



United States Department of the Interior



OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050

February 4, 2014

NM-0003-F-T-01

Certified Mail Return Receipt Requested

Mr. John Grubb
Navajo Transitional Energy Company
Bureau of Indian Affairs Club Building
Window Rock, AZ 86515

RE: Permit Transfer Application – Permit Issuance
Navajo Mine – Federal Permit NM-0003F
OSMRE Project Tracking Code: NM-0003-F-T-01

Dear Mr. Grubb:

In accordance with 30 CFR 774.17, in a letter dated November 1, 2013, the Office of Surface Mining Reclamation & Enforcement (OSMRE) conditionally approved the previously submitted application to transfer Navajo Mine Permit NM0003F from BHP Navajo Coal Company (BNCC) to Navajo Transitional Energy Company, LLC (NTEC).

As was discussed in the above cited November 1 letter, it was anticipated that Federal Permit NM0003F would be issued to NTEC upon the provision of information and documents satisfactorily addressing the requirements within the following approval Conditions:

- a. NMCC LLC must have in place an approved Surety Bond or Collateral Bond and Indemnity Agreement and bonding instrument to cover projected reclamation costs at Navajo Mine to comply with 30 CFR 774.17.
- b. NMCC LLC must contract for liability insurance under its operating name and this liability to comply with 30 CFR 778.18
- c. NMCC LLC must provide the telephone numbers and Federal Identification Numbers for NMCC LLC and NTEC to comply with 30 CFR 778.11.
- d. NMCC LLC/NTEC must revise the application materials shown in Section C and in Section D such that the permit revision material to SMCRA Permit NM-0003F “Section 1: Identification of Interests for MMCo.” is submitted for review and approval as part of the stock sale described in Section C of this TAS to comply with 30 CFR 777.11 and 30 CFR 778.11.
- e. NTEC must provide a contract for liability insurance and this liability insurance must be accepted and be in place prior to approval of this Application in order to comply with 30 CFR 778.18.
- f. NTEC must have in place an approved Surety Bond or Collateral Bond and Indemnity Agreement and an actual bonding instrument for reclamation actions at Navajo to comply with 30 CFR 774.17.
- g. In accordance with the requirements at 30 CFR 774.17 NTEC and NMCC LLC must provide

official documentation identifying which members of the Management Committee may sign and execute the Surety Bond or Collateral Bond and Indemnity Agreement and the bonding instrument.

- h. Post merger, NTEC must provide its Federal Identification Number to comply with 30 CFR 778.11.
- i. MMCo should provide a new Statement of Verification that certifies the accuracy of the information specific to MMCo to comply with 30 CFR 777.11(c) and 30 CFR 778.9.
- j. In accordance with 30 CFR 774.17(e)(2), notification to OSMRE of consummation transactions of NTEC acquiring the permit rights previously held by NMCC LLC. (Formerly NMCC Inc.).

To address the requirements of the Conditions (listed above) included within OSMRE's November 1, 2013, conditional permit transfer approval, OSMRE has received submittals from NTEC and from BHP Mine Management Company (MMCo.) dated: November, 21, 2013, December 30, 2013, December 31, 2013, January 8, 2014, January 16, 2014, January 28, 2014 and January 30, 2014. Following our review of the information and documents submitted by NTEC & MMCo., OSMRE has determined that all requirements discussed within the above listed Conditions, have been satisfactorily addressed. Therefore, enclosed with this letter please find Federal Permit NM0003F for the Navajo Mine, issued to NTEC.

Should you have any questions regarding what is discussed within this letter, please contact the Navajo Mine Team Leader (Mychal Yellowman) by phone at 303-293-5047, or via email (myellowman@osmre.gov). I can be reached at 303-293-5047.

Sincerely,



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

cc:

MMCo, no enclosure
OSMRE, Albuquerque Field Office no enclosure
Navajo Nation Minerals Dept. no enclosure
BLM Farmington Resource Area no enclosure

BIA Navajo Regional Office no enclosure
U.S. Fish & Wildlife Service no enclosure
Tiis Tsoh Sikaad Chapter no enclosure
Nenahnezad Chapter no enclosure
APS, no enclosure