

State of New Mexico  
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Jerry Schoeppner, Director  
Mining and Minerals Division



August 24, 2022

**Re: McKinley Mine: Area 9S Phase I, II & III Bond Release Application and Inspection**

Dear Sir or Madam:

To hear this letter in Navajo, go to <https://www.emnrd.nm.gov/mmd/public-notices/>.



On August 12, 2022, an application for bond release was received from Chevron Mining Inc. The phases of bond release are for re-establishing the pre-mine landscape and the inspection of plant life. After approval of these phases, the land may be returned to the landowner. Below is the legal description of the land.

**Area 9S**

**T16N, R20W, NMPM, McKinley County, New Mexico**

	<u>Acres</u>
Section 15 Westbrook	23.9
Section 15 Chevron USA, Inc.	23.7
Section 16 BIA Allotments 1592, 1593, 1594, 1595	94.8
Section 21 Chevron USA, Inc.	235.8
Section 22 BIA Allotments 1581, 1582, 1583	464.4
Section 22 BLM	85.3
Section 23 Chevron USA, Inc.	104.4
Section 26 BIA Allotment 1566	41.6
Section 27 Chevron USA, Inc.	77.8
Section 28 BIA Allotment 1591	<u>41.3</u>

**1,193.0** Total Acres Requested

Based on information we have, your interest in the land is affected by this application. We invite you to participate in the inspection, which will be held on September 21, 2022, at 9:00 A.M. at the McKinley Mine near Tse Bonito.

Please let me know by phone or email if you plan on attending the inspection.

Should you have any questions or concerns, please feel free to contact me at (505) 690-8071 or [JamesR.Smith@state.nm.us](mailto:JamesR.Smith@state.nm.us).

Sincerely,

James R. Smith, P.E.  
Coal Program Manager



**Jeff Schoenbacher**  
Operations Lead

**Chevron  
Environmental  
Management and  
Real Estate Company**

P.O. Box 469  
Questa, NM 87556  
Tel (575) 586-7537  
Cell (575) 691 5493  
jschoenbacher@chevron.com

August 24, 2022

**Re: McKinley Mine Area 9S Bond Release Application  
Permit No. 2016-02**

Chevron Mining Inc. (formerly The Pittsburg & Midway Coal Mining Co.) has filed an application for bond release of the permanent-program performance bond for Area 9 South (Area 9S) which includes 1,193 acres of Phase II and Phase III bond release and 42 acres of Phase I bond release which lies within the Phase II and III area. Phase II bond release is being sought since vegetation has been established and the contribution of suspended solids to streamflow or runoff outside the permit is not in excess of the 19.8 NMAC requirements. Phase III bond release is being sought since the area has met vegetation standards in accordance with the permit and the regulations and all remaining reclamation obligations have been completed. The Phase I bond release consists of a road corridor and reclaimed pond areas that were excluded from the prior 2015 Phase I bond release in the area and now qualify for Phase I release.

The application was filed with the New Mexico Mining and Minerals Division (MMD) of the Energy, Minerals & Resources Department in Santa Fe, New Mexico. This application concerns property that may be under your control or ownership or that may be of interest to you.

Chevron Mining Inc.'s headquarters is located at 6001 Bollinger Canyon Road, San Ramon, CA 94583. The current permit number for the McKinley Mine regulated by the State of New Mexico Mining and Minerals Division is 2016-02, which expires on March 7, 2021 and has been administratively extended.

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. The Area 9S bond release application is located within the Samson Lake USGS quadrangle map.

The lands for which bond release is sought are shown on the accompanying map Figure 1: McKinley Mine Area 9S - Bond Release Area, and are located within the following areas:

T16N, R20W New Mexico Principal Meridian, McKinley County, New Mexico:

Section Numbers: 15, 16, 21, 22, 23, 26, 27 and 28

**Area 9S Surface Ownership**

Township and Range	Section	Phase I Acres	Phase II Acres	Phase III Acres	Surface Ownership	Allotment Numbers
T16N, R20W	15	0.0	23.9	23.9	Westbrook	
	15	0.0	23.7	23.7	Chevron USA, Inc.	
	16	30.0	94.8	94.8	BIA	1592, 1593, 1594, 1595
	21	1.1	235.8	235.8	Chevron USA, Inc.	
	22	0.0	464.4	464.4	BIA	1581, 1582, 1583
	22	0.0	85.3	85.3	BLM	
	23	0.0	104.4	104.4	Chevron USA, Inc.	
	26	5.9	41.6	41.6	BIA	1566
	27	3.3	77.8	77.8	Chevron USA, Inc.	
	28	1.7	41.3	41.3	BIA	1591
		Total	42.0	1193.0	1193.0	

Additional details are provided below concerning this application:

Bonding Information:

The following summarizes the current and remaining bond fund, proposed bond release and remaining bond:

Current Bond Type:	Surety Bond
▪ Current Bond Fund:	\$ 24,645,642
▪ Less Previous A11/12 PI Bond Release:	\$ 1,150,724
▪ Remaining Bond Fund:	\$ 23,494,918
▪ Area 9S direct & indirect costs to be released:	\$ 2,634,239
▪ New Bond Fund Amount:	\$ 20,860,679 (in 2022 dollars)

Disturbed Acreage to be released:

▪ Total acreage to be released:	1,193.0 ac.
▪ Acres permitted:	12,958.2 ac.
▪ Percentage of acres permitted being released:	9.2 %

Phase I bond for much of the area was released in 2015, which covered backfilling and grading, graded spoil suitability, topsoil replacement and construction of hydrologic structures and drainage control. Phase I bond release for 42 acres of road corridor and sedimentation pond areas that were excluded from the 2015 Phase I bond release are included with this bond release application. Reclamation of the road corridor and the sedimentation ponds were completed after the initial application date for the 2015 bond release and these 42 acres now qualify for Phase I bond release. Phase II and Phase III bond release is being sought for the portion of bond associated with completion of reclamation requirements that results in the reduction of settleable solids and the development of vegetation to meet the requirement as established in the regulations and the applicable permit. Disturbance and mining in Area 9S occurred between 1986 and 2006. Seeding of the reclaimed lands occurred between 1995 and 2014 with 94.6% of the area having been seeded for a minimum of 10 years. Assessment of Area 9S for vegetation performance was conducted in 2019, 2020, and 2021.

A copy of the bond-release application is available for public inspection at the following locations:

- County Clerk, McKinley County Courthouse, 201 W Hill Ave, Gallup, New Mexico, 87301.
- New Mexico Mining and Minerals Division, 1220 South St. Francis Drive, Santa Fe, NM 87505 (Contact Name: James R. Smith by phone at 505-690-8071 or by email at JamesR.Smith@state.nm.us to make arrangements to review the bond release application).
- Within 30 days of the final publication of a notice for this bond-release application in the Gallup Independent or Navajo Times newspaper, written comments, objections, or requests for a public hearing and informal conference on this bond-release application shall be submitted to:
  - Director, Mining and Minerals Division, 1220 South St. Francis Drive, Santa Fe, NM 87505.

An inspection of the lands to be released will be conducted at the McKinley Mine at 9 AM on September 21, 2022 (Wednesday). Parties interested in participating in the inspection may contact Mr. James R. Smith of the Mining and Minerals Division at 505-690-8071.

COVID-19 related safety practices will be followed.

**Figure 1: McKinley Mine Area 9S Bond Release Area**

