



## PRESS RELEASE

March 7, 2017 – For Immediate Release

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## **Resource Councils Welcome News that Peabody Energy Will Post New Bonds to Assure Reclamation of its Giant Mines in Wyoming**

Yesterday, [Peabody Energy announced](#) that it would replace its “self-bonds” in Wyoming and other states as part of its plan to emerge from bankruptcy. The company reported that it has arranged for \$1.26 billion in commercial surety bonds and \$14.5 million through a state bond pool in Indiana to be in place upon the effective date of its Chapter 11 reorganization plan. The Powder River Basin Resource Council and the Western Organization of Resource Councils (“Resource Councils”) welcomed Peabody’s commitment to replace its self-bonds as third-party surety bonds will better protect taxpayers and landowners that live near the company’s massive coal mines.

At stake is Peabody’s \$728 million reclamation liability for its Wyoming coal mines, including the North Antelope Rochelle, Rawhide, Caballo, and School Creek mines. Notably, the North Antelope Rochelle Mine in the Powder River Basin is one of the largest mining complexes in the world and covers over 90 square miles, including almost 35 square miles of federal grasslands.

Self-bonding is the practice of allowing coal companies to guarantee mine site cleanup with an unenforceable “I.O.U.,” backed by the apparent solvency of a company’s balance sheet. Were a self-bonded company to abandon unreclaimed mined lands, the public would be on the hook to pay to complete the work. The practice has come under fire from citizen groups, federal officials, and Members of Congress because of the risk it presents to taxpayers and its wide-use by bankrupt coal companies.

Peabody’s announcement is in response to several years of mounting pressure around its controversial use of self-bonds. Shortly before Peabody declared bankruptcy, the Resource Councils filed a citizen complaint with the Office of Surface Mining Reclamation and Enforcement (“OSMRE”) challenging the company’s continued self-bonding in Wyoming in light of evidence of severe financial distress. In response, federal coal regulators at the OSMRE sent Wyoming a warning that it may be violating federal law, known as a “Ten Day Notice.” The Councils then sought leave from the bankruptcy court to continue their advocacy work, filing an amended complaint last August.

“As someone who lives and ranches near Peabody’s large strip mines, I’m pleased to know that real reclamation bonds will be in place to protect the land and water resources of the area,” stated L.J. Turner, a member of the Resource Councils and rancher in the Powder River Basin. “Self-bonding left the public at risk – and threatened to leave tens of thousands of acres of Wyoming forever scarred.



Better financial assurance will protect taxpayers and neighboring landowners and will ensure that the mining company remains responsible for any clean-up costs for its large Wyoming coal mines.”

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*Powder River Basin Resource Council is a grassroots organization of individuals and affiliate groups dedicated to good stewardship of Wyoming’s natural resources. The Western Organization of Resource Councils (WORC) is a regional network of eight grassroots community organizations with 12,200 members and 40 local chapters and affiliates in seven states, including North Dakota, Colorado, Idaho, Montana, Oregon, South Dakota, and Wyoming. The Resource Councils have a longstanding interest in the full implementation of our surface coal mining laws, particularly the promise of full reclamation of mined lands and waters. For more than 40 years, we have actively engaged in advocacy on these issues.*