Supply Project.

11. If the Secretary of the Interior determines that the title to the easement should be acquired by the United States by judicial procedures, either to procure a safe title or to obtain title more quickly, then the award to be made for the interest acquired in said lands in said proceedings shall be the same amount as the purchase price herein provided.

12. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this Contract and Grant of Easement, or to any benefit that may arise therefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

13. Time is of the essence in the performance of this Contract and Grant of Easement.



14. The terms of this Contract and Grant of Easement will survive the grant provided for herein.

IN WITNESS WHEREOF, the parties hereto have signed their names the day and year first above written.

Approved for Legal Sufficiency

THE UNITED STATES OF AMERICA



U.S. Department of Interior
Office of the Regional Solicitor

By _____
Regional Realty Officer

CHEVRON U.S.A. INC.

By 

Kari H. Endries, Vice President and Secretary
Grantor

ACKNOWLEDGMENT (United States)

State of Utah)
) ss.
County of Salt Lake)

On the _____ day of _____, 2021, personally appeared before me David Krueger, known to me to be the Regional Realty Officer of the Bureau of Reclamation, Interior Region 7 - Upper Colorado Basin, the United States Department of the Interior, the signer of the above instrument, who duly acknowledged to me that he/she executed the same on behalf of the United States of America.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)

Notary Public in and for the
State of _____
Residing at _____



ACKNOWLEDGMENT (Chevron USA Inc.)

State of)
) ss.
County of)

On this ____ day of _____, 2021, personally appeared before me _____ and say, each for himself/herself, that he/she, the said _____ is the _____ of Chevron USA Inc., and that the within and foregoing instrument was signed on behalf of said Corporation by authority of a Special Meeting of its Board of Directors, and said _____ and _____ each duly acknowledged that said Corporation executed the same and that the seal affixed is the seal of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)

Notary Public in and for the
State of _____
Residing at _____

SEE ATTACHED CERTIFICATE



CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

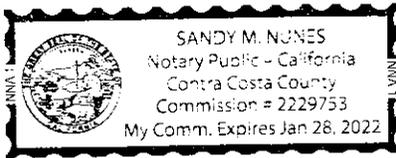
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }
County of Contra Costa }

On June 24, 2021 before me, Sandy M. Nunes, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Kari H. Endries
Name(s) of Signer(s)
N/A

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal and/or Stamp Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Sandy M. Nunes
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Contract and Grant of Easement

Document Date: June 24, 2021 Number of Pages: _____

Signer(s) Other Than Named Above: N/A

Capacity(ies) Claimed by Signer(s)

Signer's Name: Kari H. Endries

Corporate Officer – Title(s): VP & Secretary

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: _____

Signer is Representing: Chevron U.S.A. Inc.

Signer's Name: N/A

Corporate Officer – Title(s): N/A

Partner – Limited General

Individual Attorney in Fact

Trustee Guardian or Conservator

Other: N/A

Signer is Representing: N/A



EXHIBIT A

Waterline Construction and Maintenance Stipulations



McKinley Mine

Sections 6, 7, 8, 10 and 11, T16N, R20W

Waterline Construction and Maintenance Stipulations:

1. The United States will secure all necessary sediment control permits.
2. Grantor will review and approve the Stormwater Pollution Prevention Plan (SWPPP) prior to beginning work.
3. The Right-of-Way (ROW) boundaries will be delineated by the United States in the field prior to disturbance.
4. All construction and maintenance conducted by the United States will take place within the ROW boundaries.
5. The United States will remove all trash and debris from the site daily.
6. Prior to commencing construction activities, Grantor will be provided with detailed designs for the installation methods to be utilized in Section 6, 7, 8, 10 and 11 T16N, R20W.
7. Equipment brought into the site by the United States will be cleaned to ensure that contaminants from other areas, such as weed seeds, are not brought into the area.
8. Best Management Practices (BMPs) (silt fence or wattles) will be installed by the United States prior to ground disturbance on the downgradient side of trenches and disturbance and around any windrows or stockpiles.
9. BMPs will be inspected by the United States at least once every seven (7) calendar days; or once every 14 calendar days and within 24 hours of the occurrence of a storm event of 0.25 inches or greater, or the occurrence of runoff from snowmelt sufficient to cause a discharge in accordance with the current version of the EPA National Pollutant Discharge Elimination System (NPDES) General Permit for Construction Activities, otherwise known as the Construction General Permit (CGP). Damaged or non-functional BMPs will be repaired or replaced by the United States immediately, taking all reasonable steps to address the condition, including cleaning up any contaminated surfaces so the material will not discharge in subsequent storm events. When the problem does not require a new or replacement control or significant repair, the corrective action must be completed by the close of the next business day. When the problem requires a new or replacement control or significant repair, the United States will install the new or modified control and make it operational, or complete the repair, by no later than seven (7) calendar days from the time of discovery. If it is infeasible to complete the installation or repair within seven (7) calendar days, the United States must document in its records why it is infeasible to complete the installation or repair within the 7-day timeframe and document its schedule for installing the stormwater control(s) and making it operational as soon as feasible after the 7-day timeframe. Where these actions result in changes to any of the stormwater controls or procedures documented in the SWPPP, the United States must modify the SWPPP accordingly within seven (7) calendar days of completing this work.



10. Prior to disturbance and excavation activities, the United States will remove a minimum of 6-inches of topsoil to be salvaged and placed into stockpiles. Stockpile locations will be chosen by both parties to minimize impacts from runoff and wind. Topsoil stockpiles will be signed as such, graded to a 3:1 or flatter, and contained with berms, wattles, or silt fence regardless of stockpile longevity. Stockpiles left inactive for more than 60 days will be seeded and mulched.
11. When working within watersheds and where practical, the United States will stockpile or windrow all material on the upgradient side of the trench to mitigate sediment and pollutant transport to hydraulic structures and outfalls. Every effort should be taken to minimize disturbance.
12. The United States will limit all open trenches within disturbed areas of the mine to 300 feet and delineated using lathe and/or construction fencing.
13. Any open trenches will be inspected daily by the United States to ensure that wildlife or livestock are not trapped in the excavation. Where possible, egress ramps will be provided to allow to escape.
14. Large channels or washes (generally defined as a wash 12 feet or greater in depth measured from the lowest bank to the thalweg elevation) within the McKinley mine permit area will utilize Horizontal Direction Drill (HDD) installation methods rather than open trench installation methods. Any open trench crossings must be approved by Grantor prior to installation and detailed designs for restoration of the corridor in these crossings will be required.
15. The United States will stockpile separately any coal containing materials that are encountered during the excavation of the trench. Any coal containing materials that are stockpiled will be either removed from the site or buried within the construction right-of-way at a depth of at least 4 feet below the final surface.
16. The United States' equipment and materials delivery ingress and egress will only be at dedicated locations.
17. The United States will stage all equipment and materials only in designated locations within the waterline ROW boundaries. Materials ready for installation may be laid out within the waterline ROW.
18. Staging areas will be contained with BMPs following the same inspection and repair schedule as noted above.
19. The United States will inspect all equipment daily and inspection forms will be provided to Grantor upon request. Leaking equipment (hydraulic oil, oil, fuel, antifreeze) will not be allowed onsite.
20. Any spills will be contained immediately and contaminated material removed from the site by the United States. Grantor's site representative will be immediately notified. Equipment maintenance will only be performed in designated staging areas. Each open trench location must have at least one spill kit.
21. Portable generators, fuel tanks, and pumps used onsite by the United States will have internal or external secondary containment.



22. Trench or site dewatering conducted by the United States may only be discharged onsite if clean and free of hydrocarbon sheen or deleterious materials and will be filtered through BMPs. If a hydrocarbon sheen or other deleterious material is present in or on water, it will be disposed of offsite in an appropriate manner.
23. Discharge hoses will not be left in the same location during dewatering long enough to create surface erosion.
24. Grantor will be given at least seven days written (electronic is acceptable) notification prior to crossing Grantor's road for waterline construction. Notification by the United States will provide a signage plan for the work being conducted across Grantor's road and an estimated duration for the work. Access for Grantor's operations must be maintained when gravel roads are crossed.
 - o Prior to trenching, the United States will remove, segregate, and stockpile the gravel haul road surface.
 - o Once trenching and backfilling are complete across the haul road, the United States will replace and compact the gravel surface.
25. Where access will cross fence lines, the United States will install gates with locks.
26. After construction, the United States will grade the construction zone to eliminate earthen mounds and holes. Drainage patterns that existed prior to construction of the waterline will be re-established by the United States to a condition at least as stable as what was there prior to disturbance. If necessary, such drainages will be engineered to control erosion.
27. The United States will regrade the trench surface and any access roads to match the surrounding landscape as closely as possible.
28. Drainages impacted will be restored by the United States to the prior condition including reconstructing riprap portions that may be impacted.
29. The United States will seed the area with the approved McKinley Mine seed mix or a native seed mix developed from species recommended by the appropriate EPA New Mexico ecoregion (or a comparable source) and approved by Grantor. Seeded areas will be mulched with 2 tons per acres of weed free mulch, and the mulch crimped along the contour. Certified weed free seed and mulch is required. The area will be restored to a condition suitable for the land use of rangeland. Vegetation establishment will be considered successful if it is at least 70% of the perennial vegetative cover prior to disturbance within (3) years and, to the extent necessary to prevent erosion on the seeded or planted area in accordance with the current version of the EPA's CGP for arid, semi-arid, and drought-stricken areas, or a comparable standard accepted in New Mexico. Adequate transects measuring cover before disturbance and after vegetation establishment should be collected along the corridor to meet the requirements of the selected standard.
30. The United States will maintain BMPs until the vegetative cover is reestablished.



31. After reclamation, the United States will inspect the waterline corridor will be inspected at least twice a year for up to three years to identify any conditions that require repair such as areas with excessive erosion, soil settlement along the waterline that needs to be filled, and waterline leaks. Disturbance associated with repairs will be graded, seeded and mulched. After the waterline is constructed, the waterline location will be marked with markers that are durable and are readily visible in the field.
32. Grantor will have access through designated locations within the ROW to access the mine property. Grantor will assume responsibility for maintaining the accesses through the ROW until the accesses are no longer needed by Grantor.
33. Equipment and materials will be removed by the United States upon completion of the project.
34. The United States will design two-track access roads created for the waterline along the ROW to avoid the concentration of flow and development of erosion within and outside the ROW corridor.
35. The United States will use only approved access routes for maintenance and repair, after the waterline is installed and the ROW is seeded.
36. The United States will arrange for a representative from El Paso Natural Gas to be on site during construction activities conducted over the gas pipelines.
37. The Bureau of Reclamation will, at areas where installation of line pipe is located under a high voltage electrical line, maintain distances between equipment and energized lines of at least 20 feet. If a distance of at least 20 feet is not possible, The Bureau of Reclamation will notify Grantor and request that the electrical line be de-energized.



RB

DOC# 397184

07/16/2021 03:04 PM Page: 17 of 17
EASE R: \$25.00 J. K. Sloan, McKinley County



United States Department of the Interior



OFFICE OF THE SOLICITOR

Southwest Regional Office
505 Marquette Avenue NW, Suite 1800
Albuquerque, NM 87102

December 23, 2010

MEMORANDUM

To: Robert Postle, Manager
OSM Western Region, Field Operations Branch

From: Robert E. Hall, Assistant Regional Solicitor *REH*
Office of the Solicitor, Southwest Region

Subject: Rights of Entry on Allotted Lands for Mine Reclamation and Inspection

We received a request for a legal opinion from your office on December 15, 2010, concerning rights of entry on Indian allotted lands that are part of the South McKinley Mine coal lease area. Chevron Mining Inc. (CMI) has completed mining operations on two sections of allotted lands, referred to as Sections 8 and 18, and is now undertaking reclamation of the disturbed areas. The State of New Mexico Mining and Minerals Division (MMD) is responsible for inspecting the reclaimed areas and insuring compliance with reclamation requirements approved in the state program authorized under 30 U.S.C. § 1253 pursuant to the Surface Mining Control and Reclamation Act of 1977, Pub. L. 95-87, 30 U.S.C. §§ 1201-1328, as amended (SMCRA). In addition to the coal lease, serial number NM 057349, entered into on April 1, 1961, by the Spencer Chemical Company (CMI's predecessor-in-interest) and the United States through the Bureau of Land Management (Coal Lease), business leases were also negotiated between the mining company and the allottee interest-owners in the allotments located in Sections 8 and 18. The business leases conferred to the lessee an exclusive right to occupy and use as much of the surface area of the allotments as desired for the stated purposes. *See, e.g. Business Lease between the Heirs of Zonnie and the Pittsburg & Midway Coal Mining Co., Contract No. 14-20-0603-6164 (Business Lease).*

The business leases are set to expire in the very near term and CMI does not intend to renew these leases. The New Mexico MMD has expressed concern over its right of entry on the allotted lands in the absence of the business leases. It has also questioned CMI's legal right of entry and ability to carry-out mandatory reclamation operations if the business leases are allowed to expire.

Due to the fast approaching expiration date of the business leases, you have requested an expedited legal review by this Office. You have requested our legal opinion and guidance on two issues:

1. Does the State of New Mexico, as the regulatory authority under SMCRA, have the right of entry on the allotted lands to continue conducting monthly inspection during the period of extended liability without the need for renewed business leases, and
2. Does CMI have the right to conduct reclamation activities on the allotted lands if the business leases are expired?

Based on our review of the Coal Lease, Business Lease, and applicable statutes and regulations, we conclude that the State of New Mexico, as the SMCRA regulatory authority under primacy, is authorized to access the area covered under the Coal Lease and related state mining permit for purposes of inspection. We further conclude that CMI retains authority under the Coal Lease to continue accessing the leased area for mining purposes, including the reclamation of areas disturbed by mining operations, as required under federal and state law.

Regulatory Authority Right of Entry to Surface Coal Mining Operations

All surface coal mining operators are subject to the regulatory authority established by Congress under SMCRA. Inspections of coal mining and reclamation operations are mandatory for both State and Federal programs. 30 U.S.C. § 1267. To carry-out these inspections, Congress provided that “for such purposes authorized representatives of the Secretary shall have a right of entry to, upon, or through any surface coal mining and reclamation operations.” 30 U.S.C. § 1267(a). Subsection (b) of this section, provides that “the authorized representatives of the regulatory authority, without advance notice and upon presentation of appropriate credentials shall have the right of entry to, upon, or through any surface coal mining and reclamation operations” 30 U.S.C. § 1267(b)(3). This right of entry is not dependent on the existence of a separate contract, agreement, permit, lease or other authorizing instrument. *See Hodel v. Virginia Surface Mining & Reclamation Assn*, 452 U.S. 264, 270 (1981) citing *In re Surface Mining Regulation Litigation*, 456 F.Supp. 1301 (1978), *aff’d* in part and *rev’d* in part, 627 F.2d 1346 (D.C. Cir. 1980) (finding that warrantless search provisions under SMCRA were valid).

This statutory authorization is extended to State regulatory authorities which may grant its representatives a similar right of entry to conduct inspections without advance notice and without a search warrant. 30 C.F.R. § 840.12. The State of New Mexico has adopted similar right of entry administrative regulations as part of the state Coal Mine Reclamation Program (CMRP) created in the early 1980s as part of New Mexico's enactment of surface coal mine reclamation regulations under SMCRA. *See* N.M. Admin. Code 19.8.11.1112 (2000) (concerning right of entry of authorized state representatives) and 19 N.M. Admin. Code 8.29.2900(E) (concerning warrantless inspections).

We conclude from this that the Mining and Minerals Division of the State of New Mexico has the authority to conduct inspections for the purpose of monitoring and enforcing the reclamation standards established under SMCRA and incorporated in state regulations on the Indian-owned restricted allotments without any additional authority or authorizing instrument such as the business leases entered into by the mine operator and allotment interest-owners.

Right of Entry of CMI on Allotted Lands within Coal Lease and Mining Permit Area

The business leases negotiated with the allotment interest-owners for the allotments located within the mining permit and Coal Lease area were complementary agreements to the Coal Lease but were not and are not required to allow for ingress, egress, or use of the surface area by the lessee. The Coal Lease, by its own terms, grants to the lessee the right “to use so much of the surface as may reasonably be required in the exercise of the rights and privileges herein granted.” Coal Lease § 1. Section 5 of the Coal Lease commits the lessee to take measures to protect the surface and natural resources and expressly authorizes the lessor – here, the United States – to “prescribe the steps to be taken and restoration to be made with respect to lands of the United States and improvements thereon.” *Id.* § 5. The Coal Lease was executed in 1961, therefore prior to enactment of SMCRA. In a revision that became effective on April 1, 1981, the Coal Lease was “readjusted” to bring it under SMACRA’s statutory and regulatory authority. Coal Lease Readjustment, Serial Number NM 057349, April 1, 1981 at § 1 (“This lease readjustment is subject to the terms and provisions of the Mineral Leasing Act of February 25, 1920, as amended . . . and of the Surface Mining Control and Reclamation Act of 1977.”) (“Coal Lease Readjustment”). Section 10 of the Coal Lease Readjustment requires the lessee to submit a mining plan in accordance with 30 C.F.R. 211, 700 and 800, which sections provide, *inter alia*, the procedures for implementing SMCRA, including the conditions for bond release subsequent to meeting reclamation program standards. *Id.* § 10. Section 31 of the Coal Lease Readjustment expressly provides that “[t]he lessee will comply with all state laws and regulations concerning coal mining, including, but not limited to, laws and regulations pertaining to air and water quality and surface reclamation.” *Id.* § 31.

The business leases are complementary to the Coal Lease in that they provide a more detailed agreement on the terms of surface use for mining purposes and include separate consideration for the allotment interest-owners for this arrangement. The business leases also provide a more robust property interest in the surface area of the allotments than the simple use right conferred by the Coal Lease. While the Coal Lease grants the right to use “so much of the surface as may reasonably be required” for the mining operations, Coal Lease § 1, the business leases confer the “exclusive right to occupy and use so much of the surface of the leased premises as may be required, necessary, or convenient for any and all purposes incidental to or connected with prospecting, mining, . . . removal, preparation, storing, and selling of coal and transportation of coal . . . from the leased premises, subject to outstanding existing rights thereon,” Business Lease at 1. The business leases therefore go beyond simply insuring ingress and egress and surface use rights, which are provided under the Coal Lease, and are not required for continued right of entry and surface use by CMI during the remaining reclamation period.

If you have any questions concerning this matter or the contents of this legal opinion, please contact Robert Hall, Assistant Regional Solicitor, at 505-248-5617.

Appendix 2.6-A
Certificate of Insurance



Brenda Bourque
Claims Analyst

January 29, 2025

New Mexico Mining & Minerals Division
Coal Mining Reclamation Bureau
1220 South St. Francis Drive
Santa Fe, NM 87505

**Certificate of Insurance – Chevron Mining Inc.
CMI Representation Letter, Certificate of Liability Insurance Summary
March 1, 2025 – March 1, 2026**

To Whom It May Concern:

Please find enclosed the signed insurance certificate package for policy term March 1, 2025 – March 1, 2026 for the McKinley Mine in Gallup, New Mexico required for Chevron Mining Inc. The packet contains the items listed above.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in blue ink that reads "Brenda Bourque".

Brenda Bourque

Enclosures

Chevron Corporation
Treasury Department
Insurance Division
5001 Executive Parkway, Suite 200, San Ramon, CA 94583
Tel 925 842 8143
bren@chevron.com



January 28, 2025

New Mexico Mining & Minerals Division
Coal Mining Reclamation Bureau
1220 South St. Francis Drive
Santa Fe, NM 87505

RE: Certificate of Insurance - Chevron Mining Inc
March 1, 2025 – March 1, 2026

To whom it may concern,

We are pleased to enclose the certificate of insurance for Chevron Mining Inc. for the March 1, 2025 to March 1, 2026 policy term.

If you have any questions or need any further information, please feel free to contact me.

Best regards,

A handwritten signature in blue ink that reads 'Kim Dunn'.

Kim Dunn
AVP / Senior Associate - Client Operations
Willis Natural Resources

enclosures

Willis Towers Watson
811 Louisiana Street
Suite 2200
Houston, Texas 77002

T +1 713 625 1067
W wtwco.com
E kim.dunn@wtwco.com

Willis Towers Watson Insurance Services West, Inc.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

01/28/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis Towers Watson Insurance Services West, Inc. 811 Louisiana Street Suite 2200 Houston TX 77002	CONTACT NAME: Willis Towers Watson Certificate Center PHONE (A/C, No, Ext): 877-945-7378 E-MAIL ADDRESS: certificates@wtwco.com	FAX (A/C, No): 888-467-2378
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Old Republic Insurance Company	NAIC # 24147
INSURED Chevron Mining Inc. 116 Inverness Drive Suite 207 Englewood CO 80112	INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:	

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			MWZZ318937	03/01/2025	03/01/2026	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> CLAIMS-MADE DED RETENTION \$			MWZX318938	03/01/2025	03/01/2026	EACH OCCURRENCE \$ 3,500,000 AGGREGATE \$ 5,500,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A				PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

This certificate shall provide for personal injury and property damage as a result of surface coal mining and reclamation operations including damages arising from the use of explosives at the insured's McKinley Mine in Gallup, NM. The issuing company shall notify the certificate holder whenever substantive changes are made in the above described policies including any termination or failure to renew within 30 days.

Allie Poremba 1/30/25
Allie Poremba
Old Republic Insurance Company

CERTIFICATE HOLDER**CANCELLATION**

New Mexico Mining & Minerals Division ATTN: Coal Mine Reclamation Bureau 1220 South St. Francis Drive Santa Fe NM 87505	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
----------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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James Saynay
Mining Manager, Chevron EMC
PO Box 469
Questa, NM 87556
sayj@chevron.com
(832)-854-5538 (M)
(832)-256-9078(O)

January 9, 2025

To Whom it May Concern:

Willis Towers Watson Insurance Services West, Inc. ("WTW") has at the request of Chevron Mining Inc. ("CMI"), enclosed a Certificate of Liability Insurance Summary. This summary information was provided to WTW by CMI; WTW is not responsible for any of the information contained therein. If there are questions concerning the information on this summary, please contact me at (832-854-5538) or by email at sayj@chevron.com.

Sincerely,

A handwritten signature in black ink, appearing to be "James Saynay", with a long horizontal flourish extending to the right.

James Saynay

Mining Manager, Chevron EMC
Vice President, Chevron Mining Inc.

Chevron Mining Inc.

Certificate of Liability Insurance Summary

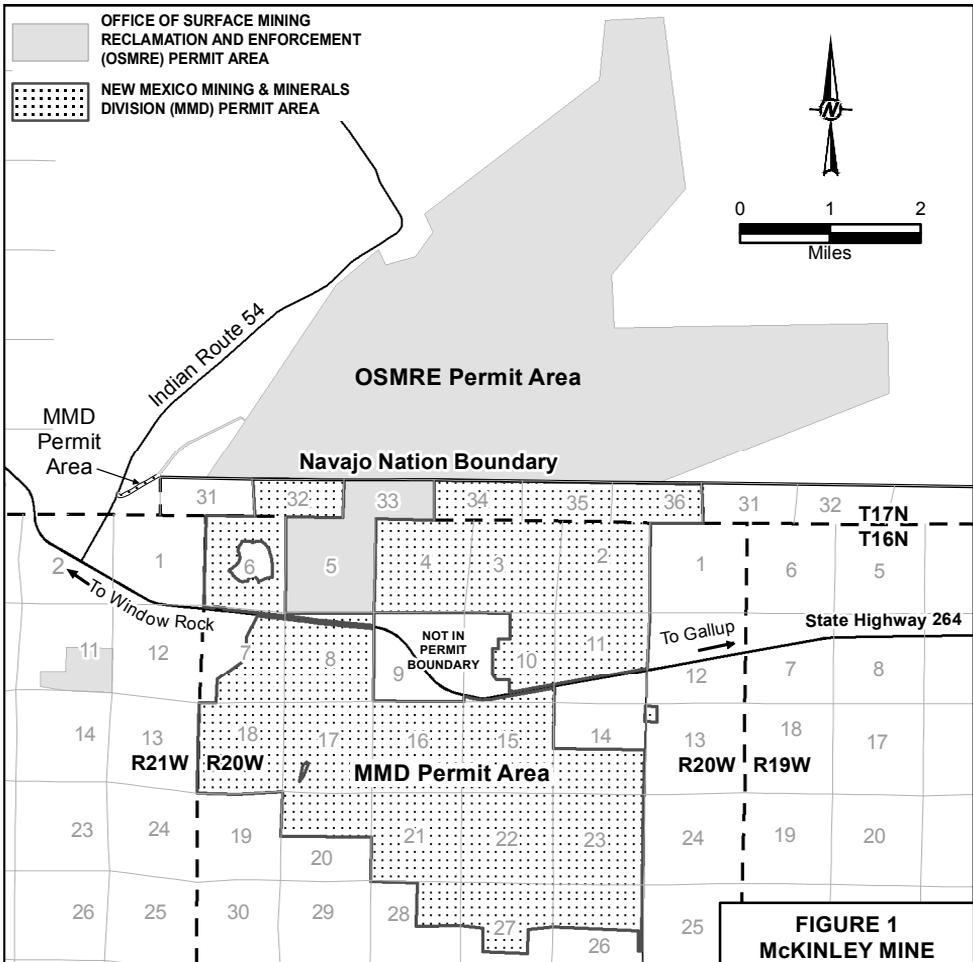
	Minimum Liability Amount	
	Each Occurrence	Aggregate
Multi-State Primary Policy #MWZZ318937 Excess Policy #MWZX318938		
Office of Surface Mining Reclamation & Enforcement McKinley Surface Mine Permit #NM-0001K	\$4,500,000	\$7,500,000
State of New Mexico McKinley Surface Mine Permit #2016-02	\$4,500,000	\$7,500,000
Total Required Multi-State Liability	\$9,000,000	\$15,000,000

Appendix 2.7-A
Proof of Publication

Public Notice

Chevron Mining Inc. (CMI) has applied to the New Mexico Mining and Minerals Division (MMD) in Santa Fe, New Mexico for renewal of Permit No. 2021-02. The new permit number will be 2026-02. The renewal application is pursuant to New Mexico Surface Coal Mining Regulations 19.8.13.1302 of the New Mexico Administrative Code (NMAC).

1. The name and business address of the permittee is:
Chevron Mining Inc.: The headquarters are located at 1400 Smith Street, Houston, TX 77002.
2. The McKinley Mine is located approximately 23 miles northwest of Gallup, NM and 3 miles east of Window Rock, AZ on NM State Highway 264 and within the following USGS quadrangle maps: Twin Lakes, Zith Tusayan Butte 4 NE, Hunters Point, Gallup West, Tse Bonita School and Samson Lake. The portion of McKinley Mine to be permitted under Permit No. 2026-02 is located in Townships 16 North and 17 North, Ranges 19 West, 20 West, and 21 West, New Mexico Principal Meridian, McKinley County, New Mexico immediately south of the 1880 Navajo Indian Reservation boundary. The permit-renewal area is shown on the map that accompanies this notice (Figure 1).



3. Locations where copies of the permit renewal application for Permit 2026-02 are available for public review and/or inspection are:

New Mexico Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, NM 87505

The MMD website: <https://www.emnrd.nm.gov/mmd/public-notice/>

The McKinley County Clerk
McKinley County Courthouse
201 West Hill Avenue
Gallup, New Mexico 87301

Contact Erik Munroe by phone at (505) 670-9997 or by email at erik.munroe@emnrd.nm.gov for more information concerning the renewal application or coal mining rules, or to make arrangements to review the renewal application.

4. Written comments, objections, or requests for an informal conference shall be submitted to Erin McCullough, Director, New Mexico Mining and Minerals Division, 1220 South St. Francis Drive, Santa Fe, NM 87505, within 30 days of the fourth and final publication of this notice.