

SECTION 2

OPERATION AND PERMIT DESCRIPTION

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SECTION 2

OPERATION AND PERMIT DESCRIPTION

LIST OF EXHIBITS

EXHIBIT NUMBER	EXHIBIT TITLE
2.2-1	USGS Topographic Quadrangle Locations
2.3-1	No Name Permit Area (Sheet 1 of 4)
2.3-1	No Name Permit Area (Sheet 2 of 4)
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SECTION 2

OPERATION AND PERMIT DESCRIPTION

LIST OF APPENDICES

APPENDIX

NUMBER

APPENDIX TITLE

SECTION 2

OPERATION AND PERMIT DESCRIPTION

LIST OF REVISIONS DURING PERMIT TERM

REV.		DATE
NUMBER	REVISION DESCRIPTION	APPROVED

SECTION 2 OPERATION AND PERMIT DESCRIPTION

2.1 Operation Identification

Navajo Transitional Energy Company (NTEC) is submitting an application to the Office of Surface Mining Reclamation and Enforcement (OSM) for a new surface coal mine adjacent to the southern boundary of the current Navajo Mine operation. Further discussion on the proposed operation can be found in Part 3 Operations Plan of this permit application package.

The new surface coal mine operation is called the No Name Permit (NNP).

NNP contact information is as follows:

No Name Permit

Navajo Transitional Energy Company

P.O. Box 958

Shiprock, NM 87420-0958

Telephone: (505) 278-8625

NTEC's federal identification numbers are as follows:

Employer Identification No.: Federal I.D. No. 46-4009272

Mine Safety and Health Administration (MSHA) No.: MSHA I.D. No. 29-00097

2.2 Location

NNP is located in western San Juan County in the northwest corner of the State of New Mexico. The mining operations will be solely located on Navajo Nation lands. NNP mining offices will be approximately 10 mi north of Navajo Nation Tiis Tsoh Sikaad (Burnham) Chapter House and 18 mi south of Fruitland, New Mexico. The City of Farmington, New Mexico is approximately 22 mi northeast of the mine offices. The new mining operations will be adjacent to NTEC's Pinabete permit southern boundary, Exhibit 2.2-1.

2.3 Permit Area Description

The NNP mining area is located in the following United States Geologic Survey (USGS) 1:24,000 series quadrangles: Newcomb Northeast and The Pillar Northwest. A map identifying the NNP mining area associated with each quadrangle is included as Exhibit 2.2-1.

The No Name Permit (NNP) is located entirely within the Navajo Transitional Energy Company's (NTEC) coal lease with the Navajo Nation. The lease boundary is described in Section 6, Land Ownership and Control, and shown in Appendix 6.A and Exhibit 6.5-1 (Sheets 6–9). The No Name boundary permit area covers 11,526 acres, as illustrated in Exhibit 6.5-1 (Sheets 6–9).

The NNP boundary matches the NTEC lease boundary on the west, south, and east sides, making the permit area consistent with the lease. The northern NNP boundary follows the southern Pinabete permit boundary, aligning with its outlines and extending in a manner that reflects the established limits of the permit area. The permit boundary of the NNP permit area is displayed in Exhibit 2.3-2.

To facilitate effective operational management, the permit area is subdivided into two distinct regions: Area 4 South and Area 5. This strategic division into multiple areas is designed to enhance the efficiency of both mining and reclamation efforts. It also serves as a reference point in various sections of the permit, identifying specific mining or resource areas for streamlined operations. For a comprehensive overview of the planned and ongoing mining activities, please refer to Section 20, titled Mining Operations, which provides an in-depth description of the methodologies and processes involved.

2.4 Permitting During the Life of the Operation

The permit area is described in Exhibit 2.3-2 and includes all areas of surface coal mining over the anticipated life of the operation in Area 4 South and Area 5. Mining sequence information is included in Section 20 Mining Operations.

2.5 Socioeconomic Description

Socioeconomics describes the interaction between the community (social) and the economics (population, employment, income, government revenue, and related benefits) of a proposed action. Using information available at the time of submittal, NTEC has prepared the following discussion providing a summary of the socioeconomic conditions and impacts of the proposed mining and reclamation activities.

It is anticipated that the majority of the workforce for the proposed mining and reclamation activities will come from the local area; this includes the communities of Farmington, Flora Vista, Kirtland, and Shiprock in San Juan County, New Mexico and the Navajo Nation Chapters of Beclabito, Burnham, Crystal, Fruitland, Hogback, Huerfano, Naschitti, Nenahnezad, Red Valley, Sanostee, Sheep Springs, Teec Nos Pos, Two Grey Hills, and White Rock. The remainder of the workforce will come from outside of the local area including the remaining portions of Apache County in Arizona, McKinley and San Juan Counties in New Mexico, and La Plata and Montezuma Counties in Colorado.

NTEC anticipates the mining and reclamation operations will require a workforce of approximately 380, most of whom would be miners. The workforce would be divided between the following classes:

Management,
Professional,
Technical,
Clerical,

Warehouse,
Skilled,
Semi-skilled, and
Unskilled

The U.S. Department of Labor, Bureau of Labor Statistics estimated an average annual wage \$73,540 for the coal mining sector workforce in 2023 (US Census Bureau 2024). The average annual wage for Navajo Mine employees in 2024 was approximately \$82,146 which is higher than national averages.

2.5.1 Estimates on Revenues and Services

Per capita income of San Juan County residents in 2023 was \$26,583 for a population of 120,817 (U.S. Census Bureau 2025). Average median annual salary per job in San Juan County during the same time was \$53,020. In 2021, the total employed labor force in San Juan County was 49,761 with an unemployment rate of 5.5% (U.S. Census Bureau 2025).

The incomes of NTEC's employees would have a direct, positive effect on the area's economy. Indirect and induced effects include purchasing goods and services from local businesses and suppliers and employees spending their wages in the local economy to purchase additional goods and services.

It is anticipated that the housing market and the availability of services, such as school enrollment, will keep up with demand in San Juan County. A portion of the tax revenue paid by NTEC to the State of New Mexico would be distributed to the local school districts. Health care is adequate; however, rural areas are termed medically "underserved". Factors which contribute to a medically underserved determination include: nutritional status, access to health care, ambulance and emergency treatment, multiple historical exposures, and stress. These factors may affect a population's susceptibility to adverse health effects. Preventative health care, such as better nutrition and wellness checkups, are closely correlated to income, so households with incomes associated with Navajo Mine operations would have more opportunity for preventative health care.

2.5.2 Employment of Native Americans

Article 11 of the mining lease between NTEC (formerly BHP Navajo Coal Company, Utah Mining and Construction Company, and Utah International Inc. (UII)) and the Navajo Nation, dated July 26, 1957, states:

"Lessee agrees to employ Members of the Navajo Tribe when available in all positions for which they are qualified in the judgment of the lessee, and to pay prevailing wages to such Navajo employees, and to utilize services of Navajo contractors whenever feasible in the judgment of the lessee. Lessee agrees to

make special efforts to employ qualified members of the Navajo Tribe in skilled, technical, and other higher-level jobs related to the lessee's operations under this lease.

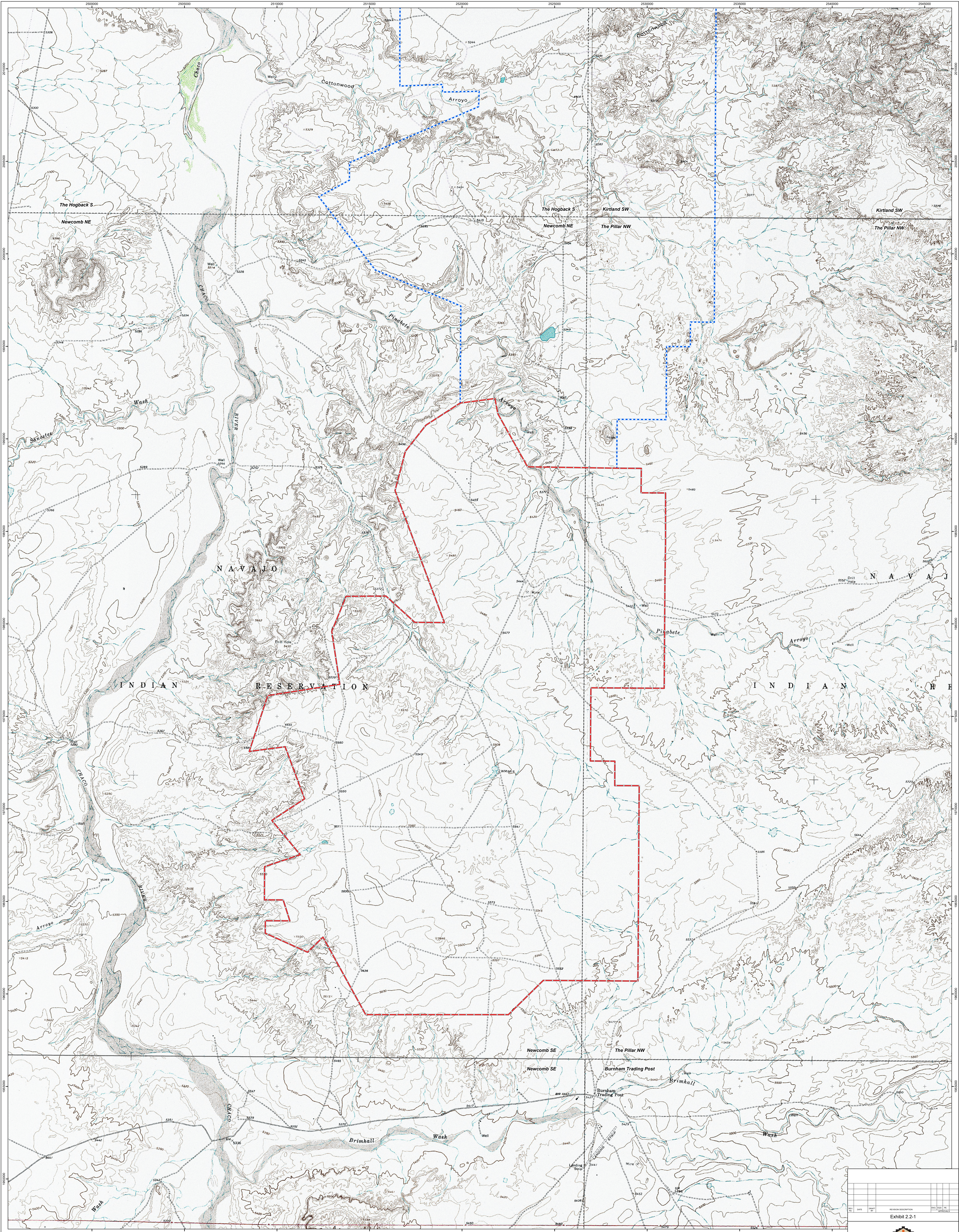
References

U.S. Census Bureau. 2009a. State and County Quick Facts, San Juan County, New Mexico.

<https://www.census.gov/quickfacts/fact/table/farmingtoncitynewmexico,US/PST045224> (Verified on 17 June 2025).

U.S. Bureau of Labor Statistics. (2024, April 3). *May 2023 National Industry-Specific Occupational*

Employment and Wage Estimates: NAICS 212100 - Coal Mining. Occupational Employment and Wage Statistics. Retrieved from https://www.bls.gov/oes/2023/may/naics4_212100.htm



Note:
-The information contained on this Exhibit is intended for illustrative purposes only. This map is not a certified survey map.
Coordinate System:
NAD 1983 StatePlane New Mexico West FIPS 3003 Feet
Datum: North American 1927
Units: US Feet

- Legend**
- No Name Permit Boundary
 - NTec Lease Boundary
 - USGS 7.5 Min. Topographic Quad Boundaries

The Pillar NW USGS 7.5 Min. Topographic Quad

Exhibit 2.2-1

No Name Permit
USGS Topographic Quadrangle
Locations

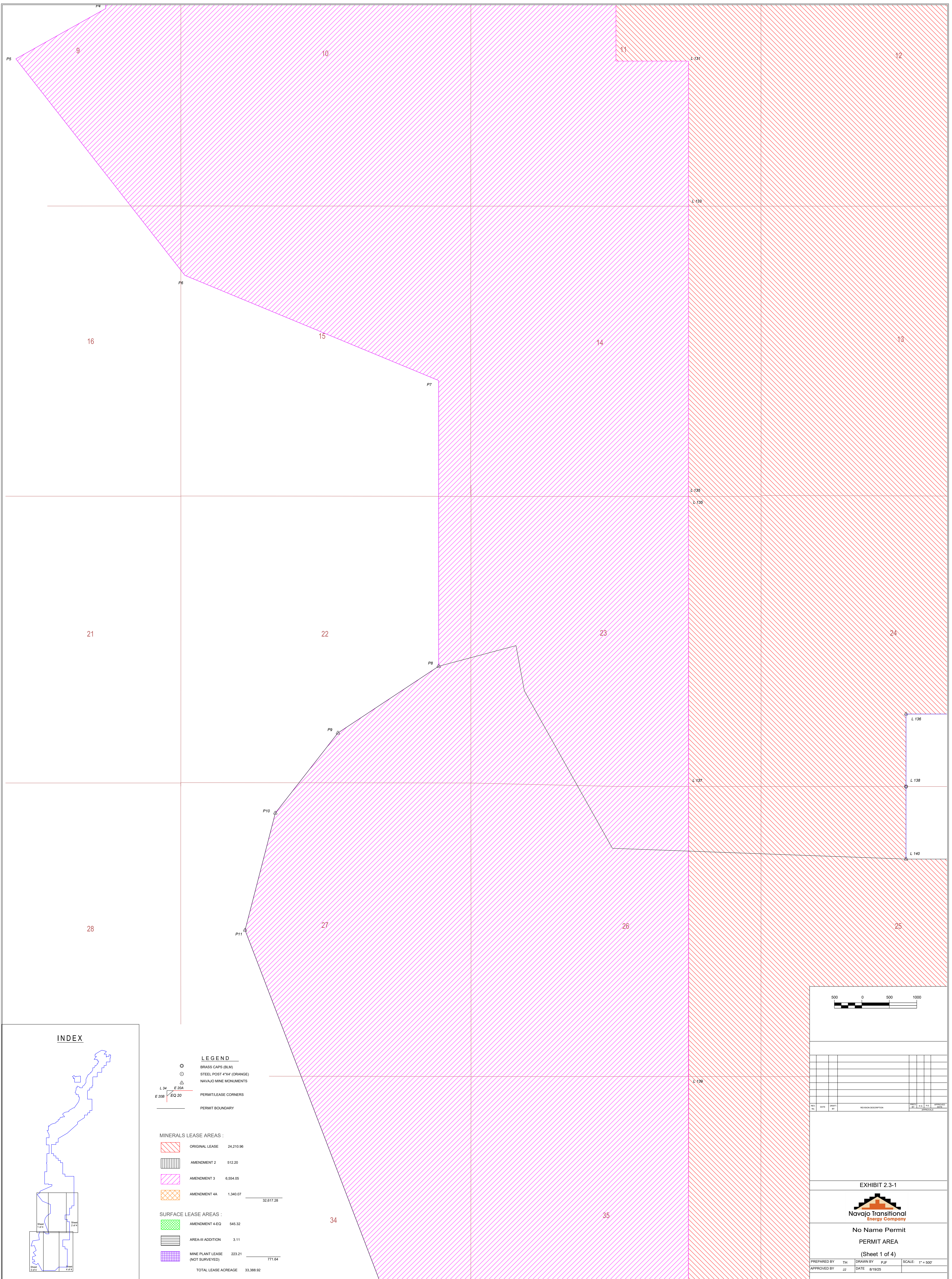
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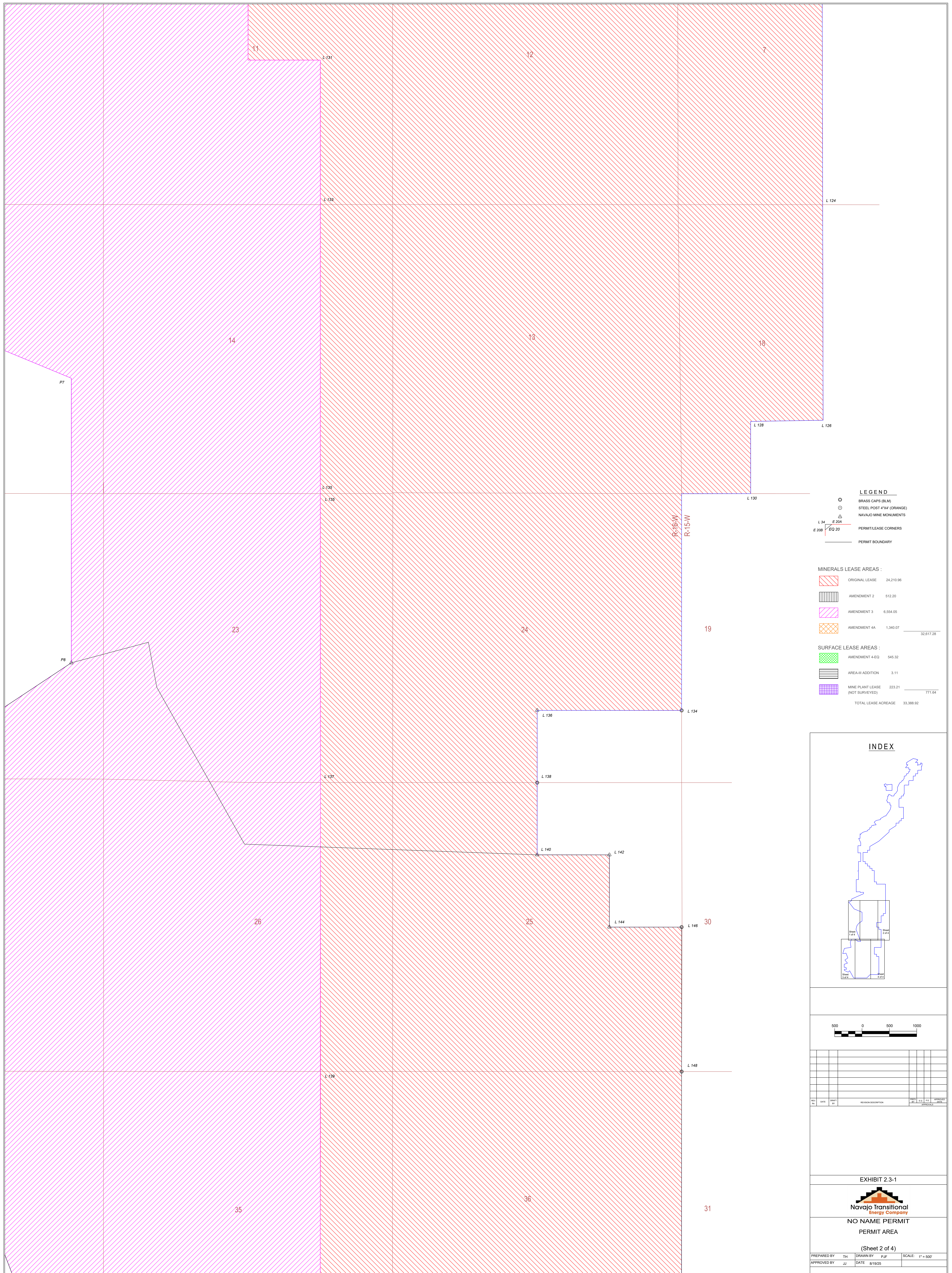
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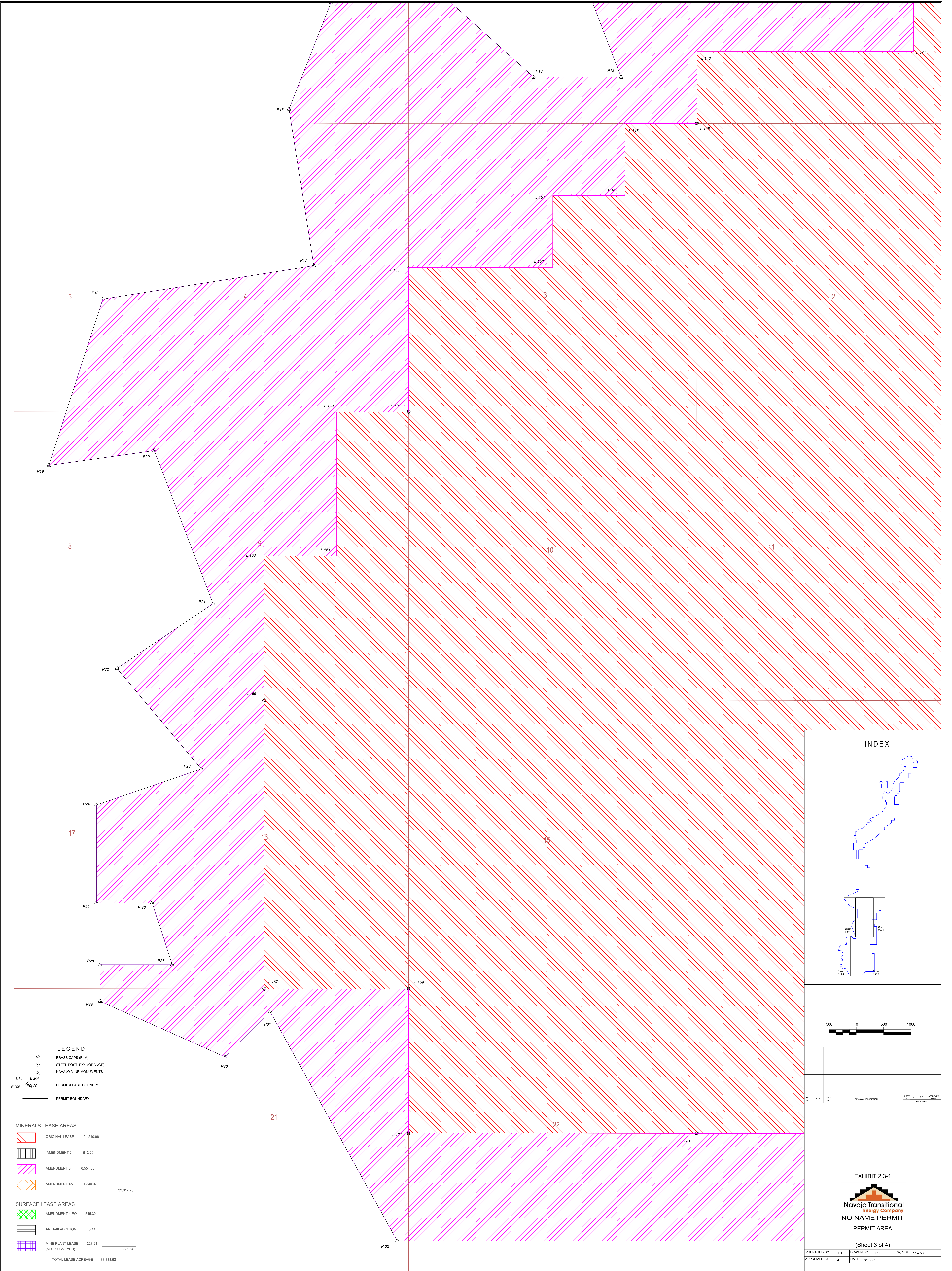
PAPER SIZE: ARCH E

APPROVED BY: AJ

DATE: 5/23/25







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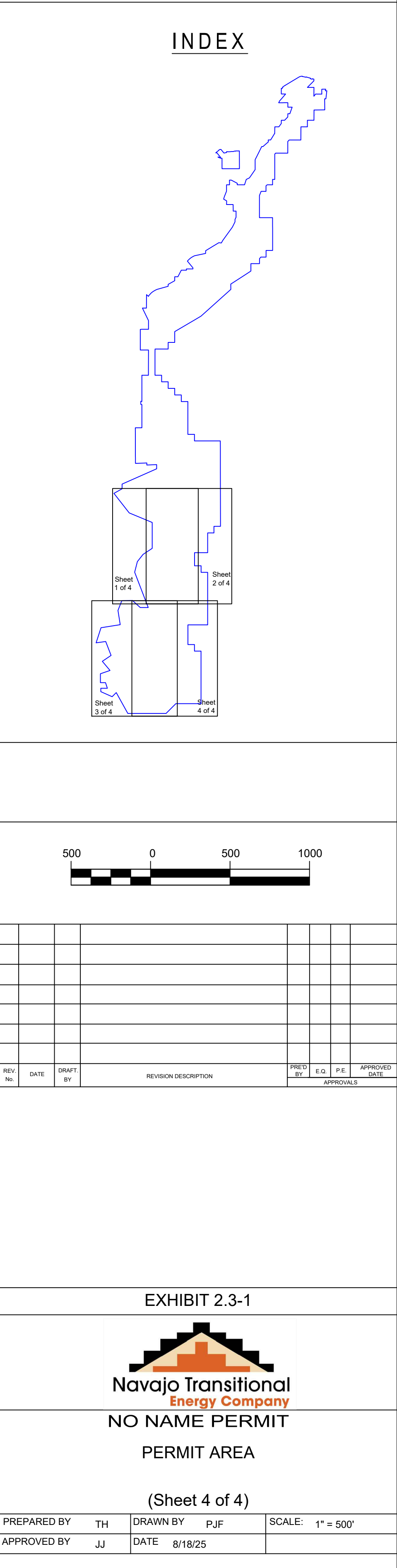
EXHIBIT 2.3-1

NO NAME PERMIT

PERMIT AREA

(Sheet 3 of 4)

PREPARED BY	TH	DRAWN BY	PJF	SCALE:	1" = 500'
APPROVED BY	JJ	DATE	8/18/25		



218
LEASE CORNER
L-30
LEASE/PERMIT BOUNDARY

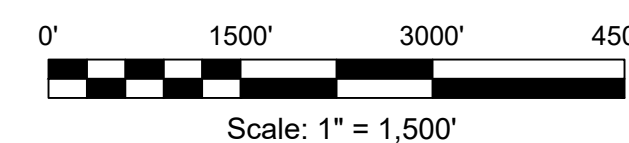
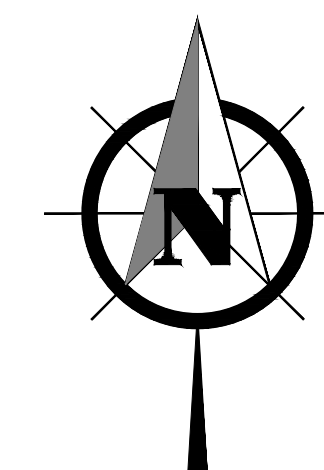
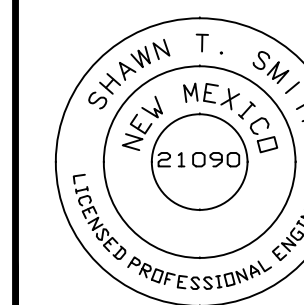
No Name Permit
Beginning in Township 25N, Range 16W and Section 24
at a L170;

thence N 00°23'36" E	a distance of 262.635'	to a L168;
thence N 01°19'51" E	a distance of 529.885'	to a L168;
thence N 00°22'05" E	a distance of 264.849'	to a L164;
thence N 89°48'09" W	a distance of 131.772'	to a L162;
thence N 00°07'27" E	a distance of 132.221'	to a L160;
thence N 89°35'33" N	a distance of 132.220'	to a L158;
thence N 00°18'13" E	a distance of 1318.08'	to a L156;
thence N 00°25'25" E	a distance of 132.221'	to a L154;
thence N 89°37'39" E	a distance of 396.411'	to a L152;
thence N 00°23'12" E	a distance of 1055.214'	to a L146;
thence N 89°26'08" W	a distance of 1321.78'	to a L144;
thence N 00°30'37" E	a distance of 1320.76'	to a L142;
thence N 89°43'11" W	a distance of 1322.23'	to a L140;
thence N 00°24'04" E	a distance of 132.221'	to a L138;
thence N 29°12'52" W	a distance of 328.941'	to a ;
thence N 10°31'01" W	a distance of 836.09'	to a ;
thence S 82°35'21" W	a distance of 1896.48'	to a P8;
thence S 57°10'29" W	a distance of 2201.74'	to a P9;
thence S 81°16'16" W	a distance of 2201.74'	to a P10;
thence S 14°43'53" W	a distance of 2201.47'	to a P11;
thence S 20°31'35" E	a distance of 761.763'	to a P12;
thence N 89°27'34" W	a distance of 1603.937'	to a P13;
thence N 47°29'32" W	a distance of 2106.66'	to a P14;
thence N 89°32'52" W	a distance of 2158.17'	to a P15;
thence N 14°14'41" W	a distance of 2116.66'	to a P16;
thence S 08°39'26" E	a distance of 2890.78'	to a P17;
thence S 81°07'55" W	a distance of 3937.80'	to a P18;
thence S 18°22'54" W	a distance of 3182.83'	to a P19;
thence N 82°34'30" E	a distance of 1956.79'	to a P20;
thence S 202°71'0" E	a distance of 390.000'	to a P21;
thence S 14°45'15" E	a distance of 2116.66'	to a P22;
thence S 39°36'12" E	a distance of 2403.97'	to a P23;
thence S 71°24'18" W	a distance of 2033.16'	to a P24;
thence S 00°19'21" W	a distance of 1791.50'	to a P25;
thence S 89°30'33" E	a distance of 1017.23'	to a P26;
thence S 14°45'15" E	a distance of 1168.83'	to a P27;
thence N 89°34'48" E	a distance of 1326.83'	to a P28;
thence N 00°18'37" E	a distance of 670.94'	to a P29;
thence S 65°39'21" E	a distance of 2505.99'	to a P30;
thence N 45°29'39" E	a distance of 1168.27'	to a P31;
thence S 28°51'39" E	a distance of 4787.49'	to a P32;
thence N 00°00'00" E	a distance of 264.845'	to a P33;
thence N 45°31'40" E	a distance of 264.845'	to a P34;
thence S 89°44'32" E	a distance of 1150.61'	to a L170;
thence S 89°30'34" E	a distance of 396.056'	to a L170;

which is the point of beginning,
the area of 502,012.230 Sqr Feet

11,524 Acres

CERTIFICATION STATEMENT
I, Shawn T. Smith, hereby certify that this drawing was reviewed by me and that the information shown is complete and accurate to the best of my knowledge.



Navajo Transitional
Energy Company

**No Name
Permit Boundary Map**

Date	Description	Drafted By:

Dwg. Path: D:\Projects\Permitting\No Name		Revision
Drawing: No Name Permit Legal.dwg		
Layout: Sheet D-L		
Plot Date: Wednesday, October 22, 2025 10:29:10 AM		