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**BEFORE THE ENVIRONMENTAL QUALITY COUNCIL
STATE OF WYOMING**

IN THE MATTER OF PERMIT RENEWAL)	OAH DOCKET NO. 19-004-220
APPLICATION OF)	C103
CONTURA COAL WEST, LLC.: P20214;)	DOCKET NO. DEQ/EQC 18-4803
)	
AND IN THE MATTER OF THE)	CONSOLIDATED WITH 18-4805
APPLICATIONS FOR COAL MINE)	
PERMIT TRANSFERS OF BLACKJEWEL)	
L.L.C.: PT0214 & PT0428)	

**BLACKJEWEL L.L.C.'S
PREHEARING DISCLOSURE STATEMENT**

Blackjewel L.L.C., pursuant to the Hearing Examiner's March 5, 2019 Amended Order Setting Prehearing Conference and Setting Hearing and the Rules of the Wyoming Department of Environmental Quality Practice and Procedure, Chapter 2 §18 hereby submits the following prehearing disclosure statement:

I. WITNESSES WHO WILL OR MAY TESTIFY

1. Mr. Mark Thrall, Environmental Manager, Senior. Blackjewel L.L.C. P.O. Box 3039, Gillette, WY 72717-3039.

Mr. Thrall is the Environmental Manager, Senior for Blackjewel L.L.C. Mr. Thrall is expected to testify regarding his education, experience, and background working in the coal industry and in particular in complying with the requirements for permitting, bonding, the applications for the same, as well as all issues under contest in this matter. He will

testify regarding the permit transfer process, highlighting how Blackjewel meets all requirements for the permit to transfer into its name and generally he will summarize and present the permit transfer application for consideration. In addition, Mr. Thrall will discuss e-mail correspondence and letter correspondence that has been identified as exhibits by both the DEQ and the PRBRC. Mr. Thrall will testify regarding the AVS system and Blackjewel's current status within the system, including persons named with in the system. He will testify regarding the Environmental record of Blackjewel and the management structure at both Blackjewel West and Blackjewel East operations. He may also rebut any opinions or evidence offered by any other party.

2. Robert "Bob" Brockman, Keyhole Land Co., P.O. Box 155, 805 10th Street, Wheatland, WY 82201. Mr. Brockman will testify regarding his education, training and experience in the Real Estate Industry. He will testify regarding his compliance with regulatory requirements for appraisals as well as the fact that he holds the coveted Accredited Rural Appraiser (APA) designation, awarded by the American Society of Farm Managers and Rural Appraisers to those members with years of experience, technical training, having passed rigid examination, and subscribes to a high code of ethics. He will testify regarding the matters and opinions contained in the "Confidential" Appraisal Report which he prepared for Contura Wyoming Land, LLC real property and leasehold interests in BLM, USFS, and the State of Wyoming grazing leases south of Gillette, Wyoming. He is expected to testify regarding the Appraisal Report and the standards that he utilized in preparing the approved report, including its recertification in July of 2018. Mr. Brockman may also rebut or respond to testimony offered by other witnesses.

II. CLAIMS, DEFENSES and ISSUES

Blackjewel L.L.C. agrees with the Prehearing Disclosure submitted by the DEQ that the factual and legal issues presented for this consolidated hearing should be consolidated and presented to the Council including the following:

1. Was the mortgage on the real property collateral property recorded?
2. Does the mortgage on the real property collateral provide DEQ with a perfected first lien security interest?
3. Did the administrator approve the appraiser selected by the applicant?
4. Is recertification of a one-year old appraisal sufficient for a renewal?
5. Does a proposed permit transferee have to get their own appraisal if they are transferring existing real property collateral?
6. Did the administrator deduct any reasonable expense anticipated by DEQ in selling the real property collateral?
7. Did the final compliance history report show either company was ineligible to receive a permit renewal or transfer?
8. Must the Director or the Council initiate a proceeding under Wyoming Statute §35-11-406(o)?
9. That Blackjewel appropriately filed its permit transfer documents, should have the permits transferred, and the bond package should be accepted as sufficient.

III. BURDEN OF PROOF

At issue in this matter is the renewal of Contura Coal West's existing permit for the Belle Ayr Mine issued on October 23, 2018, and the proposed permit transfers of the

permits for the Belle Ayr Mine and the Eagle Butte Mine from Contura Coal West to Blackjewel L.L.C. Under Wyoming Statute §35-11-406(m) and (n), Blackjewel bears the burden of proving the permit transfers should be granted, which it believes it has met with the permit application packet submitted in evidence. However, because Contura Coal West's permit renewal was approved by DEQ, and the Powder River Basin Resource Council is appealing that decision, the burden of proving arbitrary or unlawful administrative action falls on the complainant. *Knight v. Env'tl. Quality Council*, 805 P.2d 268, 273 (Wyo. 1991).

IV. STATEMENT OF STIPULATED FACTS

Currently there are no stipulated facts. Blackjewel agrees with the DEQ that it would be helpful in these proceedings for the parties to stipulate that except for the deficiencies alleged in the Amended Objections and Petitions for Hearing the permit renewal and transfer applications otherwise comply with all applicable requirements. Such a stipulation would eliminate the need for the applicants to present evidence demonstrating compliance with all requirements applicable to permit renewals and transfers, and there are many.

V. EXHIBITS

Blackjewel intends to rely upon exhibits which were previously identified by other parties, including, but not limited to DEQ 6, 7, 10, and 13 as well as PRBRC A, E, and J. Blackjewel

will introduce it's permit application packet as provided by Mark Thrall and marked as BJW 001.

VI. ESTIMATED TIME FOR HEARING

Blackjewel estimates that it can put on its case in chief in less than two hours, unless the proposed stipulated facts in Section IV supra are not agreed upon, in which case it will take significantly longer to put on its case in chief. It believes that the other parties should be able to put on their cases in a similar amount of time and thus Blackjewel believes that the hearing should conclude in less than two days.

DATED this 8th day of May 2019.



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Counsel for Blackjewel L.L.C.

CERTIFICATE OF SERVICE

I hereby certify that on the 8th day of May 2019, I served the foregoing by placing a true and correct copy thereof in the United States mail, postage prepaid and properly addressed to the following:

Wyoming Department of Environmental Quality Council – (ORIGINAL)
Attn: Joe Girardin
2300 Capitol Avenue
Hathaway Building, Room 136
Cheyenne, Wyoming 82002

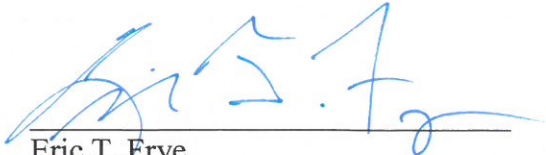
Bernard Haggerty, Hearing Examiner
State of Wyoming
Office of Administrative Hearings
2020 Carey Avenue, Fifth Floor
Cheyenne, WY 82002-0270

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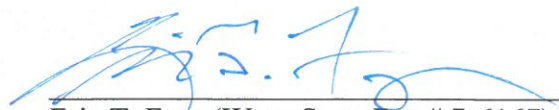
**BLACKJEWEL L.L.C.'S
DESIGNATION OF EXHIBITS**

Blackjewel L.L.C., hereby designates the following exhibits for the hearing to be held
May 15-16, 2019 in the above-captioned:

EXHIBIT 001 Permit Transfer Packet.

Blackjewel reserves the right to utilize exhibits introduced by other parties during its case in
chief or designate additional exhibits as necessary for impeachment, foundation, or rebuttal
purposes.

DATED this 8th day of May 2019.



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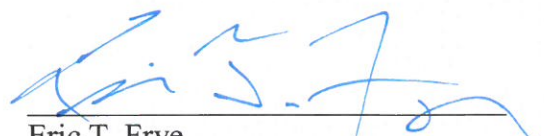
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