

Results of Review of  
Permanent Program Renewal Application No. 1 to Permit No. 384  
Knight Hawk Coal, LLC  
Royal Falcon Mine

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The Illinois Department of Natural Resources (Department), the Regulatory Authority in Illinois under the Surface Mining Control and Reclamation Act of 1977 (federal Act), 30 U.S.C. 1201 et seq has reviewed Knight Hawk Coal, LLC, Royal Falcon Mine, surface coal mining and reclamation operations permit renewal application in accordance with the Surface Coal Mining Land Conservation and Reclamation Act (State Act), 225 ILCS 720, and the Department's regulations at 62 Ill. Adm. Code 1774.15.

Pursuant to 62 Ill. Adm. Code 1774.15(c), the Department has decided to approve the renewal application. The Department's decision is based upon a review of the record as a whole, and is supported and documented by the record. The statement below gives the findings and reasons for the Department's decision. The period for administrative review (62 Ill. Adm. Code 1847.3) commences as of the date of this decision.

#### I. FINDINGS REQUIRED BY 62 ILL. ADM. CODE 1774.15

1774.15(a) Knight Hawk Coal, LLC, Royal Falcon Mine, Permit No. 384 is a valid existing permit issued by the Department for the period October 5, 2006, thru October 4, 2011.

The original permit area contained 250 acres. No additional acreage is proposed to be added by this renewal.

1774.15(b)(1): The applicant submitted an application for renewal on March 18, 2011. The application was deemed administratively complete on March 16, 2011.

1774.15(b)(2)(C): Pursuant to 62 Ill. Adm. Code 1800.15, the Department is requiring an adjustment in the bond required for Permit No. 384 in the amount of \$1,049,000.00 of additional bond which brings the bond required for Permit No. 384 to \$2,224,300.00. The Department is providing up to 90 days from the issuance of this renewal finding for submission of the additional \$1,049,000.00 bond adjustment.

1774.15(b)(3): The Department finds the public participation requirements of 62 Ill. Adm. Code 1773.13 and 1773.19(b) have been met. The applicant placed a newspaper advertisement of the proposed operation in the Southern Illinoisan, a paper of general circulation in the area affected, published in Jackson County, once a week for four consecutive weeks, beginning on March 20, 2011. The applicant filed two copies of the permit renewal application with the county clerks of Franklin and Jackson Counties on March 16, 2011. Copies of the application were requested to be sent to the Illinois Environmental Protection Agency (IEPA) on March 16, 2011, for review and comment. Written notification of the application was given to those governmental agencies and entities required to receive notice under 62 Ill. Adm. Code 1773.13(a)(3).

Comments on this application have been received by the Department from IEPA on April 8, 2011.

All comments received have been considered by the Department in reviewing this application. The Department's responses to these comments are set out in Appendix A.

No requests for an informal conference or public hearing were received by the Department.

All comments received for this Permit Renewal Application have been furnished to Knight Hawk Coal, LLC and have been filed for public inspection at the offices of the Franklin and Jackson County Clerks.

1774.15(b)(4): The application for renewal does not include any proposed revisions to the permit.

1774.15(b)(5): The application for renewal does not propose extension of mining and reclamation operations beyond the boundaries authorized in the existing permit.

1774.15(c): Upon the basis of a complete application for renewal and completion of all procedures required under 62 Ill. Adm. Code 1774.15, the Department is required to issue a renewal of a permit unless it is established that:

1774.15(c)(1)(A): The terms and conditions of the existing permit are not being satisfactorily met;

1774.15(c)(1)(B): The present surface coal mining and reclamation operations are not in compliance with the environmental protection standards of the Act and the regulatory program;

1774.15(c)(1)(C): The requested renewal substantially jeopardizes the operator's continuing ability to comply with the Act and the regulatory program on existing permit areas;

1774.15(c)(1)(D): The operator has not provided evidence of having liability insurance or self-insurance as required in 62 Ill. Adm. Code 1800.60;

1774.15(c)(1)(E): The operator has not provided evidence that any performance bond required to be in effect for the operation will continue in full force and effect for the proposed period of renewal, as well as any additional bond the Department might require pursuant to 62 Ill. Adm. Code 1800; or

1774.15(c)(1)(F): Additional revised or updated information required by the Department has not been provided by the applicant.

After considering the entire record regarding this matter, the Department finds that the operator has met the terms and conditions of the permit, and has complied with all applicable environmental regulations, that the operator's continued compliance is not jeopardized by issuance of the renewal, that the operator has provided evidence of having required liability insurance coverage, that the operator has shown that a

performance bond of sufficient amount will remain in full force and effect for the term of renewal, and no additional bond is required and that the operator has provided all information required by the Department. The Department thus finds that Renewal No. 1 to Permit No. 384 must be issued.

1774.15(c)(2): No objections were received regarding issuance of this renewal.


1774.15(d): The permit renewal term does not exceed the period of the original permit. Both the original permit and renewal are for five years terms. The period of the renewed permit is October 5, 2011, thru October 4, 2016.

1774.15(e): Within five working days, the Department is providing a copy of its decision to the applicant, to each person who filed objections on the renewal, to each party to any informal conference held on the permit renewal and to the Office of Surface Mining Reclamation and Enforcement.

1774.15(f): Any person having an interest which is or may be adversely affected by this decision to approve this permit renewal application shall have the right to administrative and judicial review set forth in 62 Ill. Adm. Code 1847.

Enter on behalf of the Illinois Department of Natural Resources, Office of Mines and Minerals, Land Reclamation Division as Regulatory Authority.

**Marc Miller, Director**  
**Illinois Department of Natural Resources**

A handwritten signature in black ink, appearing to read "Joe Angleton" followed by a stylized flourish.

Joe Angleton, Director  
Office of Mines and Minerals

## APPENDIX A

### CONSIDERATION OF COMMENTS AND OBJECTIONS

62 Ill. Adm. Code 1774.15(b)(3) allows submission of written comments on applications for permit renewal. The following are comments received from the Interagency, County Board, and other members of the public along with the Department's response to those comments.

#### Illinois Environmental Protection Agency

Comment: The Illinois Environmental Protection Agency has completed its review of the above referenced project and it appears to comply with the regulations listed in our Inter-Agency agreement.

Agency records indicate that Discharge Monitoring Reports (DMRs) are routinely submitted in a timely manner for this facility. No indication was noted in a review of the DMRs of any outfall within the OMM permitted area exhibiting effluent quality problems.

This operation is presently covered under NPDES Permit No. IL0078026. Since no changes are now proposed from that previously permitted, a modified permit will not be required.

Response: The agency's comment has been forwarded to the applicant.