

**RAILROAD COMMISSION OF TEXAS
HEARINGS DIVISION**

**SURFACE MINING DOCKET NO. C20-0011-SC-32-B
APPLICATION FOR TRANSFER OF PERMIT NO. 32G
FROM TEXAS WESTMORELAND COAL COMPANY TO JEWETT MINE LLC
FOR THE JEWETT MINE LOCATED IN LEON, FREESTONE AND LIMESTONE
COUNTIES, TEXAS, AND APPLICATION FOR ACCEPTANCE OF EXISTING BOND**

**ORDER APPROVING APPLICATION FOR TRANSFER AND
ISSUANCE OF SURFACE COAL MINING AND RECLAMATION PERMIT NO. 32H**

STATEMENT OF THE CASE

Westmoreland Jewett Mining LLC P.O. Box 915, Jewett, Texas 75846 (WJMLLC), submitted an application to the Railroad Commission of Texas (Commission) Surface Mining and Reclamation Division (SMRD and/or Staff) by letter dated April 15, 2019 to transfer Permit No. 47A from Texas Westmoreland Coal Co. (TWCC), P.O. Box 915, Jewett, Texas 75846 to WJMLLC. After publication of notice of application, WJMLLC was purchased by NRG Texas LLC effective August 5, 2020. WJMLLC was renamed Jewett Mine LLC (JMLLC) effective August 13, 2020. JMLLC, P.O. Box 915, Jewett, Texas 75846 is the applicant in this docket.

The permit area is located approximately eight (8) miles north of Jewett, Texas, east of Lake Limestone, south of Highway 164 and Buffalo Creek, west of Alligator Creek and north of the junction Highway 39 and Burlington Road. Permit No. 32G area consists of approximately 21,575.1 acres and lies within the U.S. five (5) miles east of Elgin, Texas and approximately eleven (11) miles southwest of Lexington, Texas.

The application is made pursuant to the Texas Surface Coal Mining and Reclamation Act, Tex. Nat. Res. Code Ann. Ch. 134.083 (Vernon Supp. 2020) (Act) and §§12.2.231-232 of the "Coal Mining Regulations," Tex. R.R. Comm'n, 16 Tex. Admin. Code Ch. 12 (Thomson West 2020) (Regulations). No permit may be transferred prior to approval of an application for transfer and acceptance by the Commission of a performance bond in an amount sufficient to assure proper reclamation of lands disturbed by the operation if such reclamation were to be performed by a third party at the direction of the Commission pursuant to §134.803 of the Act and §12.231 of the Regulations.

This permit transfer application seeks to authorize continued mining and reclamation operations at the Jewett Mine located in Leon, Limestone and Freestone Counties, Texas, but does not seek to change the conditions of mining or reclamation operations, or any of the terms or conditions of the existing permit. Permit No. 32G was most recently renewed on March 29, 2016, by Order dated March 29, 2016 (Docket No. C9-0007-SC-32-C) and issued to the TWCC. At the time this application was made, no active mining was underway in the Permit No. 32G area;

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however, a permanent cessation of mining request was not submitted and JMLLC filed an application to SMRD to renew/revise Permit No. 32G on September 29, 2020, preserving the option to mine reserve areas described in that separate application. The renewal/revision application for the permit area has not yet been determined to be administratively complete by the SMRD Director and therefore has not been transferred to the Hearings Division.

For this permit transfer application, the SMRD Director declared the application administratively complete by letter dated December 16, 2019. JMCLLC filed an application and twelve (12) supplements, and Staff filed a Technical Analysis (TA) and five (5) TA addenda (TAAD).¹ JMLLC has undertaken to transfer the surety bond from TWCC to JMLLC in this proceeding through the implementation of a rider instrument, which has been reviewed by SMRD, and the Office of General Counsel (OGC) and found that the information provided in the application meets the minimum requirements of the Regulations. Staff recommends approval of the application with the adoption of one permit provision (Appendix II).

The current accepted bond for Permit No. 32G consists of three (3) bonds provided by TWCC in the cumulative amount of \$62,000,000. After public notice of the application, no hearing was requested or held.

Based upon the Application, as supplemented, and Staff's TA and TAAD, and evidence presented, all factual issues have been addressed as required by the Act and Regulations as set out in the Findings of Fact, Conclusions of Law, and Appendices set out in this Order. The proposed order was circulated to the parties, JMLLC and Staff, and both parties have filed waiver of preparation and circulation of a proposal for decision. No exceptions were filed.

FINDINGS OF FACT

Based on the evidence in the record, the following Findings of Fact are made:

1. By Order dated March 29, 2016, the Commission issued Permit No. 32G to the current permittee, Texas Westmoreland Coal Company (TWCC) in Docket No. C9-0007-SC-32-C. By letter dated April 15, 2019, Westmoreland Jewett Mining (WJMLLC) submitted to the Railroad Commission of Texas (Commission), Surface Mining and Reclamation Division (SMRD and/or Staff) to transfer Permit No. 32G from TWCC to WJMLLC. After publication of notice of application, WJMLLC was purchased by NRG Texas LLC effective August 5, 2020. WJMLLC was renamed Jewett Mine LLC (JMLLC) effective August 13, 2020. Jewett Mine LLC (JMLLC, or Applicant) is the applicant in this docket.

¹ Supplement No. 12 and TAAD5 was submitted in response to the administrative law judge's letter regarding the certificate of insurance policy expiration on April 1, 2021.

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2. JMLLC applied to the Railroad Commission of Texas' ("Commission") Surface Mining and Reclamation Division (SMRD and/or Staff) for transfer of Permit No. 32G for the Jewett Mine located in portions of Freestone, Leon and Limestone Counties, Texas. The application, with supplements (hereafter referred to as the "Application") is made pursuant to §134.083 of the Texas Surface Coal Mining and Reclamation Act, TEX. NAT. RES. CODE ANN. CH. 134 (Vernon Supp. 2020) (Act), and the "Coal Mining Regulations," Tex. Railroad Comm'n, 16 TEX. ADMIN. CODE CH. 12 (Thomson West 2020) (Regulations). An application filing fee of \$5,000 was submitted.
3. The permit area currently consists of approximately 21,575.1 acres and is located in Freestone, Leon and Limestone Counties, Texas, approximately eight (8) miles north of Jewett, Texas, east of Lake Limestone, south of Highway 164 and Buffalo Creek, west of Alligator Creek and north of the junction Highway 39 and Burlington Road. The Act provides that a person may not transfer, assign, or sell rights granted under a surface mining and reclamation permit without the written approval of the Commission. JMLLC filed an application to SMRD to renew/revise Permit No. 32G on September 29, 2020, preserving the option to mine reserve areas described in that separate application. The renewal/revision application for the permit area has not yet been determined to be administratively complete by the SMRD Director and therefore has not been transferred to the Hearings Division. JMLLC proposes that the permit be transferred and that it continues its operations as operator and permittee.
4. The permit area currently consists of approximately 21,575.1 acres and is located in Freestone, Leon and Limestone Counties, Texas, approximately eight (8) miles north of Jewett, Texas, east of Lake Limestone, south of Highway 164 and Buffalo Creek, west of Alligator Creek and north of the junction Highway 39 and Burlington Road
5. The Applicant filed an application and twelve (12) supplements in response to comments made by Staff, and Staff filed a Technical Analysis (TA) and five (5) addenda. In response to the ALJ's instructions, Supplement 12 and TAAD5 were filed to update the certificate of insurance. On April 16, 2019, JMLLC filed the initial application in one volume.
 - a. Supplement 1 consists of one volume submitted by letter dated June 13, 2019, in response to Staff's completeness comments of April 25, 2019. Supplements 2, 3, 4 and 5 were one volume each, submitted by letters dated June 28, 2019 (2 supplements), September 23, 2019, and November 15, 2019, respectively, in response to by verbal and email completeness comments from the Office of General Counsel (OGC).
 - b. By letter dated December 16, 2019, Staff deemed the application to be administratively complete and transmitted the application to the Hearings Division for docketing.

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- c. Supplement 6 was submitted by letter dated May 14, 2020, in response to Staff's TA dated March 18, 2020. Supplements 7 and 8 each containing one volume and were submitted by letters dated June 11 and July 22, 2020, respectively, both in response to application deficiencies identified in Staff's TA and initial TA Addendum No. 1 (TAAD1), which were sent to the Applicant by letters dated March 18, 2020, and June 15, 2020, respectively, as well as application deficiencies identified in informal drafts of supplements that Staff transmitted to the Applicant in emails dated July 11 and July 15, 2020.
- d. By letter dated August 24, 2020, the Applicant notified the Commission that effective August 5, 2020, NRG Texas LLC had purchased WJM and that WJM had been renamed Jewett Mine LLC on August 13, 2020. That letter was followed up by the filing of Supplement 9 by letter dated September 23, 2020, incorporating changes to the ownership components of the permit as well as addressing Staff email comments on informal draft supplements dated July 31, 2020 and August 6, 2020 as well as Staff's TA and TAAD1.
- e. Supplement 10 was filed by letter dated December 21, 2020, addressing the deficiencies set out in Staff's TA Addendum No. 2 (TAAD2), dated November 24, 2020. Supplement 11 was filed March 1, 2021 addressing the deficiencies set out in Staff's February 26, 2021, TA Addendum No. 3 (TAAD3). Staff's TA Addendum No. 4, (TAAD4), filed by letter dated March 12, 2021, contains a recommendation for approval of the application with the adoption of one permit provision. Supplement No. 12 was filed by letter dated April 5, 2021, and TAAD5 was filed by letter dated April 12, 2021, to update the certificate of insurance for liability coverage which had expired on April 1, 2021.
6. JMLLC, the Applicant, is a wholly owned subsidiary of NRG Texas LLC, which in turn, is a wholly owned subsidiary of NRG Energy, Inc. JMLLC is not organizationally related to the current permittee and original applicant, TWCC. The transfer application was initiated to reflect the name change from TWCC to Westmoreland Jewett Mining LLC ("WJM") after TWCC emerged from bankruptcy. The sale of WJM to NRG Texas LLC and the name changes are documented in the Application as follows:

Date	Action	Corporation(s)	Location in Permit
Start	Approved Permit	Texas Westmoreland Coal Co. (aka Texas Westmoreland Coal Company LLC)	Approved Permit
2/19/19	Certificate of Formation	Texas Westmoreland Coal Company LLC	Supp. 10 Exhibit 116-9-4-1
3/7/19	Name Change	Texas Westmoreland Coal Company LLC to Westmoreland Jewett Mining LLC	Supp. 9 Appendix 116-1 and Supp. 10 Exhibit 116-9-4- 2

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Date	Action	Corporation(s)	Location in Permit
8/5/20	Name Change	Westmoreland Jewett Mining LLC to Jewett Mining LLC	Supp. 10 Exhibit 116-9-4-3
8/5/20	Sale to NRG Texas LLC	Jewett Mining LLC	Supp. 9 Appendix 116-2
8/6/20	Change of Agent	Jewett Mining LLC	Supp. 10 Exhibit 116-9-4-4
8/11/20	Name Change	Jewett Mining LLC to Jewett Mine LLC	Supp. 9 Appendix 116-3 and Supp. 10 Exhibit 116-9-4-5
8/11/20	Texas Registration	Jewett Mine LLC	Supp. 9 Appendix 116-4
8/13/20	Agreement	Jewett Mine LLC	Supp. 9 Appendix 116-2

7. The application contains all required organization and compliance information related to JMLLC addressed by §12.116, including ownership, names of officers and directors, resident agent, identification numbers, and compliance record of all related mining and reclamation operations. An organizational structure chart titled "Organizational Chart" was filed as Figure 116-1 in Supplement 10 to this Application and is included as Appendix I to this Order. Official notice has been taken of the current franchise tax account status pages available on the Texas Comptroller of Public Accounts' website that evidence an active right to transact business in Texas. JMLLC and NRG Texas LLC are current in payment of required franchise taxes. The parties were afforded the opportunity to contest.
8. By letter dated February 26, 2021, Staff filed its TAAD3 noting deficiencies concerning inconsistencies between revised Exhibit 116-1 (*Property Ownership Map*), which shows the property tract boundaries within and contiguous to the permit boundary, cemeteries, and right-of-entry (ROE) status, revised Table 116-1 (*Land Within Permit 32G*) lists by a designated tract number, the landowner, the surface and mineral rights of the landowner, the right-of-entry document, and reclamation/lease category for each property, and revised Table 116-3 *Land Adjacent to Permit 32G*, which lists the landowners by tract number. In response to these deficiencies, JMLLC filed Supplement 11 on March 1, 2021. In subsequent review document TAAD4, Staff found that JMLLC had resolved most deficiencies; however, JMLLC added some information that conflicts with the presentation of information in Table 116-1 and Exhibit 116-1. Staff indicated that all remaining application deficiencies except this single issue had been resolved, and has recommended approval of the Application with the adoption of Permit Provision No 1, to resolve the remaining conflicting information, as follows:

Within 90 days of permit issuance, Jewett Mine LLC shall provide, for review to the Commission, a revised Exhibit 116-1, to correct the labeling

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of Tract 175/744, and provide a revised page 116A-61 to remove the listing for Tract 744, unless Jewett Mine LLC can provide appropriate justification or new evidence that the entry and labeling for Tract 744 should remain as proposed. On revised Exhibit 116-1, Jewett Mine LLC shall also provide information identifying properties that it owns. The information required by this permit provision shall be submitted and processed in accordance with §12.226 of the Regulations.

Permit Provision No. 1 is adopted to ensure the accurate representation of information and is included as Appendix II to this Order.

9. Pursuant to §134.803 of the Act and §12.231 of the Regulations, the rights granted under a permit may not be transferred, assigned, or sold prior to obtaining written approval from the Commission. JM LLC is eligible to receive a permit in accordance with the Regulations.
10. Pursuant to §12.232(a)(2)(C) of the Regulations, an applicant requesting Commission approval of a transfer of a surface mining and reclamation permit must provide an application containing the following information: Identification of Interests and Compliance Information [§12.116]; Right of Entry and Operation Information [§12.117]; Relationship to Areas Designated Unsuitable for Mining [§12.118(c)]; Personal Injury and Property Damage Insurance Information [§12.120], and Identification of Other Licenses and Permits [§12.121]. The rules and procedures for transfer, assignment or sale are set out in §12.232 of the Regulations; these rules require that certain information be filed with the Commission for approval, including a method to provide that reclamation of all areas affected by the original permittee is assured under bonding coverage at least equal to that of the original permittee and that the applicant provide an application for approval of transfer to the Commission that includes the name and address of the existing permittee, the name and address of the person proposing to succeed as the transferee and the name of that entity's resident agent and address. JM LLC has provided the name and address of the existing permittee, TWCC, and the name and address of the person proposing to succeed by the transfer, JM LLC, as well as the name and address of JM LLC's resident agent.
11. The Application, as supplemented, contains all required organizational and compliance information related to the transferee, and identifies property interest holders within and contiguous to the approved permit boundary [§§12.116, 12.117, 12.118, 12.120, 12.121].
 - a. JM LLC proposes to act as operator at the Jewett Mine. JM LLC is a Delaware corporation authorized to do business in Texas as of August 11, 2020 (Filing Number: 803261725).

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- b. JMLLC is not organizationally related to the current permittee, TWCC. JMLLC, the Applicant, is a wholly owned subsidiary of NRG Texas LLC, who in turn is a wholly owned subsidiary of NRG Energy Inc. (Appendix I)
- c. The Application includes JMLLC's taxpayer identification number.
- d. JMLLC's principal office address is P.O. Box 915, Jewett, TX 75846, and Michael G. Altavilla is JMLLC's resident agent. Information regarding officers and directors of JMLLC, NRG Texas LLC, and NRG Energy Inc. was provided in Appendix 116-1 (Supplement 10). Contact information for all identified persons was provided either as NRG Texas LLC's principal address, 910 Louisiana Street, Houston, TX 77002, or the principal address of NRG Energy Inc., 804 Carnegie Center, Princeton, NJ 08540.
- e. Neither JMLLC nor its affiliates, as described in Finding of Fact No. 3, have operated a surface coal mining operation. Other than the subject application, neither JMLLC nor its affiliates have submitted a surface mining application [§12.116(c)].
- f. Section 12.116(d) of the Regulations requires an applicant identify and provide contact information for each owner of record in the surface and subsurface both within and contiguous to the permit area [§12.116(d)(1)]. The current permittee, TWCC, provided the information required in §12.116(d) in the current application, as supplemented in this Application.
- g. The Application, as supplemented, contains sufficient compliance history information under §12.116(e) of the Regulations and proper certification of information related to the federal database pursuant to §12.116(a).
- h. JMLLC has demonstrated right of entry under §12.117 for a majority of the permit area and all areas of existing and proposed disturbance by providing Appendix 117A to the Application, as revised in Supplements 1, 6, 8, 10, and 11.
- i. JMLLC has provided references and responses to the subsections of §12.118 of the Regulations. JMLLC indicates that the permit area is not within an area designated as unsuitable for surface mining activities [§12.118(a)], and notes that land tracts encompassing seven cemeteries, buffers, and/or churches will not be mined. JMLLC has further indicated that no surface mining activities are proposed within 100 ft of the rights of way of the roads except as noted in section .152 of Permit No. 32G. No exemption is claimed by JMLLC as per §12.216(4)(B) in the Application [§12.118(b)]. JMLLC has indicated that, except as noted in Permit No. 32G on Exhibit .152, no surface mining activities are proposed within 300 ft of any occupied dwellings. JMLLC has also noted that lands located within 100 ft of a public road,

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and road closures and relocations, are all addressed in section .152 of Permit No. 32G.

- j. In its TAAD3, Staff has concluded that Supplement 9 of the Application contains satisfactory evidence that JMLLC has obtained public liability insurance through ACE America Insurance Company in the amounts required by §12.311 of the Regulations. Staff relies upon OGC's determination by Memorandum dated February 21, 2021, which is contained in Staff's TAAD3. The certificate of insurance provided in Supplement 9 indicates the policy is effective from August 5, 2020, through April 1, 2021. (§12.120). Due to the expiration of the policy period during the pendency of the application, JMLLC provided a replacement certificate of insurance by letter dated April 5, 2021, as Supplement 12, in response to a request by the ALJ.² The replacement certificate of insurance is dated April 1, 2021, indicates that the policy is effective from April 1, 2021, through April 1, 2022. The certificate is signed by Mr. Robert Drew, Executive Vice President, authorized to sign the certificate on behalf of McGriff, Seibels & Williams Inc. Supporting documentation, a letter submitted with the certificate of insurance from Ms. Tiara Morris, ARM, Executive Underwriter, Global Casualty with CHUBB, identified that the office of McGriff, Seibels & Williams Inc. as the Broker of Record for NRG Energy, Inc. and JMLLC to authorized verification of insurance documentation for the policyholder. Staff relies upon OGC's determination by Memorandum dated April 8, 2021, which is contained in Staff's TAAD5.
- k. JMLLC provided a list of all other licenses and permits required to conduct operations as approved in Permit No. 32G (Supplement 9, Table 121-1). These include licenses, permits, or authorizations from the Texas Commission on Environmental Quality, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers, U.S. Environmental Protection Agency, and the Mine Safety and Health Administration. The information provided in the supplemented Application identifies all permits required for those operations currently approved under Permit No. 32G. (§12.121).
12. JMLLC has complied with notice and comment procedures required under §12.232(b). An initial public notice was sent to Hearings Division on July 20, 2020, ahead of publication. On September 28, 2020, an amended public notice of the Application was submitted to Administrative Law Judge (ALJ) Kyle Leby for approval. By letter dated October 2, 2020, ALJ Leby found that the amended public notice met the requirements in §12.232(b) but requested non-substantive revisions before publication. The approved amended public notice was published in the *Teague Chronicle* and the *Fairfield Recorder* on October 15,

² By letter dated April 5, 2021, JMLLC submitted electronically an insurance renewal package for Jewett Mine (Supplement 12); by letter dated April 8, 2021, JMLLC submitted via hand delivery the insurance renewal package, as Supplement 12, received by the Commission on April 12, 2021.

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2020, the *Groesbeck Journal* on October 15, 2020, and the *Jewett Messenger* on October 21, 2020. The *Teague Chronicle* and *Fairfield Recorder* are newspapers of general circulation in Freestone County, Texas. The *Jewett Messenger* is a newspaper of general circulation in Leon County, Texas. The *Groesbeck Journal* is a newspaper of general circulation in Limestone County, Texas. No comments were received within the time required by the Regulations (within 30 days after the date of publication). The notice and the amended notice included the name and address of the applicant, the original permittee, the permit number, and the geographic location of the permit, as well as the address to which written comments were to be sent. No comments or requests for a public hearing were received. Affidavits of amended publication were filed with SMRD on November 5, 2020.

13. Copies of the Application were filed for public review at the main office of the Railroad Commission of Texas at 1701 North Congress, William B. Travis Building, Austin, Texas 78701, the office of the Freestone County Clerk, 103 E. Main Street, Fairfield, TX 75840; the Leon County Clerk, 155 N. Cass Street, Suite 1, Centerville, TX 75833, and the Limestone County Clerk, 200 West State Street, Suite 102, Groesbeck, TX 76642.
14. Pursuant to §12.232(c) of the Regulations, when the elements listed below in subparagraphs (a)-(d) are met, the Commission may grant written approval for the transfer of a permit. JMLLC has met the requirements set out below.
 - a. The Applicant has shown it is eligible to receive a permit in accordance with the Regulations [§12.232(c)(1)]. The approved operations at the Jewett Mine under Permit No. 32G are limited to reclamation of the permit area; however, JMLLC has filed to renew/revise Permit No. 32G since it may recommence mining operations within the permit area [§12.100]. Upon Commission issuance of the permit renewal, the permit and the obligations established therein shall continue until all surface coal mining and reclamation operations are completed.
 - b. JMLLC will conduct the operations covered by the permit in accordance with the criteria specified in §§12.216 and 12.217 of the Regulations [relating to Criteria for Permit Approval or Denial, and to Criteria for Permit Approval or Denial: Existing Structures] as set out in the Application, as supplemented, and as approved in Permit No. 32G and the requirements of the Act and Regulations. Currently, no operations are approved under the permit for which the criteria specified in §§12.200-12.205 [relating to Requirements for Permits for Special Categories of Mining] are applicable [§12.232(c)(2)].
 - c. The applicant has, in accordance with §12.232(a)(1) of the Regulations [relating to Transfer, Assignment, or Sale of Permit Rights: Obtaining Approval], submitted a performance bond or other guarantee as required by Subchapter J of Chapter 12 of the Tex. Admin. Code [relating to Bond and Insurance Requirements for

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Surface Coal Mining and Reclamation Operations], and at least equivalent to the bond or other guarantee of the original permittee.

- d. JMLLC does not propose changes to reclamation operations currently approved under Permit No. 32G and will continue to conduct the operations in full compliance with the terms and conditions of Permit No. 32G. [§12.232(c)(4)]. Upon Commission approval of the Application, JMLLC may continue operations according to the approved reclamation plan for the permit [§12.233(a)].
15. The rules and procedures for transfer, assignment or sale of the rights granted under a permit are set out in §12.232 of the Regulations; these rules require that certain information be filed with the Commission for approval, including a method to provide that reclamation of all areas affected by the original permittee is assured under bonding coverage at least equal to that of the original permittee. The currently accepted bonding for Permit No. 32G consists of three (3) surety bonds provided by TWCC in the cumulative amount of \$62,000,000. JMLLC's approval bond instrument consists of surety bonds held by the Commission the amounts of \$13,500,000 (a surety bond issued by Liberty Mutual Insurance Company and approved by Commission Order dated June 12, 2012 in Docket No. C12-0024-SC-32-E) and \$22,219,000 and \$26,281,000 (surety bonds issued by Arch Insurance Company and Aspen American Insurance Company, respectively, and both approved by Order dated August 9, 2018, Docket No. C16-0018-SC-32-E), for a total of \$62,000,000. JMLLC filed surety bond riders for each of these bonds as part of Supplement 7, and then revised in Supplements 9 and 10 transferring the bonds to JMLLC. The bond riders have been reviewed and confirmed as meeting the minimum regulatory requirements of §12.232 of the Regulations by the Commission's OGC (Memorandum from OGC dated February 23, 2021, contained in Staff's TAAD3, Appendix IV). Staff has determined that the currently approved bond instrument is sufficient to cover the cost of reclamation for the mining activities currently approved in the Jewett Mine, Permit No. 32G, based on the most recent cost estimate in the amount of \$60,819,443 from approved Revision No. 14. No changes to those activities or the approved bond amount are proposed in this transfer application.
16. JMLLC and Staff, the only parties to the proceeding, filed waivers of the preparation and circulation of a proposal for decision. The proposed order was circulated to the parties with opportunity for comments and/or exceptions and replies. The required public posting of the consideration of this application by the Commission has occurred.
17. JMLLC has met requirements set out in the Regulations for approval of this permit transfer application. This application was processed in accordance with the procedures contained in the Regulations, Act, Commission Practice and Procedure and in accordance with the Administrative Procedure Act.

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CONCLUSIONS OF LAW

Based on the above Findings of Fact, the following Conclusions of Law are made:

1. The Commission has jurisdiction to consider the requested transfer pursuant to §134.083, et seq., of the Act and §§12.231-12.233 of the Regulations to approve this application for permit transfer and issuance as contained in this Order, as set out in Appendices I and II to this Order.
2. JMLLC submitted an application requesting the Commission approve the proposed permit transfer as required by §12.232(a)(2) of the Regulations.
3. The application by JMLLC for transfer of Permit No. 32G from TWCC for the Jewett Mine to transferee JMLLC complies with the Act and §§12.232 and 12.233 of the Regulations.
4. The applicant provided the required application, including the name and address of the existing permittee and the proposed transferee and all the information required by §§12.116, 12.117, 12.118(c), 12.120, and 12.121 of the Regulations.
5. Property interest information was provided for the both the surface estates and mineral estates within the permit area as required by Section 12.116(d) of the Regulations.
6. JMLLC, as operator, will conduct the operations covered by Permit No. 32G as have been addressed and approved in the existing Permit No. 32G, including compliance with §§12.216 and 12.217 of the Regulations.
7. Bonding for the Jewett Mine consists of three reclamation performance bonds totaling \$62,000,000 that are approved under the current Permit No. 32G. The bonds were approved by the Commission Order dated June 12, 2012 (\$13,500,000, Docket No. C12-0024-SC-32-E), and by Orders dated August 9, 2018 (\$22,219,000 and \$26,281,000, Docket No. C16-0018-SC-32-E).
8. Sufficient evidence is contained in the record to establish that the currently accepted bonds in an aggregate amount of \$62,000,000 issued by Liberty Mutual Insurance Company, Aspen American Insurance Company and Arch Insurance Company remain in effect in accordance with the individual terms until a replacement bond(s) is approved by the Commission [§12.232(c)(3)].
9. JMLLC will continue to conduct operations in full compliance with the terms and conditions of the original permit.
10. The application by JMLLC for transfer of Permit No. 32G from TWCC to JMLLC for the Jewett Mine complies with the Act, and §§12.232 - 233 of the Regulations.

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11. The Commission may transfer and issue Permit No. 32G for the Jewett Mine from the current permittee, TWCC, to the transferee, JM LLC.
12. Open meeting notice of consideration of this application has been provided (Tex. Gov't Code §551.048) (Vernon Supp. 2020).

IT IS, THEREFORE, ORDERED that the application by JM LLC for transfer of Permit No. 32G, Jewett Mine in Freestone, Leon and Limestone Counties, Texas, is approved with the above Findings of Fact and Conclusions of Law, Organizational Chart in Appendix I, and Permit Provision in Appendix II as set out in this Order, are adopted, and hereby approved;

IT IS FURTHER ORDERED that the permit hereby transferred as Permit No. 32G authorizes JM LLC to perform mining and reclamation operations as approved for the permit as permittee and operator of the Jewett Mine for the approved permit term; and

IT IS FURTHER ORDERED that the current bond for Permit No. 32G in the amount \$62,000,000 will remain in place until otherwise ordered by the Commission; and

IT IS FURTHER ORDERED that the Commission may vary the total amount of bond required from time to time as affected land acreage is increased or decreased or where the cost of reclamation changes; and

IT IS FURTHER ORDERED that Permit No. 32G is hereby renumbered as Permit No. 32H; and

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IT IS FURTHER ORDERED by the Commission that this order shall not be final and effective until 25 days after the Commission's Order is signed, unless the time for filing a motion for rehearing has been extended under Tex. Gov't Code §2001.142, by agreement under Tex. Gov't Code §2001.147, or by written Commission Order issued pursuant to Tex. Gov't Code §2001.146(e). If a timely motion for rehearing is filed by any party at interest, this order shall not become final and effective until such motion is overruled, or if such motion is granted, this order shall be subject to further action by the Commission. Pursuant to Tex. Gov't Code §2001.146(e), the time allotted for Commission action on a motion for rehearing in this case is 100 days from the date the Commission Order is signed.

SIGNED on April 27, 2021.

RAILROAD COMMISSION OF TEXAS

DocuSigned by:
Christi Craddick
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CHAIRMAN CHRISTI CRADDICK

DocuSigned by:
Wayne Christian
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COMMISSIONER WAYNE CHRISTIAN

DocuSigned by:
Jim Wright
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COMMISSIONER JIM WRIGHT

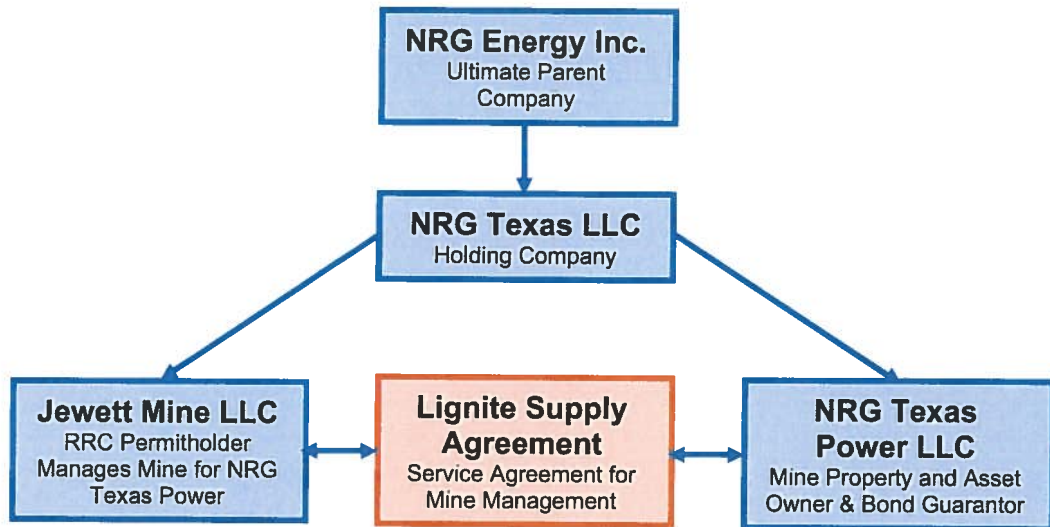
ATTEST:
DocuSigned by:
Callie Farrar
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Secretary, Railroad Commission of Texas



Docket No. C20-0011-SC-32-B
JMLLC
Permit No. 32G, Jewett Mine

Appendix I
Figure 116-1
Organizational Chart



Docket No. C20-0011-SC-32-B
JMLLC
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Appendix II
Permit Provisions

1. Within 90 days of permit issuance, Jewett Mine LLC shall provide, for review to the Commission, a revised Exhibit 116-1, to correct the labeling of Tract 175/744, and provide a revised page 116A-61 to remove the listing for Tract 744, unless Jewett Mine LLC can provide appropriate justification or new evidence that the entry and labeling for Tract 744 should remain as proposed. On revised Exhibit 116-1, Jewett Mine LLC shall also provide information identifying properties that it owns. The information required by this permit provision shall be submitted and processed in accordance with §12.226 of the Regulations.