



United States Department of the Interior

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



AZ-0001DN03

January 6, 2012

Mr. Gary W. Wendt
Manager, Environmental
Peabody Western Coal Company
P.O. Box 650
Navajo Route 41
Kayenta, Arizona 86033

Re: ***Approval of Permit Renewal Application***
Kayenta Mine Permit AZ-0001D
OSM Project Tracking Code: AZ-0001-D-N-03
OSM ARMS¹ Mail Numbers: 10/03/02-07, 10/03/17-04, 10/05/21-02, 10/06/8-05,
10/06/21-13, 10/06/24-01 & 11/12/15-06

Dear Mr. Wendt:

OSM has completed its review and processing of the Permit Renewal Application for Peabody Western Coal Company's (PWCC's) Kayenta Mine, initially proposed in a submittal dated February 26, 2010.

In support of OSM's review of the permit renewal application, an environmental assessment (EA) has been prepared. This EA was prepared by a consulting firm, at the direction of OSM. Upon completion OSM adopted the EA and takes full responsibility for the scope and the content of this document. The EA considered a reasonable range of alternatives to the proposed action, discussed the potential environmental effects of the proposed action and provided sufficient evidence and analysis for the development of a finding of no significant impact (FONSI)². Based upon OSM's review of the EA it has been determined that the proposed action is not a major federal action that will have a significant effect on the quality of the human environment individually or cumulatively with other actions within the region. No environmental effects meet the definition of significance in context or intensity, as defined within the federal regulations at 40 CFR 1508.27. Therefore, an EIS is not required.

In accordance with the Indian Lands Program regulation at 30 CFR 750.12(c)(1)(ii), OSM's review confirms that the application is in compliance with the criteria applicable to permit renewals at 30 CFR 774.15(c)(1).

¹ Administrative Records Management System.

² The EA and the FONSI have been posted on OSM's Western Region Web Site.

Enclosed you will find renewed Federal Permit AZ-0001E. This Permit authorizes the continuation of mining and reclamation operations until July 6, 2015, within the designated permit area.

PWCC, as well as the Bureau of Indian Affairs, the Bureau of Land Management, the Navajo Nation Minerals Department, the Hopi Tribe, Navajo Nation Forest Lake Chapter House, and the OSM Albuquerque Area Office, should insert into the approved permit application package (PAP):

- Within Chapter 3, Attachment 11, copies of Affidavits of the Navajo Times and the Navajo Hopi Observer newspapers, confirming their publications of the required Public Notices relevant to the Permit Renewal Application, distributed by OSM to the agencies on May 26, 2010 (ARMS No. 10/05/21-02);
- Within Chapter 3, updated ownership, control, and compliance information distributed as ARMS No. 11/12/15-06. This information supersedes ownership, control, and compliance information distributed as ARMS No. 10/06/21-13.
- Within Chapter 24, Attachments 24-1 through 24-6, updated bond calculations for the five-year permit term renewal application, and Bond Map Drawing 89800 (NW, SW, & SE sheets) (ARMS No. 10/06/24-01).

As set forth in the Indian Lands Program regulation at 30 CFR 750.12(c)(iii), PWCC or any person with an interest which is or may be adversely affected, may appeal this decision under the procedures set forth in 30 CFR § 775 and 43 CFR Part 4.

If you have any questions or concerns regarding the permit renewal, please contact me via phone (303-293-5047) or by email (RLwilliamson@osmre.gov).

Sincerely,



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

Enclosure

cc: BIA, Navajo Region Office
BIA, Western Region Office
Navajo Nation, Forest Lake Chapter House
Hopi Tribe, Office of Mining & Mineral Resources
Hopi Tribe, Office of Realty Services

OSM, Albuquerque Area Office
OSM, Farmington Office
Navajo Nation, Minerals Department
BLM, Arizona State Office