

Energy Journal Q&A: Randall Atkins, Ramaco

trib.com/business/energy/energy-journal-q-a-randall-atkins-ramaco/article_1634a0b7-0000-0001-0000-000000000000.html
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GREG FLADAGER10/15/2016

Sheridan County may soon see its first new coal mine in 50 years.

On Sept. 28, the Wyoming Environmental Quality Council settled a surface owner dispute involving the proposed Brook Mine and clearing the way for the final permitting process. In the face of a down industry, Ramaco LLC of Kentucky wants to develop some of the most accessible and highest-BTU coal in the Powder River Basin using an uncommon form of mining for Wyoming.

The following are excerpts are of an interview with Ramaco CEO Randall Atkins.

What are your next steps following the EQC decision?

I believe the technical progression is that the EQC sends to the DEQ the ruling, which I guess they are in the process of drafting as we speak. At that point the DEQ issues us a conditional permit, which we then have to publish, and the public has the right to comment on that for a 30-day period, at which point — unless there is a technical deficiency in the permit — the final permit is issued.

What are you looking at as a timeline for opening the mine?

Assuming we get the permit approved — I am going to guess it's going to be before the end of the year, but probably sort of in the middle of the winter — so we would then anticipate trying to initiate our first steps in the mining process next spring.

You're looking at a at least a two-step plan, where you would start relatively small and then expand later. Could you explain that?

I can explain it in part. We will probably start in the spring on a very limited basis, mining some tons, which we will probably market locally on what they call a "stoker coal" basis, and then our plans for the broader use of the property is what we are deferring commenting on until after the permit process is through, but it will be a very interesting nontraditional use of the property.

Can you say a little more about the first part? How many acres, and how many tons?

I would say it will be very limited acreage and tons. I anticipate probably mining no more than a couple hundred thousand tons a year just to get started, and to prove out the basic delineation of the mine plan and property.

Will it be like 350 acres?

Probably less than that. Unlike the mines you're probably more familiar with in the southern Powder River Basin down around Gillette, we are not doing a large open-pit operation.

We would be doing primarily in our first phase "high wall" mining — it is not "long wall," which is an entirely different form. But under high wall mining, all you basically do is dig a reasonably narrow trench, and then you put a high wall miner down into that trench, and do an auger type of mining.

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What kind of equipment will you be using?

There's different types of high wall mining, and you might want to go online and Google Addcar (High Wall Mining System), which is the form of high wall mining that we would probably end up using. Our operating folks are familiar with that particular equipment, and it lends itself well to the type of property that we are mining.

These would be fairly big augers you're talking about?

Basically you dig (a trench), which is probably 15 to 20 feet across and probably several feet high, and then the auger goes in. It is connected to a traditional conveyor belt.

You've got a guy, frankly, with the joystick in a cab directing the auger as it goes in. It can go horizontally probably as much as 2,000 feet. The only other manpower you've probably got is people feeding additional conveyor belts as the auger penetrates further.

How many workers might you have to start, and what are some of the financial aspects at the beginning?

It will be modest to start with. We will probably start with under 20 people, just to come out of the gate, and probably several millions of dollars of equipment, and of course we ramp up.

What do you see as the life of the mine?

We have about 1.1 billion tons of coal. By doing further forms of exploratory drilling we would probably increase that amount. The life of the mine right now we anticipate being 20-25 years, but depending upon the form of marketing, that might be extended, and the amount might be increased.

Do you have experience in this type of mining?

Personally am not a miner; I am more of a coal investment banker by background. However, the gentleman that is in charge of operations is a friend of ours by the name of Ken Woodring, who is our chief operating officer. Ken was the chief former operating officer for Arch Coal. He's the one who helped put in the Black Thunder mine, and has probably put in more mines in the Powder River Basin than any other person around. So the short answer is yes, we do have experience.

Other coal companies are cutting back. What do you see in the market that some of the major coal companies don't see?

That will be made apparent when we announce our plans for the overall project.

You're not letting the cat out of the bag.

I am certainly trying not to.

One more question: How did you come up with the name Brook Mine?

Well to be honest there are several reasons. One is I view the Tongue River as, well, kind of like a large brook; but, perhaps more importantly, I have a daughter named Brook.

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Department of Environmental Quality

To protect, conserve, and enhance the quality of Wyoming's environment for the benefit of current and future generations



6 2/025

Matthew H. Mead, Governor

Todd Parfitt, Director

February 24, 2016

Mr. Randall Atkins
c/o WWC Engineering
1849 Terra Ave.
Sheridan, WY 82801

RE: AVF Determination, Brook Mine Coal Mine Permit Application, TFN 6 2/025

Dear Mr. Atkins

The Land Quality Division has evaluated potential Alluvial Valley Floor (AVF) lands within the proposed permit boundary of the Brook Mine. An AVF determination was initiated on September 24, 2015 when a group of LQD personnel visited the proposed mine site for a field evaluation of one drainage, Slater Creek. The entire length of the stream within the permit boundary was walked for evaluation purposes. The geomorphology, vegetation, and hydrology of the drainage was observed. Photos were taken to assist in AVF characterization. Upon completing the field examination of Slater Creek and evaluation of aerial photography, Big Horn Coal Permit 213 AVF assessments, historic geologic maps, available literature, and personal communication within LQD, a determination of the AVF characteristics of the drainage within the Brook Mine proposed permit boundary has been made. The analysis of the potential Slater Creek AVF has determined that 13.11 acres within the Brook Mine Permit Boundary are considered to be AVF and have been declared as such. The declaration statement was crafted as a memorandum to file and placed within the active TFN for the Brook Mine permit application, TFN 6 2/025. The document is available for review at the Sheridan LQD office as well as the LQD office in Cheyenne.

Further determination of the status of AVF potential for Slater Creek one-half mile upstream from the proposed Brook Mine permit boundary is pending. The acreage in question is owned by Mr. Tony Bocek and permission to access his property to complete the AVF determination is required at this time. It is the responsibility of the mine permit applicant to obtain written permission to facilitate the final AVF determination. Upon receipt of written permission for LQD personnel to access Mr. Bocek's property, a field evaluation of the acreage in question will be scheduled. An invitation will be extended to your representative to accompany LQD personnel on the site analysis. LQD will provide the name of the staff member or members who will be present at the field evaluation.

An evaluation of the lands within one-half mile of the proposed Brook Mine permit boundary that may qualify as AVF has concluded. The Hidden Water Creek valley floor is located to the north of the proposed permit boundary as well as within the acreage in the northeastern quadrant of the projected

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permit. It has been determined that the Hidden Water Creek streambed materials do not qualify as AVF at this time.

The lands south of and adjacent to the Brook Mine submittal, within one-half mile, are located along the valley of the Tongue River. Previous AVF analyses were made for the Big Horn Coal Company (BHC) coal mining permit (No. 213) in 1981 and the Tongue River flood plain was determined to be AVF at that time. This determination covered affected lands downstream from BHC as well as all acreage upstream, terminating at the west section line of section 21, T57N, R84W. The Tongue River bottom lands need to have a field survey for AVF characteristics from that location in section 21 to a distance of approximately four miles upstream of the Interstate 90 Bridge which crosses the Tongue River. The acreage in question is all fee surface ownership and permission to access the properties is required prior to AVF evaluation. Unfortunately, there are 27 owners of record who would need to be approached for permission to trespass. This places AVF determination in a difficult position as it is strongly expected that some of the property owners will not grant LQD access to perform their studies. These positions have been indicated in personal communication to LQD staff by some of the landowners.

Because of this, final declaration of the Tongue River valley as an AVF cannot yet be completed. The acreage within one-half mile of the proposed Brook Mine permit boundary was defined as potential AVF by the Brook Mine permit application, Appendix D-11, Alluvial Valley Floors. This characterization is corroborated by LQD analysis. Because of this, the Tongue River acreage within one-half mile of the southern boundary of the proposed permit is assumed to be AVF at this time.

A tributary of the Tongue River, Goose Creek, is also located within one-half mile of the proposed Brook Mine permit boundary. This was determined to be AVF and was included in the previously mentioned Big Horn Coal mine permit 213. Since the acreage adjacent to Goose Creek has already been declared AVF, no further declaration needs to be made unless the Brook Mine permit boundary is modified in future amendments to include lands south of the present permit application.

This letter serves as notification that Appendix D11, and other relevant sections of the submitted coal mine permit application must be updated to reflect the findings of AVF by LQD. Please contact Bj Kristiansen or Mark Rogaczewski at the LQD District 3 office with questions or comments.

Sincerely,



Bjarn Kristiansen, PG
Natural Resources Program Principal
WDEQ-LQD District III

Cc: Cheyenne LQD files

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**Coal Mine Safety and Health
District 9**

December 2, 2016

Mr. Shannon R. Anderson
River Basin Resource Council
934 N. Main St.
Sheridan, WY 82801

Re: Freedom of Information Act Request – Tracking No. 819075

Dear Mr. Anderson:

This letter is a final response to your November 22, 2016, Freedom of Information Act (FOIA) request. You requested records pertaining Brook Mining Co., LLC. A copy of your request is enclosed.

We conducted a thorough search for the records you requested but did not locate any record responsive to item 1 of your request. Records responsive to item 2 are enclosed. The fees associated with the processing of this record were minimal therefore, no costs were assessed.

If you need any further assistance or would like to discuss any aspect of your request please do not hesitate to contact Michelle Seider at 202-693-9442 or the DOL FOIA Public Liaison, Thomas Hicks, at 202-693-5427 or by email at hicks.thomas@dol.gov. Alternatively, you may contact the Office of Government Information Services National Archives and Records Administration (OGIS) to inquire about the mediation services they offer. The contact information for OGIS is as follows:

Office of Government Information Services
National Archives and Records Administration
8601 Adelphi Road, College Park, MD 20740-6001
Phone – (202) 741-5770
Toll free – (877) 684-6448
Fax – (202) 741-5769
Email - ogis@nara.gov

If you are not satisfied with the response to this request, you may administratively appeal by writing to the Solicitor of Labor within 90 days from the date of this letter. The appeal must state in writing the grounds for the appeal, and it may include any supporting statements or arguments, but such statements are not required. In order to facilitate processing of the appeal, please include your mailing address and daytime telephone number, as well as a copy of the initial request and copy of this letter. The envelope and letter of the appeal should be clearly marked "Freedom of Information Act Appeal." Any amendment to the appeal must be made in writing and received prior to a decision.

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The appeal should be addressed to the Solicitor of Labor, Division of Management and Administrative Legal Services, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N2420, Washington, DC 20210. Appeals may also be submitted by email to foiaappeal@dol.gov. Appeals submitted to any other email address will not be accepted. You may also fax your appeal to: (202) 693-5538.

Sincerely,


Russell Riley
District Manager

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SURNAME	DATE
Lemons	5/25/16
Jac	6/7/16
Rennie	6/7/16
RJR	6/9/16

Coal Mine Safety and Health
District 9

JUN -9 2016

Randall W. Atkins
Chief Executive Officer
Brook Mining Co., LLC
1101 Sugarview Drive
Sheridan, Wyoming 82801

RE: Brook Mine
ID No. 48-01799
Legal Identity Report
Form

Dear Mr. Atkins:

This is to acknowledge receipt of your electronically submitted Legal Identity Report Form 2000-7, signed by Randall Atkins, establishing a new mine ID for Brook Mine. All future correspondence regarding this mine should reference the Federal Mine Identification Number, 48-01799.

When filing your Legal ID Report, be certain that all items are completed, if they are applicable. The Online Filing for Form 2000-7 is located on our website at www.msha.gov.

Under the Mine Health and Safety Information section, The Person at the Mine in Charge of Health and Safety should be the name of the person with whom the District Manager should confer regarding plans. This person will be located at the mine and will most likely be the highest ranking official located there. The Person at Mine in Charge of ALL Health and Safety can be the same person as previously stated but does not have to be the same person. This would be the person with overall responsibility for a health and safety program. The Address of Record can be, but does not have to be, the same person. This person does not have to be located at the mine. This person will receive service of process, if necessary.

The following identifies the contacts for District Management and other necessary numbers:

Russell J. Riley
District Manager

303-231-5458

LOD

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Ronnie Free 303-231-5560
Acting Assistant District Manager/Technical Programs

Peter Saint 303-231-5572
Acting Assistant District Manager/Enforcement Programs

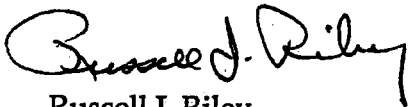
Qualification and Certification 303-231-5472

Fax Machine-District Office 303-231-5553

The enclosure also includes the New Mine Packet. This packet will assist with the reporting requirements of establishing the new mine.

Should our web site not be available to you, or if you have any questions, please contact the District Office at (303) 231-5458.

Sincerely,



Russell J. Riley
District Manager

Enclosure

Bcc: Legal ID
Denver Dust (letter/attach)
FO (letter/attach)
UMF (letter/attach)
USDOL (letter/attach)
DM Files (letter/attach)
D-9 Chron (surname letter)

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DATE FWD. 6/9/16
INITIALS ms

EDocument ID: 2281486
EDocument Status: Submitted
Current District: Denver, CO(C0900) Reassign District
Current Assigned Person: Reassign Person

MSIS Document ID:
[Show Review History](#)

Submit & Approve

Return To Listing

Reject

Mine ID Request (7000-51)

New Mine Status

Status to create the mine with *

Status Date *

Field Office to assign this Mine ID *

Qualifying Questions

Type of Operation

Will this operation change location periodically?

Mine Information

Operating Company Name	Brook Mining Co., LLC Search for similar names	Mailing Address for Document Delivery	1101 Sugarview Drive Sheridan, WY 82801
Mine/Plant Name	Brook Mine		
Effective Date	05/04/2016		

Contact Official

Name Randall W. Atkins
Title Chief Executive Officer
Phone (307) 674-8000
Ext.
Fax
Email Address

Mine Location

Nearest Town Sheridan
State WY
County Sheridan

Submission

Submitted by Jeff Barron on 5/4/2016

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November 22, 2016

Mine Safety and Health Administration
District 9
P.O. Box 25367
Denver Federal Center
Denver, CO 80225-0367
Submitted via electronic mail to: foiarequest@dol.gov

Re: Freedom of Information Act Request

To whom it may concern:

This is a request made pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. §§ 552, *et seq.* regarding information relevant to MSHA's administration of its coal program. I am a staff member of the Powder River Basin Resource Council ("Resource Council"). The Resource Council is a nonprofit corporation, tax-exempt under Section 501(c)(3) of the Internal Revenue Code, that educates and empowers our organizational members and other Wyoming residents to raise a coherent voice in the decisions that will impact their environment and rural lifestyle.

On behalf of the Resource Council, I request that a copy of the following documents containing the following information, be provided to me:

- 1) The Ground Control Plan submitted by Brook Mining Co., LLC (or its parent or subsidiary companies, including, but not limited to Ramaco, LLC) to MSHA, as required by 30 C.F.R. § 77.1000 for the proposed Brook Mine in Sheridan County, Wyoming; and
- 2) Any correspondence between Brook Mining Co., LCC (or its parent or subsidiary companies, including but not limited to Ramaco, LLC) and MSHA regarding the company's proposed Brook Mine.

If the search for responsive records in item 2 is anticipated to take longer than the 20 working day response time under FOIA, please provide the specific record requested in item 1 separately. Please provide all records electronically, if possible.

Request for Fee Waiver

We request a waiver of all fees for this request pursuant to 5 U.S.C. § 552(a)(4) and the Department of Labor's FOIA regulations, 29 C.F.R. § 70.41. The requested records relate to MSHA determinations regarding a proposed coal mine and its oversight functions for public health and safety where coal mining may occur. The requested analysis and correspondence, and the policies and procedures on which they are based, define projects and activities of MSHA or otherwise define the scope of MSHA management coal mine operations and are thus clearly "operations or activities of the government."

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Additionally, disclosure of the requested information to our organization is in the public interest because it is likely to contribute significantly to public understanding of the operations or activities of the government. There is a lot of public interest about the proposed Brook Mine. Our organization represents and works with neighboring landowners and other interested citizens who are concerned with the likely impacts of the mining operation. As the Ground Control Plan is not available to the public via the Wyoming Department of Environmental Quality permit application or other sources, any disclosure of this information will significantly improve the public's understanding of the issue.

The information we obtain will contribute significantly to public understanding because it will be disclosed, free of charge, to our members and the public-at-large. We frequently correspond with members of the media, provide public testimony and comments to federal, state, and local agencies, post information on our website, and otherwise disclose information to the public. Additionally, we regularly communicate with our members through individual and group meetings, phone calls, and other correspondence, and through a publication called *Powder River Breaks*, which is published six times a year. *Powder River Breaks* is mailed to all of our members, reporters, libraries throughout the state of Wyoming, agencies, legislators, other interested individuals, and is available on our website. We will disclose any pertinent information we learn through this request via these avenues and others available to us.

As a nonprofit organization, we have no commercial interest in the information. As mentioned above, the requested records will be used for the furtherance of our educational mission to inform the public on matters of importance to the environment and natural resources.

A fee waiver has been granted for similar FOIA requests from our organization in the past.

If a fee waiver is not granted, if our fees are expected to be greater than \$50, please obtain my authorization before any such charges are incurred.

If you have any questions or need additional information, please do not hesitate to contact me at (307) 672-5809 or via e-mail at sanderson@powderriverbasin.org Thank you for your consideration of this request.

Sincerely,

/s/ Shannon R. Anderson
Shannon Anderson
River Basin Resource Council
934 N. Main St., Sheridan, WY 82801

cc: Michelle Seider seider.michelle@dol.gov

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Ramaco's plan for new coal mine in Sheridan County hits legal roadblock



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BENJAMIN.STORROW@TRIB.COM

SHERIDAN – A legal dispute over surface access threatens to derail a Kentucky company's plans to open a new coal mine here, jeopardizing the firm's permit application with the state and casting doubt over what would be the first new mine in Sheridan County in more than 50 years.

Ramaco Wyoming Coal's plans to mine 8 million tons of coal annually from the newly

dubbed Brook Mine northwest of Sheridan were greeted with considerable fanfare when the company applied for a state permit last year. Gov Matt Mead called the proposal "a tremendous development for Wyoming's economy," citing a study that found the mine would create 600 jobs and \$30 million in annual wages.

But the Lexington-based firm has failed to reach a surface use agreement with a second coal company, Lighthouse Resources Inc., over access to the proposed mine site, court filings show. Ramaco filed a lawsuit in Sheridan District Court in November claiming a 1954 deed to the property gives it the right to mine coal at the site. Big Horn Coal Co., a Lighthouse subsidiary, has sought to block Ramaco's right to access the property, saying it has not consented to the Kentucky firm's development and reclamation plan.

The outcome of the case is pending.

The dispute has thrown the company's permit application to the Wyoming Department of Environmental Quality into limbo. DEQ initially issued Ramaco a letter in November saying its application was complete. But in an April 2 letter, the department said it had identified deficiencies in the application. The letter included comments from the Wyoming Attorney General's office, which noted the company failed to include surface access agreements and consent forms in its application to the DEQ's Land Quality Division. The Attorney General's office requested the company supply documents related to the ongoing court case as well as the necessary surface use agreements.

"The Land Quality Division has determined that this application is deficient and is not yet technically adequate and suitable for publication," the Attorney General's office wrote.

Keith Guille, a DEQ spokesman, said it is not uncommon for the agency to ask for more information during a permit review. Permits are highly technical documents and companies rarely submit all the needed information on first go-around, he said, noting Ramaco has yet to respond to the state's inquiry.

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Randall Atkins, Ramaco CEO, did not respond to a request for comment.

The involvement of the Attorney General's office is unusual in a permit review, said Shannon Anderson, a lawyer at the Powder River Basin Resource Council in Sheridan.

"The fact the AG's office is involved shows some pretty big deficiencies and a big controversy Ramaco didn't mention to the agency in their permit application," Anderson said. "Both of these companies have not been transparent with the community on their plans and what they want to do with the property out there."

Sheridan County has a long mining history, but the area has not had any active coal mines since the Big Horn Coal mine closed in the 1980s.

Ramaco's plans for the Brook Mine call for using a technique called highwall mining, where a 12-foot auger is drilled into the side of a coal seam. The process is cheaper than traditional methods because it requires fewer miners and there is no need to remove the topsoil covering the coal.

Plans for the mine come at a time when coal prices are mired in a rut. Supply is outpacing demand, and low natural gas prices have eaten into mining firms' margins, prompting speculation about some companies' ability to stay in business.

Ramaco executives have nonetheless expressed confidence in the Brook Mine.

In a recent interview with the Star-Tribune, Atkins said the mine's low production costs and the high heat content of its coal make the operation viable even at low prices.

"We're contrarians. We've not acquired any of our assets with any idea that we are buying them for a huge price rebound," Atkins said then. "We felt comfortable that (the coal) could be mined at a low enough cost structure that it would be competitive even in today's market."

Lighthouse Resources was formerly Ambre Energy North America. The company, which owns the Decker Mine in Montana and the Black Butte Mine in southwestern Wyoming, changed its name in April. It marks the firm's second rebranding within a year.

Ambre Energy, based in Brisbane, Australia, revealed in regulatory filings last year it had accumulated \$32 million in debt since 2013 and was struggling to raise money to finance its operations. The firm's troubles prompted one of its long-time investors, Resource Capital Fund, of Denver, to purchase Ambre's North American assets in December. The new company was initially rechristened Ambre Energy North America before changing its name to Lighthouse Resources.

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Lighthouse Resources CEO Everett King did not respond to a request for comment.

The dispute over access to the Brook Mine site centers on a 1954 deed. The deed gives Ramaco the right to the property's mineral estate and Big Horn Coal, the Lighthouse subsidiary, ownership of the surface. Ramaco contends that the deed gives it the right to mine the property while Big Horn Coal argues the document entitles it to review and approve development plans.

Ramaco filed a lawsuit seeking a court judgement to give it the right to mine at the site. The company maintained it has regularly informed Big Horn Coal of its intent to mine the

property since 2011. Big Horn Coal chose not engage Ramaco about its plans, the Kentucky firm claimed.

In January, Sheridan District Court Judge William J. Edelman rejected a motion by Big Horn Coal to dismiss Ramaco's lawsuit.

Big Horn Coal tells a different story about its relationship with Ramaco. The two firms signed an exploratory agreement, which allowed Ramaco to probe the property's potential, Big Horn Coal attorney Lynne Boomgaarden wrote in a letter to the DEQ in March. The agreement ended in 2014. Big Horn Coal has written to Ramaco to express its support for coal mining. But in October 2014, the company sent a letter to Ramaco saying the mining plans did not conform with its own development plans for the property, Boomgaarden said.

In the DEQ's letter to Ramaco, the state also sought a surface use agreement from the Padlock Ranch Co. It is unclear if Padlock and Ramaco have come to an agreement over access to Padlock's surface lands. An attorney representing the ranch did not respond to request for comment.

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