

Non-Compliance Information Navajo Transitional Energy Company, LLC. (Including Spring Creek Mine, Antelope Coal Mine, Cordero Coal Mine, and Sequatchee Valley in TN, and the New Mexico Navajo mine)

8/18/2017 through 8/18/2020

17.24.303(1)(n) for any violation of a provision of 30 USC 1201, et seq., or of any law, rule, or regulation of the United States, or of any state law, rule, or regulations enacted pursuant to federal law, rules, or regulations pertaining to air or water environmental protection incurred in connection with any coal mining operation, a list of all violation notices received by the applicant during the three-year period preceding the application date, and a list of all unabated cessation orders and unabated air and water quality violation notices received prior to the date of the application by any coal mining and reclamation operation owned or controlled by either the applicant or by any person who owns or controls the applicant. For each violation notice or cessation order reported, the list must include the following information, as applicable:

- (i) any identifying numbers for the operation, including the federal or state permit number and mine safety and health administration number, the dates of issuance of the violation notice and mine safety and health administration number, the name of the person to
- (ii) a brief description of the violation alleged in the notice;
- (iii) the date, location, and type of any administrative or judicial proceeding initiated concerning the violation, including, but not limited to, proceedings initiated by any person identified in this section to obtain administrative or judicial review of the violation;
- (iv) the current status of the proceedings and of the violation notice
- (v) the actions, if any, taken by the person identified in this section to abate the violation

| (i)              |           |                              |          |               |                              |             | (ii)  | (iii)                        | (iv)  | (v)   |
|------------------|-----------|------------------------------|----------|---------------|------------------------------|-------------|---|------------------------------|---|---|
| Date of Issuance | Site Name | Permit Number                | MSHA ID  | Issued to     | Regulatory Authority         | Reference # | Description   | Judicial or Admin Proceeding | Status  | Actions Taken   |
| 7/15/2019        | SCM       | MTG070909                    | 24-01457 | David Schwend | MDEQ Water Protection Bureau | 617         | INFORMAL ENFORCEMENT ACTION<br>Letter of Violation for<br>Non-reported Monitoring Parameters of MPDES Permit  | None                         | Responded by letter to MT Water Protection Bureau | This is a future discharge point that has not yet been constructed since the area and contributing water shed has not yet been disturbed. When it was learned that reporting was required upon permitting, but not upon disturbance, multiple months of reporting were sent with one submittal. The MT MPDES system cannot process more than one month submitted at a time and rejected all but one month of reporting. SCM submitted the missing reports and notified MT WPB that reports were submitted.  |
| 6/18/2019        | SCM       | MTG070909                    | 24-01457 | David Schwend | MDEQ Water Protection Bureau | 617         | INFORMAL ENFORCEMENT ACTION<br>Letter of Violation for<br>Non-reported Monitoring Parameters of MPDES Permit  | None                         | Responded by letter to MT Water Protection Bureau | This is a future discharge point that has not yet been constructed since the area and contributing water shed has not yet been disturbed. When it was learned that reporting was required upon permitting, but not upon disturbance, multiple months of reporting were sent with one submittal. The MT MPDES system cannot process more than one month submitted at a time and rejected all but one month of reporting. SCM submitted the missing reports and notified MT WPB that reports were submitted.  |
| 3/16/2018        | SCM       | MT0024619 (Discharge Permit) | 24-01457 | Eric Detmer   | MDEQ Water Protection Bureau | 617         | Spring Creek Mine (SCM) received a 3/16/18 letter of non-reported monitoring parameters indicating Discharge Monitoring Reports (DMR's) were not received for four (014, 015, 016, and 017) outfalls for the annual total metals analysis during the first quarter 2018. <u>This incident was an omission of data which did not result in environmental harm and did not warrant any penalties or enforcement action.</u> | None                         | Compliance Achieved                               | SCM disputed the legitimacy of this violation. MDEQ added outfalls 014, 015, 016, and 017 in April 2017. SCM queried the online DMR reports in December 2017, and outfalls 001 and 002 were available in the online report to be completed. SCM completed those two outfall reports and submitted them on 1/19/18. Outfalls 014, 015, 016, and 017 were believed to not have been available for query in the DMR online system during this period. SCM did not discharge during 2017 or through the second quarter of 2018. SCM responded with a 3-20-18 letter providing this explanation. |

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| (i)              |                      |                            |          |              |                      |             | (ii)   | (iii)                        | (iv)                | (v)  |
|------------------|----------------------|----------------------------|----------|--------------|----------------------|-------------|--|------------------------------|---------------------|--|
| Date of Issuance | Site Name            | Permit Number              | MSHA ID  | Issued to    | Regulatory Authority | Reference # | Description  | Judicial or Admin Proceeding | Status              | Actions Taken  |
| 4/30/2018        | Cordero Rojo Complex | WY5600796 (Drinking Water) | 48-00992 | Tracy Kaness | EPA                  | 8WP-SDA     | Cordero Rojo Mining (CRM) received a 12/1/17 email from the EPA informing them they had exceeded the threshold value of 0.5 µg/l for xylene with a level of 1.1 µg/l of xylene sampled 3/29/17 at WY5600796 for "Cordero" Mining LLC. Exceeding the detection limit requires quarterly xylene sampling starting in the last quarter of 2017. CRM has two public water systems; "Cordero" WY5600374 and "Rojo" WY5600796 and incorrectly interpreted the 12/1/17 email was referencing the "Cordero" system WY5600374. CRM received a 4/30/18 notice of non-compliance for failure to monitor "Rojo" WY5600796 indicating no sample was received for the fourth quarter 2017, but they did receive the sample results for the first quarter 2018. CRM received a revised notice of non-compliance failure to monitor letter dated 5/17/18 clarifying their mistake, the EPA had not received samples for WY5600796 "Rojo" during the first quarter 2018. <u>This incident was an omission of data which did not result in environmental harm and did not warrant any penalties or enforcement action. The maximum contaminant level for xylene is 10,000 µg/l and the value tested for "Rojo" WY5600796 on 5/9/18 was 1.5 µg/l.</u> | None                         | Compliance Achieved | CRM sampled the "Cordero" system WY5600374 on 12/6/17 and on 3/21/18 to satisfy the fourth quarter 2017 and the first quarter 2018 sampling requirement for xylene. Once the misunderstanding of which system needed to be sampled was clarified by the EPA, CRM began quarterly sampling of xylene in the second quarter 2018 for "Rojo" WY5600796. |

Note: ECHO Database search shows a pH instant maximum limit of 9.8 reading on 8-31-15 for Cordero Rojo Complex WY0023761 (Discharge Permit). Codero’s records mailed to the regulatory agency indicate the 3Q 2015 (7-1-15 to 9-30-15) pH reported values had no exceedances; all values between 7.5 and 8.3 (acceptable range between 6.5 and 9). The EPA ECHO database is incorrectly reporting this exceedance. ECHO also shows a pH instant minimum limit showing a 0.0 reading on 6-30-18. This value was input incorrectly into the online reporting system. This reporting value has been correctly changed from 0.0 to the correct value of 8.2 which is within the acceptable range.