



UNITED STATES
NUCLEAR REGULATORY COMMISSION
REGION I
2100 RENAISSANCE BOULEVARD, SUITE 100
KING OF PRUSSIA, PA 19406-2713

March 14, 2016

Docket No. 03037777
Control No. 589839

License No. 47-31315-01

D. Edward Brown
Vice President
Blackhawk Mining, LLC
Blue Creek Mining, LLC (wholly-owned subsidiary)
3228 Summit Square Place, Suite 180
Lexington, KY 40502

SUBJECT: BLACKHAWK MINING, LLC; LICENSE AMENDMENT; CONTROL NO. 589839

Dear Mr. Brown:

This refers to your license amendment request. Enclosed with this letter is the amended license.

In a letter dated May 13, 2015 (ML15162A109), Patriot Coal Corporation notified the NRC that it had filed for bankruptcy along with several of its wholly-owned subsidiaries, some of whom were also NRC licensees. In response, the NRC notified them of their obligations to comply with NRC requirements, including the requirement in the Atomic Energy Act of 1954, as amended, and NRC's regulations that they may not transfer control of licensed material without the NRC's prior written approval. The NRC provided this notice in a letter dated June 25, 2015 (ML15181A068) and an October 15, 2015 notice filed in the bankruptcy proceeding, "Notice of Prohibition Against Transfer of License or Disposal of Licensed Radioactive Material Without Prior Written Approval of NRC and Notice of Debtors' Obligations as General Licensee of the NRC."

Patriot Coal Corporation notified the NRC in a letter dated November 24, 2015 from Earl Moles, Environmental Manager, Patriot Coal Services, to NRC Region 1 (ML15337A432), that it had completed the Chapter 11 restructuring process and sold most of Patriot's operating assets to Blackhawk Mining, LLC, including the licensed material. Patriot Coal and Blackhawk Mining, LLC did not receive NRC approval prior to the indirect transfer of control. In response, the NRC informed Blackhawk Mining, LLC that they must request approval and Blackhawk then requested post-hoc approval of the indirect transfers of control.

By letter dated December 28, 2015 (ADAMS Accession No. ML16013A253), Blackhawk Mining, LLC, submitted to the U.S. Nuclear Regulatory Commission (NRC) a change of control by indirect transfer of NRC Materials License 47-31315-01 and a request for a name change to Blue Creek Mining, which is a wholly-owned subsidiary of Blackhawk Mining, LLC. Based on the information you provided, we understand that the transfer resulted from a Chapter 11 bankruptcy sale on October 28, 2015, whereby Patriot Coal Corporation sold the majority of its operating assets to Blackhawk Mining, LLC.

As a result of the Chapter 11 sale, Blackhawk Mining, LLC, requested approval for an amendment to the current license to change the name from Midland Trail Energy, to Blue Creek Mining, LLC, upon approval of the indirect transfer of control. Additional details of the sale of assets are provided in the letter dated November 24, 2015 (ML15337A432) from Earl Moles, Environmental Manager, Patriot Coal Services to NRC Region 1 and letter dated December 28, 2015, (ML16013A253) from D. Edward Brown, Vice President – Technical Services, Blackhawk Mining, LLC to Satar Lodhi, Senior Health Physicist, NRC Region 1. We further understand that this transfer will not result in any change to licensed materials, persons using the license material, location of use of licensed material, or persons responsible for the licensee's radiation safety program.

Based on the above understandings and as more fully detailed in the enclosed NRC staff's Safety Evaluation Report which documents the NRC staff's review of the transfer, the NRC consents to the transfer of control. Accordingly, the NRC is amending your NRC license to reflect this transaction and the name change.

In accordance with 10 CFR 2.390 of the NRC's "Agency Rules of Practice and Procedure," a copy of this letter will be available electronically for public inspection in the NRC Public Document Room or from the Publicly Available Records component of NRC's Agency-wide Documents Access and Management System (ADAMS). ADAMS is accessible from the NRC website at <http://www.nrc.gov/reading-rm/adams.html>.

Please review the enclosed document carefully and be sure that you understand and fully implement all the conditions incorporated into the amended license. If there are any errors or questions, please notify the U.S. Nuclear Regulatory Commission, Region I Office, Licensing Assistance Team, (610) 337-5239, so that we can provide appropriate corrections and answers.

An environmental assessment for this action is not required, since this action is categorically excluded under 10 CFR 51.22(c)(21).

Current NRC regulations and guidance are included on the NRC's website at www.nrc.gov; select **Nuclear Materials; Med, Ind, & Academic Uses**; then **Licensee Toolkits**, see our **toolkit index page**. You may also obtain these documents by contacting the Government Printing Office (GPO) toll-free at 1-866-512-1800. The GPO is open from 8:00 a.m. to 5:30 p.m. EST, Monday through Friday (except Federal holidays).

The NRC's Safety Culture Policy Statement became effective in June 2011. While a policy statement and not a regulation, it sets forth the agency's *expectations* for individuals and organizations to establish and maintain a positive safety culture. You can access the policy statement and supporting material that may benefit your organization on NRC's safety culture Web site at <http://www.nrc.gov/about-nrc/regulatory/enforcement/safety-culture.html>. We

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strongly encourage you to review this material and adapt it to your particular needs in order to develop and maintain a positive safety culture as you engage in NRC-regulated activities.

Thank you for your cooperation.

Sincerely,

Original signed by Christopher G. Cahill

John Miller
Health Physicist
Commercial, Industrial, R&D and Academic
Branch
Division of Nuclear Materials Safety

Enclosure:

1. Amendment No. 4
2. Safety Evaluation Report

cc w/encls:

Randy McClaugherty, Radiation Safety Officer

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