



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



NM-0003-F-N-02

June 30, 2014

Certified Mail – Return Receipt Requested

Mr. Sam Woods
Acting Management Committee Member
Navajo Transitional Energy Company, LLC (NTEC)
P.O. Box 1749
Window Rock, Navajo Nation (Arizona), 86515

Re: Administrative Completeness Review Findings
Navajo Mine Permit Renewal Application – Federal Permit NM-0003F
OSMRE Project Tracking Code: NM-003-F-N-02
OSMRE ARMS¹ Mail Number: 14/05/28-02

Dear Mr. Woods:

The Office of Surface Mining Reclamation and Enforcement (OSMRE) has completed an initial review of Navajo Transitional Energy Company's (NTEC's) permit renewal application submittal dated May 28, 2014, requesting renewal of permit number NM-0003F for the permit term of September 25, 2014 to September 25, 2019. The permit renewal application is submitted to continue surface coal mining and reclamation operations (Navajo Tribal Coal Lease 14-20-603-2505) pursuant to the Code of Federal Regulations (CFR), Title 30, Subchapter E, Part 750, 773 and 774. The renewal application package includes updated adjudication, ownership and control information, liability insurance, performance bond update for the proposed permit term and the proposed newspaper notice for the renewal.

In accordance with the Indian Lands permanent program regulations at 30 CFR 750, OSM's review has determined that the permit renewal application is Administratively Complete and is therefore ready to be made available for inspection by the public, as well as review by the applicable local, tribal, and federal agencies. NTEC should proceed with publishing of public notices in newspapers of general circulation in the locality of the Navajo Mine Permit area. At a minimum, the notices must contain the information required at 30 CFR 773.6(a)(1), and must appear in these publications at least once per week for four consecutive weeks.

¹ OSMRE Administrative Records Management System

Upon publication of the fourth notice, please forward to me proof of publication documentation as a confirmation that these requirements have been met. As should be reflected in the language of these notices, the public comment period is to commence upon publication of the first notice and is to continue a minimum of thirty days after the fourth and final public notice appears in the newspaper(s).

As per OSMRE's review of the draft public notice NTEC has provided OSMRE, it is OSMRE's understanding that a copy of the permit renewal application is to be made available for public inspection at the following locations:

The Navajo Nation
Minerals Department
Corner of Morgan Blvd. and Window Rock Blvd.
Window Rock, AZ 86515
(928) 871-6587

Tiis Tsoh Sikaad Chapter House
P.O. Box 7359
Newcomb, NM 87455
(505) 696-5471

Nenahnezad Chapter House
P.O. Box 438
Fruitland, NM 87416
(505) 960-6657

The Farmington Public Library
2101 Farmington Avenue
Farmington, NM 87401
(505) 599-1270

Office of Surface Mining Reclamation and Enforcement
1999 Broadway, Suite 3320
Denver, CO 80202-3050
(303) 293-5046

As a reminder, it is required that a copy of the permit renewal application provided by NTEC at the locations listed above must be complete and made available for public review on or before the day the first newspaper notice is published, and remain so throughout the public comment

period. Please be further advised that, should any subsequent changes to this application occur during the course of OSMRE's technical evaluation of the document, these modifications will also need to be made immediately available with the publicly available copy.

Should you have any questions or need further clarification regarding OSMRE's review, please contact me at 303-293-5049, or by email at myellowman@osmre.gov.

Sincerely,



Mychal Yellowman, Leader
Navajo Mine Team
Indian Program Branch
Program Support Division
Western Region-OSM

Enclosure

cc: MMCo, Steven Perkins w/enclosure
OSMRE, Albuquerque Field Office w/enclosure
Navajo Nation Minerals Department w/enclosure
BLM Farmington Resource Area Office w/enclosure
BIA Navajo Regional Office w/enclosure
T'íis Tsoh Sikaad (Burnham) Chapter no enclosure
Nenahnezad Chapter no enclosure

ADMINISTRATIVE COMPLETENESS REVIEW
Navajo Mine Renewal 2014

1. COMPANY: Navajo Transitional Energy Company

2. MINE/OPERATION: Navajo Mine

3. TRACKING SYSTEM INFORMATION

A. Mine Information Project Planning System (MIPPS):NM-0003-F-N-02

B. Workload Assignment Tracking System (WATS): FPD08693

C. Administrative Records Management System (ARMS): 14/05/28-02

D. Letterhead date of submittal: May 27, 2014

4. TYPE OF APPLICATION/DOCUMENT REVIEWED:

Permit Renewal Application

5. Evaluation:

A. Review Criteria:

30 CFR 775.11 Administrative Review

30 CFR 774.15 Permit Renewals

Bond Processing, Liability Insurance, Legal/Financial, Ownership & Control

30 CFR 778 Permit Applications – Minimum Requirements

B. Materials Administratively Reviewed:

The proposed permit renewal of the Navajo Mine permit is for a new 5-year permit term ending in 2019.

Bond Processing

Although a reclamation cost estimate has been provided to OSMRE in this renewal package, it has not yet undergone a technical review. OSMRE will not review the bonding instrument until it has completed the technical evaluation on the proposed reclamation cost estimate. There is a surety bond in place as required by the current permit which meets the requirements of 30 CFR 800.

Liability Insurance

Appendix 7.A of Section 7 includes a copy of the current liability insurance policy dated January 1, 2014 and expires December 30, 2014. This policy must be renewed annually.

Legal/Financial and Ownership/Control

Section 3 of this proposed renewal of the Navajo Mine permit includes the name of the permittee (Navajo Transitional Energy Company or NTEC) and the Resident Agent (Dana Bobroff, Deputy Attorney General Navajo Nation).

Section 4 of the proposed renewal permit provides information on permittee/owner: NTEC and the list of the members on its managing committee. This section also includes information on NTEC's contract operator, BHP Billiton Mine Management Company (MMCO), including a list of MMCO's officers as well as those of its related companies and mining operations

An Applicant/Violator System (AVS) check was performed part of this Administrative Review which verified that there are no outstanding violations for any of the entities included in this proposed renewal. This includes the owner/permittee (Navajo Transitional Energy Company LLC), the contract operator (BHP Billiton Mine Management Company) and the operator's family members (BHP Billiton Ltd, BHP Coal Holdings Pty Ltd, BHP Billiton New Mexico Coal Inc., San Juan Coal Company, and San Juan Transportation Company).

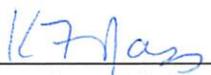
C. ¹No Omissions.

This administrative review has indicated that information has been provided as required; however, the quality of the material provided has not yet been technically evaluated.

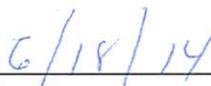
D. PRIMARY SIGNATURE/PEER REVIEW:

This ACR determined that the insurance liability, the legal/financial and ownership/control documentation was included in the proposed renewal. However, as the amount of the reclamation cost estimate has not yet been technically evaluated, no new bonding instruments are required at this time.

A. Primary reviewer:

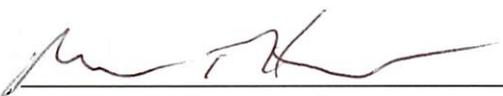


Karen Jass, Mining Engineer, PSD

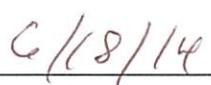


[Date]

B. Peer reviewer:



Matthew Hulbert, Civil Engineer, PSD



[Date]

NOTE: AT THIS STAGE OF THE REVIEW TECHNICAL ISSUES WILL NOT BE IDENTIFIED DUE TO THE PERMIT FEE RULES AND THE THREE STAGES OF REVIEW FOR WHICH OSM IS AUTHORIZED TO COLLECT FEES.

**ADMINISTRATIVE COMPLETENESS REVIEW
NAVAJO MINE PLAN PERMIT – BOND UPDATE REVIEW**

1. COMPANY: BHP Billiton Mine Management Company (MMCo.)

2. MINE/OPERATION: Navajo Mine Plan Permit

3. TRACKING SYSTEM INFORMATION

A. Mine Information Project Planning System (MIPPS): NM-0003-F-N02

B. Workload Assignment Tracking System (WATS): FPD08693

C. Administrative Records Management System (ARMS): 14/05/28-02

D. Letterhead date of submittal: May 27, 2014

4. TYPE OF APPLICATION/DOCUMENT REVIEWED:

New permit application

5. Evaluation:

A. Review Criteria:

30 CFR 774.15	Permit renewals
30 CFR 780.18	Reclamation plan: General requirements

B. Materials Reviewed:

Ch. 11 Vol. 12, *Text*

1. **Remove and Replace** page 11-21 with revised page.
2. **Remove and Replace** pages 11-39 and 11-40 with revised pages.
3. **Remove and Replace** pages 11-54 thru 11-57r with revised pages.
4. **Remove and Replace** pages 11-57z thru 11-57ac with revised pages.

Ch. 11 Vol. 12, *Table*

5. **Remove and Replace** page 11-19 Table 11-25 with revised page.
6. **Remove and Replace** page 11-97 Table 11-11 with revised page.

Ch. 12 Vol. 19, *Text*

7. **Remove and Replace** pages 12-5 and 12-5a with revised pages.
8. **Remove and Replace** pages 12-7 thru 12-8a with revised pages.
9. **Remove and Replace** page 12-10 with revised page.
10. **Remove and Replace** page 12-10c with revised page.
11. **Remove and Replace** pages 12-12 thru 12-12e with revised pages.
12. **Remove and Replace** pages 12-14 thru 12-17 with revised pages.
13. **Remove and Replace** page 12-18b with revised page.
14. **Remove and Replace** pages 12-20 thru 12-22 with revised pages.
15. **Remove and Replace** pages 12-41 thru 12-49 with revised pages.

Ch. 12 Vol. 19, *Table*

16. **Remove and Replace** page 12-12h Table 12-9 with revised page.
17. **Remove and Replace** page 12-23 Table 12-4 with revised page.
18. **Remove and Replace** page 12-50 Table 12-7 with revised page.
19. **Remove and Replace** pages 12-51 Table 12-7a with revised pages.

Ch. 12 Vol. 19, *Appendix*

20. **Remove and Replace** entire Appendix 12-B with revised appendix.
21. **Remove and Replace** entire Appendix 12-C with revised appendix.

Ch. 12 Vol. 20, *Exhibit*

22. **Remove and Replace** Exhibits 12-02, 12-03, 12-08, 12-09, 12-10, 12-11, 12-13, 12-14, 12-15 and 12-16 with revised exhibits.

Ch. 12 Vol. 21, *Exhibit*

23. **Remove and Replace** Exhibits 12-17, 12-18, 12-19, 12-20, 12-21, 12-22, 12-23, 12-24, 12-25, 12-26, 12-27, 12-28, 12-29, 12-30, 12-30a, 12-30b, 12-30d, 12-30e with revised exhibits.

Ch. 12 Vol. 21A, *Exhibit*

24. **Remove and Replace** Exhibits 12-37, 12-38, 12-39, and 12-40 with revised exhibits.
25. **Remove and discard** Exhibit 12-41.

OSMRE's June 2, 2014 Response

Although the proposed PAP's revisions have not been evaluated for technical adequacy in this review, OSMRE concurs that MMCo.'s proposed submittal has been provided and with respect to the bond update, is in accordance with 30 CFR 774.15 (b)(2)(iii) and 30 CFR 780.18 (b)(2).

C. ¹No Omissions.

It has been noted that MMco. has proposed the removal of *Exhibit 12-41*. OSMRE does not have a problem with this guidance.

D. PRIMARY SIGNATURE/PEER REVIEW:

The parts of the Navajo Mine Plan Permit application comply with their respective Review Criteria as shown in Part A.

A. Primary reviewer:



Jeremy Spangler, Civil Engineer

6-2-14

[Date]

B. Peer reviewer:



Matthew Hulbert, Civil Engineer

6/2/14

[Date]

NOTE: AT THIS STAGE OF THE REVIEW TECHNICAL ISSUES WILL NOT BE IDENTIFIED DUE TO THE PERMIT FEE RULES AND THE THREE STAGES OF REVIEW FOR WHICH OSMRE IS AUTHORIZED TO COLLECT FEES.