



WESTMORELAND SAN JUAN MINING LLC
A Subsidiary of WESTMORELAND MINING LLC

June 27, 2023

**James Smith
Coal Program Manager
New Mexico Mining and Minerals Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505**

Re: San Juan Mine Permit 19-01, Phase I, II, and III Bond Release Application

Dear Mr. Smith,

Pursuant to 19.8.14.1412 of New Mexico Administrative Code (NMAC), Westmoreland San Juan Mining LLC (WSJM) has enclosed, for MMD review and approval, a Phase I, II, and III bond release application for 83.42 acres at San Juan Mine for a portion of the area covered under Permit #19-01. WSJM has accomplished all backfilling, grading and final surface configuration and has replaced topdressing and established vegetation, as required for Phase I, II, and III bond release in accordance with the requirements of the Surface Mining Control and Reclamation Act and the approved reclamation plan for San Juan Mine.

One copy of this application has been uploaded to the MMD website.

If you have any questions regarding this submittal, please contact Derek Rawson at (505) 598-2145.

Sincerely,

**Derek Rawson
General Manager
Westmoreland San Juan Mining LLC**

Enc: Phase I, II, and III bond release application, e-copy, and associated documents

19.8.14.1412 A(2)(a): The permittee's name, address and the appropriate permit number.

Westmoreland San Juan Mining LLC (WSJM), San Juan Mine has made an application for the Phase I, II, and III bond release of 83.42 acres to the New Mexico Mining and Minerals Division (MMD) for a portion of the area currently under Permit #19-01 approved March 16, 2020. Application for bond release is submitted pursuant to the New Mexico Administrative Code (NMAC), 19.8.14

Westmoreland San Juan Mining LLC
San Juan Mine
P.O. Box 561
Waterflow, New Mexico 87421

19.8.14.1412 A(2)(b) An accurate legal description of the land sought for bond release (either metes and bounds or precise Section, Township and Range designations).

The San Juan Mine permit area is located approximately 16 miles west of Farmington. The areas requested for Phase I, II, and III bond release are located within the following lands of San Juan County, New Mexico, which are described as follows:

Township 30 North Range 15 West
Section 14 – 21.24 acres
Section 15 – 34.47 acres
Section 16 – 26.02 acres
Section 22 – 1.69 acres

19.8.14.1412 A(2)(c): The location of the area proposed for bond release shown on a USGS 7.5' map, which should also show the permit boundaries.

Areas requested for bond release for the San Juan Mine permit areas are shown in Appendix B Exhibits on a USGS 7.5' base map (see 2023 Bond Release Area San Juan Mine USGS Quads).

19.8.14.1412 A(2)(d): A brief narrative summarizing the past history of the mine, the type, amount and date of the current bonding instrument, the number of acres included in the bond release application and the portion it represents of the total permit area, documentation of the type and dates of the reclamation performed with a summary of the results achieved as they relate to the approved reclamation plan, and any other pertinent information that the applicant or the Director may consider appropriate.

The current mining area was originally permitted by Western Coal Company (WCC) under Permit to Mine #2 approved August 20, 1973, by the New Mexico Coal Surface Mining Commission (CSMC). In December 1980, Utah International acquired WCC leases and founded San Juan Coal Company (SJCC). MMD approved Permit #2-5P for the San Juan Mine on September 26, 1984. Permit #2-5P was subsequently renewed on September 26, 1989. Permit #2-5P was changed to Permit #94-01 and was approved on September 26, 1994. Permit #99-01 was renewed by MMD, which included the San Juan Underground Mine operations permit revision on October 22, 1999. On September 24, 2004, permit #04-01 was renewed by MMD, and on September 25, 2009, permit #09-01 was renewed by MMD. The permit #14-01 was approved on September 26, 2014. On March 15, 2019, all permits belonging to SJCC were assigned to a new company, Westmoreland San Juan Mining LLC (WSJM). The current permit, #19-01, was approved on March 16, 2020.

A surety bond for \$95,390,000 is filed with New Mexico Mining and Minerals Division to satisfy the reclamation bond requirement. The applicant is seeking a determination that the work necessary for Phase I, II, and III bond release has been successfully completed for post mine use to be designated as Industrial Land Use.

Portion of Permit Area Proposed for Phase III Release	Acres
2023 Proposed Phase I, II, and III Release Area	83.42
Total Permit Area	17,740
Portion of the Permit Area Proposed for Release	0.004%

All lands within the requested bond release area have been designated as wildlife habitat and livestock grazing. These lands are comprised of reclaimed areas from previous surface mining and undeveloped areas overlying the underground mine. Existing use is wildlife habitat and livestock grazing with this application requesting a land use change to Industrial Land Use.

No existing infrastructure occurs in the bond release area other than minor two-track dirt roads.

19.8.14.1412 A(2)(e): a table listing the current names, addresses and number of acres held by each of the surface and mineral owners of record in the area proposed for bond release.

Appendix B Exhibit 2023 Phase I, II & III Bond Release Areas San Juan Mine Ownership shows both the surface and mineral ownership areas within the industrial use bond release area. The table below shows the names, addresses, and acreages of each of the surface and mineral owners.

Surface Owner ¹	Address	Area (ac)
Bureau of Land Management	P. O. Box 27115 Santa Fe, NM 87501	43.80
State of New Mexico	New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504	12.05
Michael Deon Watts	618 N 650 E Springville, UT 84663	12.24
Wagon Rod Ranch LLC	11567 Road 27.5 Cortez, CO 81321	1.34
Public Service Company of NM and Tucson Gas	Public Service Company of New Mexico 414 Silver Ave SW Albuquerque, NM 87102	13.97
Total		83.4

Mineral Owner ²	Address	Area (ac)
Bureau of Land Management	P. O. Box 27115 Santa Fe, NM 87501	71.4
State of New Mexico	New Mexico State Land Office P. O. Box 1148 Santa Fe, NM 87504	12
Total		83.4

19.8.14.1412 A(2)(f): copies of letters sent to adjoining landowners, local governmental bodies, planning agencies, sewage and water treatment authorities, and water companies in the vicinity of the reclamation operation, notifying them of the permittee's intention to seek bond release;

A draft letter to notify landowners, local government bodies, and other planning agencies of San Juan Mine's request for bond release are in Appendix A Surface Ownership Notification Letter. The addresses are located in Appendix C Notification Mailing List.

19.8.14.1412 A(3): a copy of the newspaper advertisement that will be used to provide public notification of the application for bond release (cf. 19.8.14.1412.A (3) NMAC)

Draft public notice for publication in the Farmington Daily Times is provided in Appendix D Draft Public Notice.

19.8.14.1412 A(2)(g): Other maps or information required by the Director to locate or characterize the areas proposed for bond release, soils, revegetation, hydrological or other reclamation issues.

Maps of the proposed Phase III bond release areas are provided in Appendix B Exhibits. The exhibits include:

- 2023 Phase I, II, and III Bond Release Areas San Juan Mine Aerial: Shows proposed Phase I, II, and III bond release areas.
- 2023 Phase I, II, and III Bond Release Areas San Juan Mine Topography: Shows drainages.
- 2023 Phase I, II, and III Bond Release Areas San Juan Mine Ownership: Shows both the surface and mineral ownership areas within the proposed industrial use bond release area.
- 2023 Phase I, II, and III Bond Release Areas San Juan Mine USGS Quads: Shows the proposed bond release areas on USGS Quadrangle maps.

19.8.14.1412 A(2)(h): the permittee shall include in the application for bond release a notarized statement which certifies that all applicable reclamation activities have been accomplished in accordance with the requirements of SMCRA, the act, the regulatory program, and the approved reclamation plan; a certification shall be submitted for each application or phase of bond release.

Statement of certification is provided in Appendix E Statement of Certification.

19.8.14.1412 C(1) At the completion of phase I, after the operator completes the backfilling, regrading (which may include the replacement of topsoil) and drainage control of a bonded area in accordance with the approved reclamation plan

Regrading to the approved permit has been completed on the disturbed portions of the bond release area in accordance with the with the reclamation plan in Permit #19-01. The area requested for bond release will be used as transmission line corridor with short access road for a 345-kV generation tie to the San Juan Solar Project under construction.

19.8.14.1412 C(2) At the completion of phase II, after revegetation has been established on the regraded mined lands in accordance with the approved reclamation plan, an additional amount of bond. When determining the amount of bond to be released after successful revegetation has been established, the director shall retain that amount of bond for the revegetated area which would be sufficient to cover the cost of reestablishing revegetation if completed by a third party and for the period specified for operator responsibility in Section 69-25A-19 NMSA 1978 of the act for reestablishing revegetation. No part of the bond or deposit shall be released under this paragraph so long as the lands to which the release would be applicable are contributing suspended solids to streamflow or runoff outside the permit area in excess of the requirements set by Paragraph (10) of Subsection B of Section 69-25A-19 NMSA 1978 of the act and by 19.8.19 NMAC through 19.8.28 NMAC or until soil productivity for prime farmlands has returned to the equivalent levels of yield as non-mined land of the same soil type in the surrounding area under equivalent management practices as determined from the soil survey performed pursuant to Paragraph (16) of Subsection B of Section 69-25A-10 NMSA 1978 of the act and 19.8.24 NMAC. Where a silt dam is to be retained

as a permanent impoundment pursuant to 19.8.19 NMAC through 19.8.28 NMAC, the phase II portion of the bond may be released under this paragraph so long as provisions for sound future maintenance by the operator or the landowner have been made with the director.

Topsoil replacement and revegetation have been completed on the disturbed portions of the bond release area in accordance with the reclamation plan in Permit #19-01.

There are no prime farmlands within the proposed bond release area.

No silt dams will be retained as a permanent impoundment within the bond release area.

19.8.14.1412 C(3): At the completion of phase III, after the operator has completed successfully all surface coal mining and reclamation activities, the release of the remaining portion of the bond, but not before the expiration of the period specified for operator responsibility in 19.8.20.2065 NMAC. +

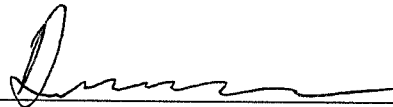
19.8.20.2065 B(5)(d): for areas to be developed for industrial or residential use less than 2 years after regrading is completed, the ground cover of living plants shall not be less than required to control erosion

All disturbed lands have been regraded, topsoiled, and seeded in accordance with the permit requirements. Lands are stable and not contributing a significant amount of suspended solids.

STATEMENT OF CERTIFICATION

WESTMORELAND SAN JUAN MINING LLC
SAN JUAN MINE PERMIT 2019-01
SAN JUAN COUNTY, NEW MEXICO

I swear and affirm, under oath and in writing, that all backfilling, regrading, and establishment of drainage control applicable for Phase I, II, and III bond release on 83.42 acres of the San Juan Mine has been completed. Westmoreland San Juan Mining LLC has accomplished all required work in accordance with the requirements of Surface Mining Control and Reclamation Act and the approved reclamation plan for the San Juan Mine.

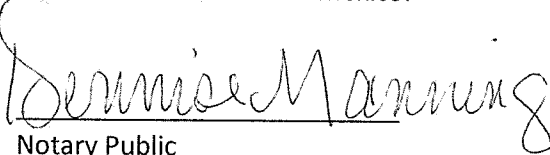


Derek Rawson
General Manager
Westmoreland San Juan Mining

STATE OF NEW MEXICO

COUNTY OF SAN JUAN

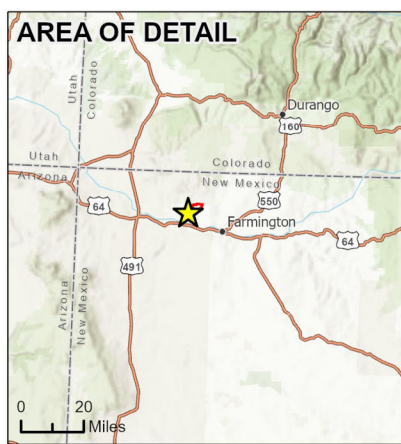
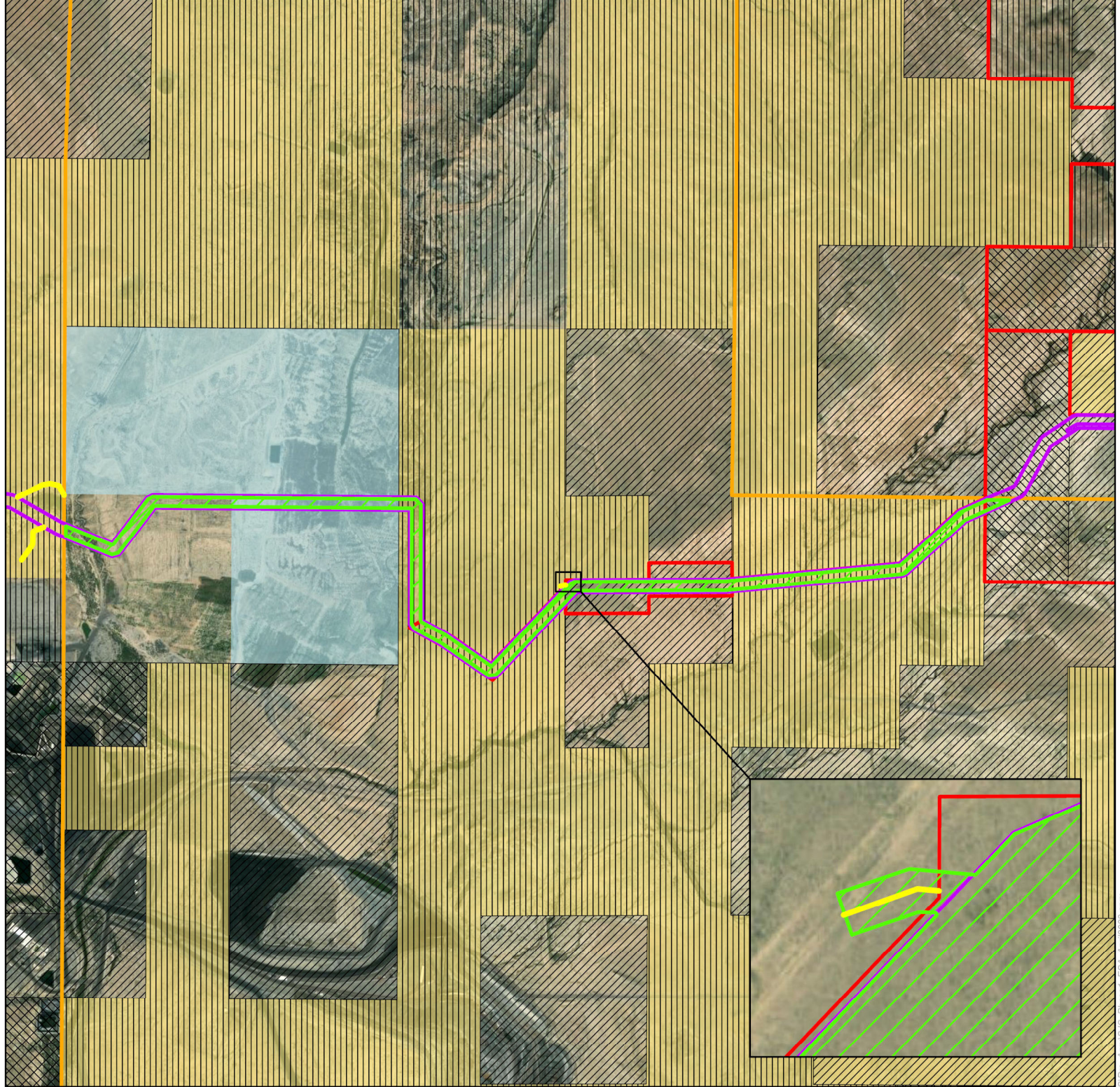
SUBSCRIBED AND SWORN before me, in my presence, this 27 day of June, 2023, a Notary Public in and for the State of New Mexico.



Notary Public

My Commission Expires: 10-1-25

**STATE OF NEW MEXICO
NOTARY PUBLIC
DENMISE MANNING
COMMISSION # 1094371
MY COMMISSION EXPIRES 10/01/2025**



Bond Release Area (83.4 acres)

San Juan Mine Lease Boundary

Gen-tie ROW

Private Surface Ownership

Proposed Road

All Minerals

Coal Only

Oil, Gas + Coal Only

Surface Management Agency

BLM

State

Private or Unknown

Date: 6/14/2023
Drawn By: mmason
Coordinate System:
NAD 1983 StatePlane New Mexico West FIPS 3003 Feet

00.5

MILES

Westmoreland San Juan Mining LLC
San Juan Mine Phase I, II, and III
Bond Release Areas

Surface and Mineral Ownership

San Juan County, New Mexico
Section 13, Township 30N, Range 15W
New Mexico Principal Meridian

Sources: BLM, DESRI, Esri
Service Layer Credits: World Topographic Map - Terrain Only: San Juan County, NM, Esri, HERE, Garmin, FAO, NOAA, USGS, Bureau of Land Management, EPA, NPS, World Imagery: Maxar, World Hillshade: Esri, USGS

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