

# Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271  
www.dnr.ilinois.gov

JB Pritzker, Governor  
Colleen Callahan, Director

June 4, 2019

**FILED**

**JUN 13 2019**

*Cathy Johnson*  
COUNTY CLERK  
VERMILION CO. IL.

Mayor's Office  
City of Georgetown  
208 South Walnut Street  
Georgetown, IL 61846

Via Certified Mail

7019 0140 0000 0641 2597

Re: Peabody Midwest Mining, LLC Permit No. 342  
Bond Release Decision, Riola Mine Complex – Vermillion Grove Portal

Dear Sir or Madam:

Pursuant to 62 Ill. Adm. Code 1800.40(b)(2), the Illinois Department of Natural Resources, Office of Mines and Minerals, Land Reclamation Division, hereby issues its final administrative decision to release bonds held to guaranty reclamation of a portion of the above referenced mine and permit. A field inspection by Department personnel has confirmed the lands affected have been restored to required standards and are eligible for bond release.

In accordance with 62 Ill. Adm. Code 1847.3, any persons with a valid legal interest who filed written comments or were part to a public hearing on this release may request administrative review on the Department's decision 30 days from the date of this letter. In the event of written comments or a public hearing, the issuance of the bond release will be delayed to allow the appropriate time periods to expire. If no written comments were filed nor a public hearing was held, then the SCML7 bond release form will be attached and this will be the final action on this release.

Should you have any questions, please contact me at (217) 785-0399.

Sincerely,

Kristi Dodson, Bond Release Manager  
Land Reclamation Division

NSD:KD

Enclosure

cc: A. Nelson

Mayor's Office  
City of Georgetown  
Peabody Midwest Mining, LLC Permit No. 342  
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Page 2

M. Parke  
D. Reeves  
W. Gillespie

Vermillion County Clerk's office (Via Certified Mail)

7019 0140 0000 0641 2603

OSMRE  
IDOA (B. Rennecker)  
Manager, Mine Pollution Control Program, IEPA  
J. Kuhlman  
K. Dodson (SCML 7 only)  
Binkley Trust  
John H. Mauldin  
Robert Almy Sr.  
Lexon Insurance Company (SCML 7-only)

## Bond Release Decision

### Permit No. 342 Riola Mine Complex – Vermillion Grove Portal

The Department of Natural Resources, Office of Mines and Minerals, Land Reclamation Division, the Regulatory Authority in Illinois under the Surface Coal Mining Land Conservation and Reclamation Act, has reviewed the bond release application. Pursuant to 62 Ill. Adm. Code 1800.40, the Department has decided to approve the bond release as discussed herein. The Department's decision is based upon a review of the record, as a whole as outlined in Part II below. The county in which the mine is located, the nearest municipality to the mine, the permittee, the surety or other persons with an interest in bond collateral who have requested notification under Section 1800.21(e), and the persons who either filed objections in writing or objectors who were a party to the hearing proceedings, if held, are being notified of the Department's final administrative decision by certified mail. Administrative review of the final administrative decision may be requested by the permittee or persons who either filed objections in writing or objectors who were a party to the hearing proceedings pursuant to Section 1847.3.

#### I. Summary of Bond Release Application

The permittee has requested release of 244 acres of Phase I bond and 152.2 acres of Phase II bond. Pursuant to Section 1800.40(c), reclamation shall be deemed to have been completed when the permittee completes the following:

Phase I - backfilling, regrading, and drainage control,

Phase II - revegetation of the affected areas and stabilization of the area so that it is not contributing suspended solids to stream flow or runoff outside the permit area in excess of the requirements set by Section 3.10 of the State Act and by 62 Ill. Adm. Code 1817.

The filing date of the bond release application, the date on which all the required copies of the application were received by the Department, was April 4, 2019.

The total bond amount in force for the permit prior to this decision was \$6,528,070.00. The Department has determined the total amount of bond eligible for release is \$4,173,180.00, which is not more than 60% for Phase I and not more than the cost to cover any required additional revegetation for Phase II. The total bond remaining for the permit after the release following this decision will be \$2,354,890.00.

#### II. Criteria for Bond Release

Section 1800.40(a)(2): A copy of the newspaper advertisement was submitted with the application. The applicant placed a newspaper advertisement of the bond release request in the Commercial News, a paper of general circulation in the locality of the permit area, once a week for four consecutive weeks beginning April 13, 2019. The advertisement

contained the information required by this regulation. The certification of publication for the newspaper advertisement was received by the Department on May 28, 2019.

The application contains copies of letters sent by the applicant to the parties listed in Section 1800.40(a)(2). The requirements of Section 1800.40(a)(2) have been met.

Section 1800.40(a)(3): The applicant has included in the application for bond release a notarized statement which certifies that all applicable reclamation activities have been accomplished in accordance with the requirements of the State Act, the regulatory program and the approved reclamation plan.

Section 1800.40(b)(1): The surface owners and lessees were informed on April 9, 2019 by certified mail that an inspection and evaluation of the reclamation work involved at the proposed release area would be conducted. The official bond release inspection and evaluation was conducted on April 26, 2019, within thirty (30) days of the filing of the application for bond release.

The evaluation considered the degree of difficulty to complete any remaining reclamation, whether pollution of surface and subsurface water was occurring, the probability of future occurrence of such pollution, and the estimated cost of abating such pollution.

After a review of the information gathered, the Department has determined that no surface or subsurface impacts are occurring off permit, and that the probability of such impact occurring is negligible. Therefore, impacts to the hydrologic balance have been minimized on permit. The evaluation was based upon the site inspection, current surface water quality and quantity, review of regular monthly inspections as required by Section 1840.11, and a review of the permittee's adherence to the approved surface and groundwater monitoring programs, pursuant to Section 1816.41 and the history of compliance and subsequent actions as noted throughout the life of the permit. The original permit decision document and any associated references were also considered in the evaluation of the bond release request.

It should also be noted that as part of its evaluation of hydrologic recharge the Department has considered that numerous incised impoundments exist on-site, and many have reached a stable, final pool elevation. In addition, the evaluation considered that the land surface has been re-contoured to its approximate original topography where practicable and much of the site has been re-vegetated similar to pre-mining conditions.

Section 1800.40(b)(2): The Department's decision is being rendered within sixty (60) days of the filing of the application as required by this rule. This decision is being sent by certified mail to the county in which the mine is located and the municipality nearest the mine. No objections were filed and no requests for hearing were received. The Department therefore issues a final administrative decision for the areas outlined below and the executed SCML 7 bond release form is attached.

Section 1800.40(c): The Department, upon completing its review of the bond release application, has decided to approve the application. The Department bases its decision upon the following:

- A. Phase I bond is being released for 1.8 acres reclaimed to prime farmland capability standards, 71.6 acres reclaimed to high capability standards and 170.6 acres reclaimed to limited capability standards. Completion of backfilling, grading, topsoil replacement and establishment of drainage control in accordance with the approved reclamation plan has been verified and documented during the Department's inspections conducted on a continuous basis as required by Section 1840.11.
- B. The post-mining land use for the area receiving a Phase II bond release is 2.9 acres forestry and 149.3 acres fish and wildlife habitat. The Department has determined that the lands to be released are not contributing suspended solids to stream flow or runoff outside the permit area in excess of the requirements set by Section 3.10 of the State Act and by 62 Ill. Adm. Code.

Provisions for sound future maintenance of the silt dams constructed as permanent impoundments have been made by design, construction, and maintenance of the impoundments in accordance with the performance standards at Sections 1817.49

Section 1800.40(d) & (e): No written objections or requests for hearings have been filed with the Department with regard to this bond release application.

Based upon information contained in the bond release application and information otherwise available, the Department hereby issues this final administrative decision approving the bond release application as outlined above. The release of bond does not relieve the permittee of liability under 62 Ill. Adm. Code 1817.121 for material damage to surface lands or to structures or facilities that existed at the time of the coal extraction under or adjacent to the materially damaged structure. This liability is perpetual.



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Nick San Diego, Supervisor  
Office of Mines and Minerals

Dated: June 4, 2019

APPROVED FOR EXECUTION

Date: 5/31/19

Legal Counsel: NWO



SCML 7  
PERMIT #: 342

STATE OF ILLINOIS  
DEPARTMENT OF NATURAL RESOURCES  
OFFICE OF MINES AND MINERALS  
LAND RECLAMATION DIVISION

SURFACE COAL MINING LAND CONSERVATION AND RECLAMATION ACT  
BOND RELEASE FORM

DATE: June 4, 2019

TO: Peabody Midwest Mining, LLC  
566 Dickeyville Road  
Lynnville, IN 47619

ENTITY PERMITTEE: Peabody Midwest Mining, LLC  
MINE: Riola MC, VG P  
TYPE OF RELEASE: PHASE

Bonds Released Issuer	Bond Number	Amount Released
Lexon Insurance Company	1142995	(\$4,173,180.00)

Bonds Remaining Issuer	Bond Number	Amount Remaining
Lexon Insurance Company	1142995	\$2,354,890.00


Total This Release: (\$4,173,180.00)

Total Remaining: \$2,354,890.00

**RELEASED ACREAGE ANALYSIS**

DESCRIPTION	PHASE 1	PHASE 2	PHASE 3
ACRES BEFORE RELEASE	284.90	284.90	284.90
ACRES ON THIS RELEASE	-244.00	-152.20	0.00
ACRES REMAINING	40.90	132.70	284.90

LAND USE	CAPABILITY	PHS 1	PHS 2	PHS 3
	PF	-1.8	0	0
	HC	-71.6	0	0
	LC	-170.6	0	0
FORESTRY	LC	0	-2.9	0
WDLF-HB	LC	0	-149.3	0

  
 Nick San Diego, Division Supervisor  
 Land Reclamation Division

APPROVED FOR EXECUTION  
 Date: 5/31/19  
 Legal Counsel: 