

Region 6 - Enforcement & Compliance Assurance Division
INSPECTION REPORT

Inspection Date(s):	07/12/2024	
Media Program:	Water	
Regulatory Program(s)	NPDES	
Company Name:	Peabody Natural Resources Company	
Facility Name:	El Segundo Mine	
Facility Physical Location:	north of Milan, off NM State Road 509	
(city, state, zip code)	Grants, New Mexico	
Mailing address:	Post Office Box 757	
(city, state, zip code)	Grants, New Mexico 87020	
County/Parish:	McKinley	
Facility Phone Number	(505) 285-3076	
Facility Contact:	Chad Gaines	Tech Services Supervisor
	cgaines@peabodyenergy.com	
FRS Number:	110062656148	
Identification/Permit Number:	NM0030996	
Media Identifier Number:	NA	
NAICS:	212111	
SIC:	1221	
Personnel participating in inspection:		
Myron Newman	Peabody Natural Resources	Technician II
David Esparza	EPA/R6-ECDWM	Environmental Engineer
EPA Lead Inspector Signature/Date	DAVID ESPARZA Digitally signed by DAVID ESPARZA Date: 2024.09.18 10:29:14 -06'00'	
	David Esparza	Date
Supervisor Signature/Date	ROBERTO BERNIER Digitally signed by ROBERTO BERNIER Date: 2024.09.18 12:07:44 -05'00'	
	Roberto Bernier	Date

Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

United States Environmental Protection Agency (EPA) Region 6 inspector David Esparza, PE, arrived at the Peabody Natural Resources Company- El Segundo Mine (El Segundo) at approximately 10:55 AM on July 12, 2024, for an unannounced inspection. I presented my credentials to Mr. Myron Newman, Technician II, Peabody Natural Resources and informed him this was an EPA inspection to determine the facility's compliance under the Clean Water Act (CWA) and the requirements of the National Pollutant Discharge Elimination System (NPDES) permit program. It should also be noted El Segundo maintains a discharge permit (DP-1679) issued by the New Mexico Environment Department (NMED), Groundwater Quality Bureau (GWQB) that allows a discharge up to 5K GPD to an on-site evaporative lagoon. The generation of this report is based on information supplied by El Segundo representatives, observations made by the EPA inspector, and records and reports maintained by the permittee (El Segundo), and the EPA. Before leaving the facility on July 12, 2024, an exit briefing was held with Mr. Newman, to explain areas of concern or clarify questions noted at the time of the inspection.

FACILITY DESCRIPTION

The Peabody Natural Resources Company, El Segundo Mine, operated by Peabody Energy Western Coal Company, located north of Milan, New Mexico in McKinley County. El Segundo Mine facility is a minor industrial discharger. El Segundo is a surface coal mine that produces approximately 8 million tons of sub-bituminous coal annually; the production began in 2008. There are two immediate receiving waters for the outfalls stated below. Kim-me-ni-oli Valley Tributary flows into the Chaco River, a tributary of the San Juan River (about 100 miles northwest of El Segundo Mine), a tributary of the Colorado River and Inditos Draw, a tributary of Vought Draw, which flows into Arroyo Chico, then to the Rio Puerco (about 60 miles southeast the mine area), a tributary of the Rio Grande River. The outfalls are sediment ponds designed for at least a 10-year, 24-hour precipitation event and one sewage evaporation pond (018). The sewage evaporation pond (lagoon) is not intended to discharge to surface water; however, authorization to discharge is provided in the event discharge occurs because of a storm event.

The facility water originates from private wells, thence is transferred via pipeline for use at the preparation plant and shops, dust suppression along mine roads, and storage for drinking and sanitary uses. All the water collected in the storage tank is used for drinking and sanitary uses. Sewage is transferred to an onsite lagoon. Water originating from other sources, such as storm water runoff (NPDES permit **NMR053370**: Stormwater Pollution Prevention Plan (SWPPP) revised December 28, 2023), is collected in sediment ponds where it evaporates or infiltrates. Some of the water collected in sediment ponds may also be used for dust suppression purposes or discharge to the receiving streams.

El Segundo produced approximately 3.4 million tons in 2023 and 0.86 million tons of coal through July 2024, respectively. El Segundo utilizes typical heavy equipment associated with a surface mine, i.e. dozers, excavators, and haul trucks to uncover the coal seams. The mined coal is trucked to an onsite loading facility and transported offsite via the Burlington Northern Santa Fe Railway.

The El Segundo Outfalls

ID NUMBER	OUTFALL NUMBER	LATITUDE	LONGITUDE	RECEIVING WATER
SP2W1	001	35°39'02.01923"	107°51'22.65110"	Kim-me-ni-oli Valley Tributary**
SP1W2	002	35°38'28.45977"	107°50'19.10977"	Kim-me-ni-oli Valley Tributary**
SP2W5	003	35°39'01.37393"	107°51'57.32451"	Kim-me-ni-oli Valley Tributary**
SP2W4	004	35°38'59.06337"	107°51'54.08060"	Kim-me-ni-oli Valley Tributary**
SSP3W1	S005	35°38'46.44242"	S107°52'22.49655"	Kim-me-ni-oli Valley Tributary**
SSP2W3	S006	35°38'57.60885"	S107°52'12.02655"	Kim-me-ni-oli Valley Tributary**
SSP1W6	S007	35°38'25.87145"	S107°50'46.92975"	Kim-me-ni-oli Valley Tributary**
SSP2W2	S009	35°38'29.57514"	S107°51'21.92387"	Kim-me-ni-oli Valley Tributary**
SSP1W7	S010	35°38'33.08565"	S107°51'17.77311"	Kim-me-ni-oli Valley Tributary**
SSP1W4	S011	35°38'50.26755"	S107°51'13.36075"	Kim-me-ni-oli Valley Tributary**
SSP1W5	S012	35°38'50.72868"	S107°51'18.55134"	Kim-me-ni-oli Valley Tributary**
MSP35W8	013	35°39'48.68750"	107°52'08.31680"	Kim-me-ni-oli Valley Tributary**
MSP35W2	014	35°39'47.57080"	107°52'26.50500"	Kim-me-ni-oli Valley Tributary**
MSP35W3	015	35°39'57.04340"	107°52'22.27300"	Kim-me-ni-oli Valley Tributary**
MSP34W1	016	35°40'00.32390"	107°53'00.29690"	Kim-me-ni-oli Valley Tributary**
MSP34W2	017	35°40'00.17890"	107°53'09.11700"	Kim-me-ni-oli Valley Tributary**
SEWAGE LAGOON	018	35°38'57.74399"	107°51'30.10777"	Kim-me-ni-oli Valley Tributary**
MSP20W1	S020	S35°41'45.82480"	S107°55'03.02510"	Kim-me-ni-oli Valley Tributary**
MSP21W1	S021	S35°41'44.47820"	S107°54'36.72330"	Kim-me-ni-oli Valley Tributary**
MSP27W1	S023	S35°40'18.57850"	S107°52'44.86460"	Kim-me-ni-oli Valley Tributary**
MSP28W1	024	35°40'06.05300"	107°53'45.05580"	Kim-me-ni-oli Valley Tributary**
MSP28W2	025	35°40'03.86650"	107°54'20.22530"	Kim-me-ni-oli Valley Tributary**
MSP28W3	026	35°40'09.57010"	107°54'33.61880"	Kim-me-ni-oli Valley Tributary**
MSP28W4	S027	S35°40'42.20920"	S107°54'24.02900"	Kim-me-ni-oli Valley Tributary**
MSP29W1	S028	S35°40'35.99950"	S107°54'50.05840"	Kim-me-ni-oli Valley Tributary**
MSP29W2	029	35°40'42.22980"	107°54'46.87210"	Kim-me-ni-oli Valley Tributary**
SP2W6	030	35°39'10.58499"	107°51'57.09588"	Kim-me-ni-oli Valley Tributary**
SP3W2	031	35°38'55.10346"	107°52'46.87900"	Kim-me-ni-oli Valley Tributary**
SP3W3	032	35°38'56.94357"	107°52'44.64213"	Kim-me-ni-oli Valley Tributary**
SP35W3	033	35°39'26.54430"	107°52'13.87367"	Kim-me-ni-oli Valley Tributary**
MSP1W1	S034	S35°39'07.24747"	S107°51'11.35081"	Kim-me-ni-oli Valley Tributary**
MSP20W3	035*	35°41'29.15439"	107°55'01.87730"	Kim-me-ni-oli Valley Tributary**

ID NUMBER	OUTFALL NUMBER	LATITUDE	LONGITUDE	RECEIVING WATER
MSP21W2	036*	35°41'17.59690"	107°54'08.37765"	Kim-me-ni-oli Valley Tributary**
MSP29W3	S037	S35°40'32.13921"	S107°55'01.73089"	Kim-me-ni-oli Valley Tributary**
MSP34W3	038	35°40'03.64965"	107°53'31.87811"	Kim-me-ni-oli Valley Tributary**
MSP35W5	039	35°39'23.68616"	107°51'44.32688"	Kim-me-ni-oli Valley Tributary**
MSP35W7	S040	S35°39'50.22472"	S107°52'13.00073"	Kim-me-ni-oli Valley Tributary**
MSP36W1	041	35°39'10.99588"	107°51'28.33571"	Kim-me-ni-oli Valley Tributary**
MSP5E4	042	35°38'47.34196"	107°48'29.41530"	Inditios Draw***
MSP5E3	043	35°38'50.05730"	107°48'05.85054"	Inditios Draw***
MSP4E1	044	35°38'46.26628"	107°47'48.70650"	Inditios Draw***
MSP4E2	045	35°38'34.99914"	107°47'33.48255"	Inditios Draw***
MSP4E3	046	35°38'33.02111"	107°47'22.36140"	Inditios Draw***
MSP3E2	047	35°38'31.53214"	107°46'57.71286"	Inditios Draw***
MSP3E1	S048	S35°38'36.52615"	S107°46'35.88041"	Inditios Draw***
MSP34E1	S049	S35°39'15.44785"	S107°46'37.72115"	Inditios Draw***
MSP6E1	S050	S35°38'42.16980"	S107°49'15.41620"	Inditios Draw***
MSP5E2	S051	S35°38'51.60090"	S107°48'57.47920"	Inditios Draw***
MSP32E1	S052	S35°39'19.90000"	S107°48'34.14000"	Inditios Draw***
MSP5E1	053	35°38'59.72000"	107°48'48.22000"	Inditios Draw***
MSP31E1	S054	S35°39'11.21000"	S107°49'31.65000"	Inditios Draw***
MSP33E2	S055	S35°39'29.62000"	S107°47'25.12000"	Inditios Draw***
MSP25W1	056****	35°40'12.48000"	107°51'19.2900"	Kim-me-ni-oli Valley Tributary**

Outfalls with a strikethrough are removed in this permit. These ponds have either been mined through or were not built.

* To be built during this permit term.

** The Kim-me-ni-oli valley tributary flows into the Chaco Ricer, which flows to the San Juan River, approximately 100 miles northwest of the El Segundo permit area, which is a tributary of the Colorado River.

*** Inditios Draw is a tributary of Vought Draw, which flows into Arroyo Chico which flows into the Rio Puerco approximately 60 miles southeast of the El Segundo permit area, which is a tributary of the Rio Grande.

**** New outfall 056 to be added in this permit

Section II – OBSERVATIONS

I observed the following and/or the following information was provided, stated on July 12, 2024, or through follow-up correspondence.

- The El Segundo on-site representative stated there have been no discharges from the site or from impoundments.
- A copy of the 2023 Annual Pond Certification (dated January 12, 2024) per NPDES Permit NM0030996 was provided.
- A complete copy of the revised Stormwater Pollution Prevention Plan (SWPPP) (permit NMR053370) was provided.

- A spreadsheet denoting tons of coal produced for calendar years 2019 through July 2024 was provided.
- Discharge Monitoring Reports (DMRs) for NPDES permits NM0030996 and NMR053370 were provided.
- A Reclamation Plan, inclusive of exhibits, figures, plates, tables, and the appurtenant subparts was provided.
- The Technical Services Supervisor provided the following information, “The mines sediment ponds are designed to retain at minimum a 10-year, 24-hour precipitation event. Several of the ponds have also been built in-series (two or more sediment ponds receiving same drainage area) which allows them to retain water from very large precipitation events without discharging to receiving streams”. It was further stated the ponds were intentionally designed to contain all runoff water for mine use (dust control) and to eliminate discharges. Due to the limited water availability, the mine does not utilize a wash plant. The coal is crushed then transported to a conveyor system that moves the coal to one of three stacking tubes connected to the loadout.
- The current NPDES permit expires on June 30, 2025.

Section III – AREAS OF CONCERN

I observed no areas of concern at the time of the inspection.

EPA Region 6 inspectors David Esparza conducted a closing conference at Peabody Coal/ El Segundo Mine at 1:15 PM on July 12, 2024, for the inspection.

Section IV – FOLLOW UP

The following information was received by EPA on August 9, 2024, after exiting the Facility on July 12, 2024:

- A current copy of the current Facility Site Plan- with applicable labelling, denoting buildings, excavations (pits), lagoons/ponds and perimeter boundaries.
- An electronic copy of the facility “Pond Inspection” reports.
- An electronic copy of the El Segundo Reclamation Plan- with any applicable Confidential Business Information (CBI) identified as we discussed.
- An electronic copy of the Stormwater Pollution Prevention Plan (SWPPP- NMR-053370), inclusive of inspection reports.
- Electronic copies of the applicable Discharge Monitoring Reports (DMRs) with respect to the facility NPDES permits for the previous 6-months.

Section V – LIST OF APPENDICES

Appendix 1 – Photo Log – 3 photos taken 7/10/2024.

Appendix 2 – El Segundo Facilities Map

Appendix 1

Photograph Log



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 1

Location: Peabody Natural Resources Company- El Segundo Mine		
City: San Mateo	County/Parish: McKinley	State: New Mexico



View of entrance sign at the Peabody-El Segundo Mine. (IMG_0084). Photographed by D. Esparza



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 2

Location: Peabody Natural Resources Company- El Segundo Mine		
City: San Mateo	County/Parish: McKinley	State: New Mexico



View of "diamond plate" steel grating covering the wastewater treatment headworks. (IMG_0081).
Photographed by D. Esparza



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

Photograph Log

Photo No. 3

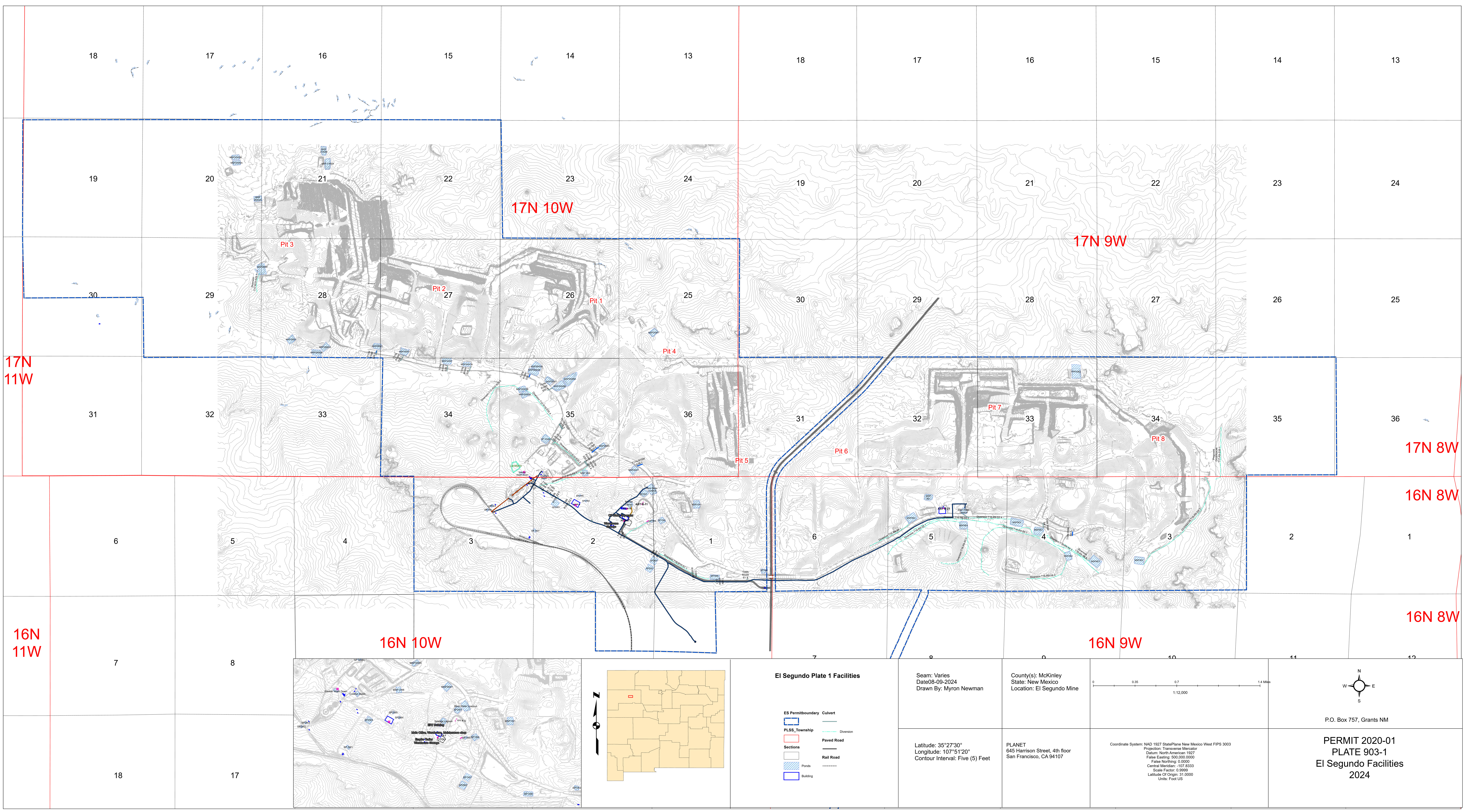
Location: Peabody Natural Resources Company- El Segundo Mine		
City: San Mateo	County/Parish: McKinley	State: New Mexico



View of the existing sewage evaporative lagoon (pond) (listed as #018 on the El Segundo Outfall). **Note:** The integrity of the lagoon liner/fabric did not indicate visual signs of degradation or undermining by vagrant vegetation or vermin. (IMG_0080). Photographed by D. Esparza

Appendix 2

Peabody-El Segundo Facilities Map



17N 10W

17N 9W

17N 8W

16N 8W

16N 8W

16N 10W

16N 9W

El Segundo Plate 1 Facilities

- ES Permit boundary
- PLSS Township
- Sections
- Ponds
- Building
- Culvert
- Diversion
- Paved Road
- Rail Road

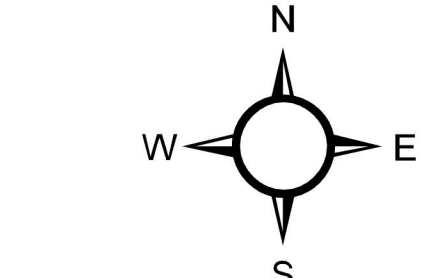
Seam: Varies
Date: 08-09-2024
Drawn By: Myron Newman

County(s): McKinley
State: New Mexico
Location: El Segundo Mine

Latitude: 35°27'30"
Longitude: 107°51'20"
Contour Interval: Five (5) Feet

PLANET
645 Harrison Street, 4th floor
San Francisco, CA 94107

Coordinate System: NAD 1927 StatePlane New Mexico West FIPS 3003
Projection: Transverse Mercator
Datum: North American 1927
False Easting: 500,000.0000
False Northing: 0.0000
Central Meridian: -107.8333
Scale Factor: 0.9999
Latitude Of Origin: 31.0000
Units: Foot US



P.O. Box 757, Grants NM

PERMIT 2020-01
PLATE 903-1
El Segundo Facilities
2024