



United States Department of the Interior

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



NN.AZ-0001E.0037

June 29, 2015

Certified Mail – Return Receipt Requested

Mr. Randy Lehn
Director, Environmental Services-Southwest
Peabody Energy Corporation
3001 West Shamrell Boulevard
Suite 110
Flagstaff, AZ 86005

Re: *Administrative Delay in Decision – Application to Renew Federal Permit AZ-0001E for the Kayenta Mine*
OSMRE Project Tracking Code: NN.AZ-0001E.0037
OSMRE ARMS Submittal Number: 15-03-04-08

Dear Mr. Lehn:

In accordance with the regulations at 30 CFR 774.15(a) a valid permit issued pursuant to an approved regulatory program shall carry with it the right to successive renewal. On February 26, 2015, Peabody Western Coal Company (PWCC) filed an application to renew Federal Permit AZ-0001E for the Kayenta Mine. This application was filed with the Office of Surface Mining Reclamation and Enforcement (OSMRE) in accordance with the requirements of the implementing regulations of the Surface Mining Control and Reclamation Act (SMCRA). As required at 30 CFR 774.15 of these regulations, the application was filed with OSMRE at least 120-days prior to the July 6, 2015, permit term expiration date.

On April 2, 2015, following completion of our initial review of the permit renewal application, OSMRE notified PWCC that the application had been determined to be administratively complete and ready for public notice. PWCC subsequently ran public notices in two local newspapers announcing the availability of the application for review and comment. The newspaper notices ran for four consecutive weeks beginning on April 8 and ending on April 30, 2015. As indicated in these notices, the public comment period continued for 30-days beyond the April 30 date, extending to June 1, 2015. At the conclusion of the public comment period OSMRE received two comments from the public on the permit renewal application and two requests for an informal conference were received.

In reviewing the permit renewal application OSMRE must ensure compliance with the National Environmental Policy Act and other applicable laws. Please be advised that OSMRE cannot render a decision on the permit renewal application until after that effort is complete.

OSMRE's review has determined that PWCC's February 26, 2015, submittal is in accordance with the procedural requirements for permit renewal applications at 30 CFR 774.15 (b). With this letter OSMRE is notifying PWCC that we are administratively delaying our decision regarding the renewal of Federal Permit AZ-0001E for the reasons cited above. PWCC may continue mining and reclamation operations under the current permit until OSMRE makes a decision on the permit renewal application.

Should you have questions or need further clarification, please contact OSMRE's Mine Team Leader for this project (Amy McGregor) via phone (303-293-5040) or by e-mail at amcgregor@osmre.gov.

Sincerely,

/s/

Rick Williamson, Manager
Indian Program Branch
Program Support Division
Western Region-OSM

cc:
BLM-Arizona State Office
BIA, Navajo Regional Office
BIA, Western Region Office
Navajo Nation, Forest Lake Chapter House
Hopi Tribe, Office of Mining & Mineral Resources
Hopi Tribe, Office of Realty Services
OSMRE, Farmington Office
Navajo Nation Minerals Department
OSMRE, Albuquerque Area Office