



**US Army Corps
of Engineers**
Fort Worth District

Public Notice

Applicant: Luminant Mining Company LLC

Permit Application No. : SWF-2012-00124

Date: August 3, 2012

The purpose of this public notice is to inform you of a proposal for work in which you might be interested. It is also to solicit your comments and information to better enable us to make a reasonable decision on factors affecting the public interest. We hope you will participate in this process.

Regulatory Program

Since its early history, the U.S. Army Corps of Engineers has played an important role in the development of the nation's water resources. Originally, this involved construction of harbor fortifications and coastal defenses. Later duties included the improvement of waterways to provide avenues of commerce. An important part of our mission today is the protection of the nation's waterways through the administration of the U.S. Army Corps of Engineers Regulatory Program.

Section 10

The U.S. Army Corps of Engineers is directed by Congress under Section 10 of the Rivers and Harbors of 1899 (33 USC 403) to regulate *all work or structures in or affecting the course, condition or capacity of navigable waters of the United States*. The intent of this law is to protect the navigable capacity of waters important to interstate commerce.

Section 404

The U.S. Army Corps of Engineers is directed by Congress under Section 404 of the Clean Water Act (33 USC 1344) to regulate the *discharge of dredged and fill material into all waters of the United States, including wetlands*. The intent of the law is to protect the nation's waters from the indiscriminate discharge of material capable of causing pollution and to restore and maintain their chemical, physical and biological integrity.

Contact

Name: Darvin Messer

Phone Number: (817) 886-1744

JOINT PUBLIC NOTICE

U.S. ARMY CORPS OF ENGINEERS, FORT WORTH DISTRICT AND

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SUBJECT: Application for a Department of the Army Permit under Section 404 of the Clean Water Act (CWA) and for water quality certification under Section 401 of the CWA to discharge fill material into waters of the United States (WOUS) associated with the renewal/revision/expansion of the Oak Hill Mine in Rusk County, Texas by Luminant Mining Company LLC.

APPLICANT: Luminant Mining Company LLC (Luminant)

APPLICATION NUMBER: SWF-2012-00124

DATE ISSUED: August 3, 2012

LOCATION: The proposed project area 6,419 acres—of which approximately 5,306 acres remain to be mined within the existing Oak Hill Mine, Railroad Commission of Texas (RCT) Permit Number 46B. The proposed project area is fully within the existing Oak Hill Mine (approximately 26,014 acres) in Rusk County, Texas with the mine center being approximately at Latitude 32° 15' 14" N and Longitude 94° 44' 39" W. The current Oak Hill Mine began extracting lignite (coal) in 1986. The mine is approximately two miles north-northeast of the town of Henderson, Texas (see Figure 1 of 9); is contained within the Henderson, Kilgore SE, Church Hill, and Elderville 7.5-minute USGS quadrangle maps; and is in the following USGS Hydrologic Units 120100020604 (Tiawichi Creek), 120100020605 (Mill Creek-Lake Cherokee), 120100020606 (Lake Cherokee), and 120100020802 (Dry Creek-Martin Lake). The permit area is generally bounded on the south by State Highway 43 and to the east by Rusk County Road 272. The northern boundary follows a northwestward course through the Oak Hill Community to a point approximately 1.5 miles south of Lake Cherokee and continues westward to a point where Tiawichi Creek intersects Rusk County Road 243. The western boundary begins at that point and extends to approximately one mile north of Henderson, Texas, near State Highway 322.

OTHER AGENCY AUTHORIZATIONS: (1) State Water Quality Certification, Texas Commission on Environmental Quality (TCEQ); (2) Texas Pollutant Discharge Elimination System (TPDES) Wastewater Discharge Permit [02644], TCEQ; (3) Water Rights Exemption, TCEQ; (4) TPDES Stormwater Notice of Intent for Construction Activities [TXR15KT01], TCEQ; (5) Stormwater General Permit for Industrial Activities [TXR05K117], TCEQ; (6) Hazardous Waste Permit [TXD000821298], EPA; (7) Surface Mining Permit [46B], RCT; and (8) Solid Waste Registration [34679], TCEQ.

PROJECT DESCRIPTION: The applicant proposes to discharge approximately 127,000 cubic yards of fill material into approximately 78.78 acres of WOUS in conjunction with the continued operation and reclamation of the existing Oak Hill Mine, Permit No. 46B, in Rusk County. Total

permanent impacts to WOUS would include 43.14 acres of forested wetlands, 1.80 acres of scrub-shrub wetlands, 3.41 acres of non-forested wetlands, 10.79 acres of impoundments (stock tanks/ponds), and 131,702 linear feet (lf) of streams, including 39,302 lf of intermittent and 92,400 lf of ephemeral streams (19.64 acres of stream subtotal)(see Figures 7-9 of 9). The proposed mining operation area would consist of 5,306 acres remaining to be mined (see Figures 1-6 of 9). Surface mining operations would continue with conventional open pits excavated by large draglines and supported by standard earth moving equipment such as front-end loaders, hydraulic excavators, hydraulic backhoes, haulers, motor graders, dozers, end dumps, and scrapers. Infrastructure in support of the operation would include (1) construction of ponds and diversions to control surface water drainage, (2) placement of groundwater well fields to dewater overburden, (3) relocation of pipelines, (4) construction of service roads, and (5) closure and/or relocation of a number of county roads to facilitate mine operations and protect public safety. Project timing is for mining to continue as permits are approved by regulatory agencies. Various construction projects and mining operations would involve adverse impacts to waters of the U.S., including wetlands, associated with filling or dredging activities.

Continued mining of the Oak Hill Mine would provide Luminant Generation Company LLC reliable access to a continued source of low cost lignite fuel for the nearby Martin Lake Steam Electric Station. In addition, this fuel resource is necessary to provide continuation of reliable and cost effective electric generation for customers and provide base load electric generation capacity for the Electric Reliability Council of Texas (ERCOT) electric grid.

Appropriate and practicable steps would be taken to avoid, minimize, or mitigate the adverse impacts of the proposed project on the aquatic ecosystem. Current planning for the mine shows avoidance and minimization of adverse impacts to WOUS would be a significant part of the design of the Surface Mining Control and Reclamation Act (SMCRA) permit and Individual Permit—the primary focus being protection of wetlands and other WOUS associated with Mill Creek, Tiawichi Creek, and Wasson Branch floodplains. Approximately 410.13 acres of wetlands and 29,872 linear feet (6.48 acres) of streams are projected to be avoided with minimization planning due to the strategic location of mining activities.

After consideration of all available options, the applicant proposes to mitigate for unavoidable losses of WOUS by construction of various WOUS within the areas of the mine site proposed to be reclaimed, as is standard practice for surface mining activities. Baseline ecological conditional assessments of proposed aquatic resource impacts sites, existing reclaimed/restored aquatic resources within older areas of the mine, and regional aquatic resource reference sites were performed utilizing the Texas Rapid Assessment Method (TXRAM). Additionally, future conditions of aquatic resource restoration sites were predicted using TXRAM. Proposed mitigation work would utilize principles of natural channel design and fluvial geomorphology to reclaim/restore stream and wetland hydrology and buffers with the requirement that all created/restored waters meet the definition of WOUS. Stream design information would be submitted for USACE and resource agency review prior to construction of mitigation streams. The information would include but not be limited to plan, profile, and dimension measurements based on appropriate regional hydrographic and geomorphological data and successful as-built streams/systems on and/or near the mine site.

PUBLIC INTEREST REVIEW FACTORS: This application will be reviewed in accordance with 33 CFR 320-331, the Regulatory Program of the U. S. Army Corps of Engineers (USACE), and other pertinent laws, regulations, and executive orders. Our evaluation will also follow the guidelines published by the U. S. Environmental Protection Agency pursuant to Section 404(b)(1) of the CWA. The decision whether to issue a permit will be based on an evaluation of the probable impact, including cumulative impact, of the proposed activity on the public interest. That decision will reflect the national concerns for both protection and utilization of important resources. The benefits which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered, including its cumulative effects. Among the factors addressed are conservation, economics, aesthetics, general environmental concerns, wetlands, historic properties, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shore erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people.

The USACE is soliciting comments from the public; federal, state, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the USACE in determining whether to issue, issue with modifications or conditions, or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

STATE WATER QUALITY CERTIFICATION: This project incorporates the requirements necessary to comply with the Texas Commission on Environmental Quality's (TCEQ) Tier II project criteria. Tier II projects are large projects that affect more than three (3) acres of waters of the United States and/or 1,500 linear feet or more of streams. They also include projects that impact rare and ecologically significant wetlands and would not qualify for a Tier I review or for which the applicant elects not to incorporate Tier I Best Management Practices (BMPs) including the applicant choosing to use alternative BMPs. Accordingly, a request for 401 certification is necessary, and there will be additional TCEQ review.

ENDANGERED AND THREATENED SPECIES: The USACE has reviewed the U.S. Fish and Wildlife Service's (USFWS) latest published version of endangered and threatened species to determine if any may occur in the project area. The proposed project is located in Rusk County where no species are federally (U.S. Fish and Wildlife Service) listed. No sightings of federally listed threatened or endangered species or species of special concern have occurred or were recorded within the limits of the proposed Project Area during environmental baseline studies and field reconnaissance, and initial review indicates that the proposed work would have no adverse effects on any federally-listed endangered or threatened species.

NATIONAL REGISTER OF HISTORIC PLACES (NRHP): The applicant proposes to address historic properties and cultural resources in accordance with the requirements of Section 106 of the National Historic Preservation Act and through direct consultation with applicable agency officials and other stakeholders. An integral part of the permit application process involves comprehensive cultural resource surveys for, at a minimum, the five-year project area term to determine the presence or evidence of significant historic or archaeological sites within the project area that could be affected by the proposed mining activities. Several historic properties and cultural resource sites have been identified in the region. However, no cultural resource sites listed on the National Register of Historic Places (NRHP), eligible for listing on the NRHP, or with an unknown NRHP status will be impacted by mine-related activities unless the proper approvals are received from the Texas Historical Commission and RCT.

FLOODPLAIN MANAGEMENT: The USACE is sending a copy of this public notice to the local floodplain administrator. In accordance with 44 CFR part 60 (Flood Plain Management Regulations Criteria for Land Management and Use), the floodplain administrators of participating communities are required to review all proposed development to determine if a floodplain development permit is required and maintain records of such review.

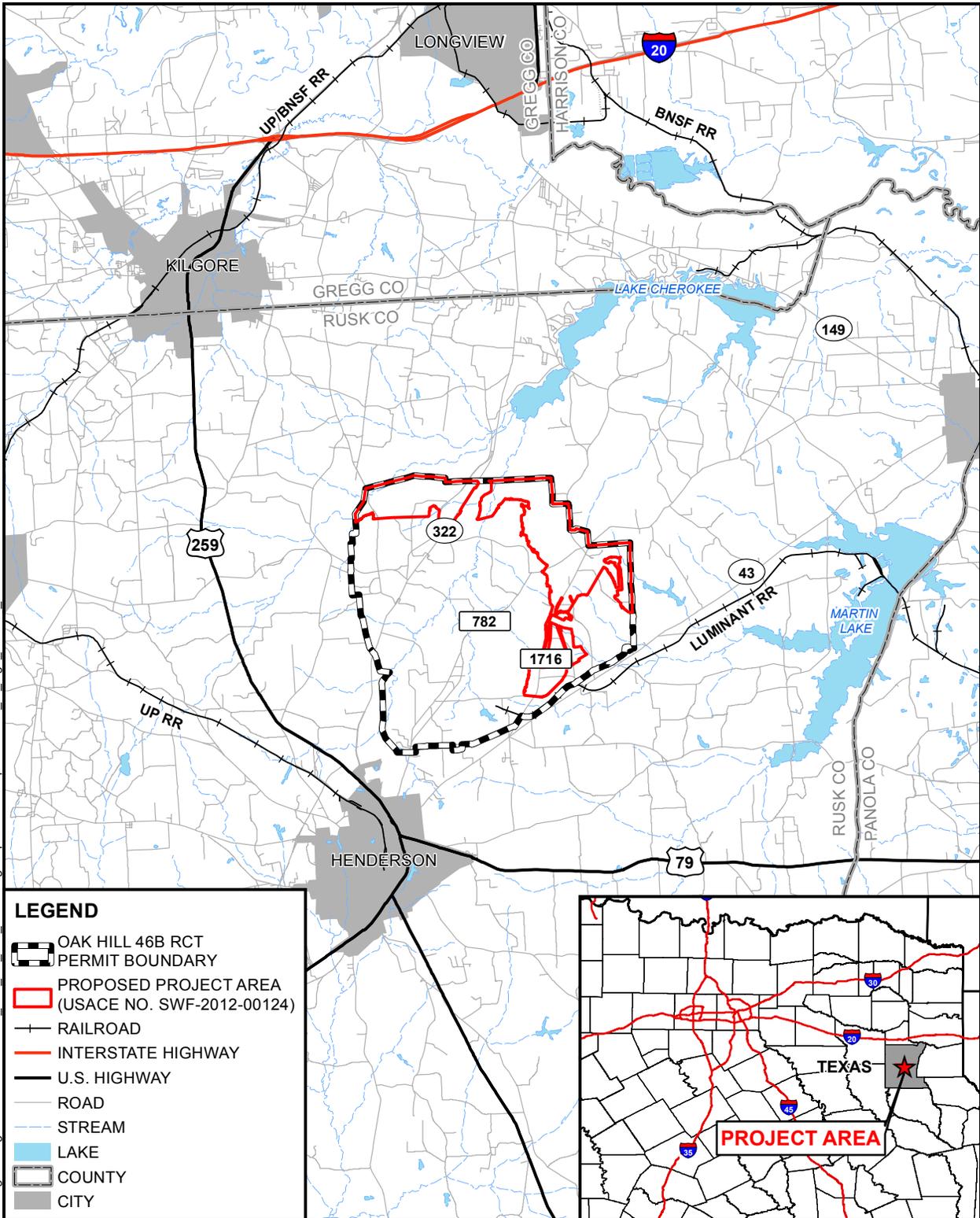
SOLICITATION OF COMMENTS: The public notice is being distributed to all known interested persons in order to assist in developing facts upon which a decision by the USACE may be based. For accuracy and completeness of the record, all data in support of or in opposition to the proposed work should be submitted in writing setting forth sufficient detail to furnish a clear understanding of the reasons for support or opposition.

PUBLIC HEARING: Prior to the close of the comment period, any person may make a written request for a public hearing setting forth the particular reasons for the request. The District Engineer will determine whether the issues raised are substantial and should be considered in his permit decision. If a public hearing is warranted, all known interested persons will be notified of the time, date, and location.

CLOSE OF COMMENT PERIOD: All comments pertaining to this Public Notice must reach this office on or before September 4, 2012, which is the close of the comment period. Extensions of the comment period may be granted for valid reasons provided a written request is received by the limiting date. If no comments are received by that date, it will be considered that there are no objections. Comments and requests for additional information should be submitted to: Regulatory Branch, CESWF-PER-R; U. S. Army Corps of Engineers; Post Office Box 17300; Fort Worth, Texas 76102-0300. You may visit the Regulatory Branch in Room 3A37 of the Federal Building at 819 Taylor Street in Fort Worth between 8:00 A.M. and 3:30 P.M., Monday through Friday. Telephone inquiries should be directed to (817) 886-1731. Please note that names and addresses of those who submit comments in response to this public notice may be made publicly available.

DISTRICT ENGINEER
FORT WORTH DISTRICT
CORPS OF ENGINEERS

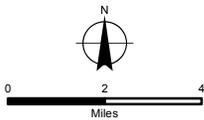
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LEGEND

-  OAK HILL 46B RCT PERMIT BOUNDARY
-  PROPOSED PROJECT AREA (USACE NO. SWF-2012-00124)
-  RAILROAD
-  INTERSTATE HIGHWAY
-  U.S. HIGHWAY
-  ROAD
-  STREAM
-  LAKE
-  COUNTY
-  CITY

**INDIVIDUAL PERMIT
OAK HILL MINE**
USACE PROJECT NO. SWF-2012-00124
GENERAL LOCATION MAP

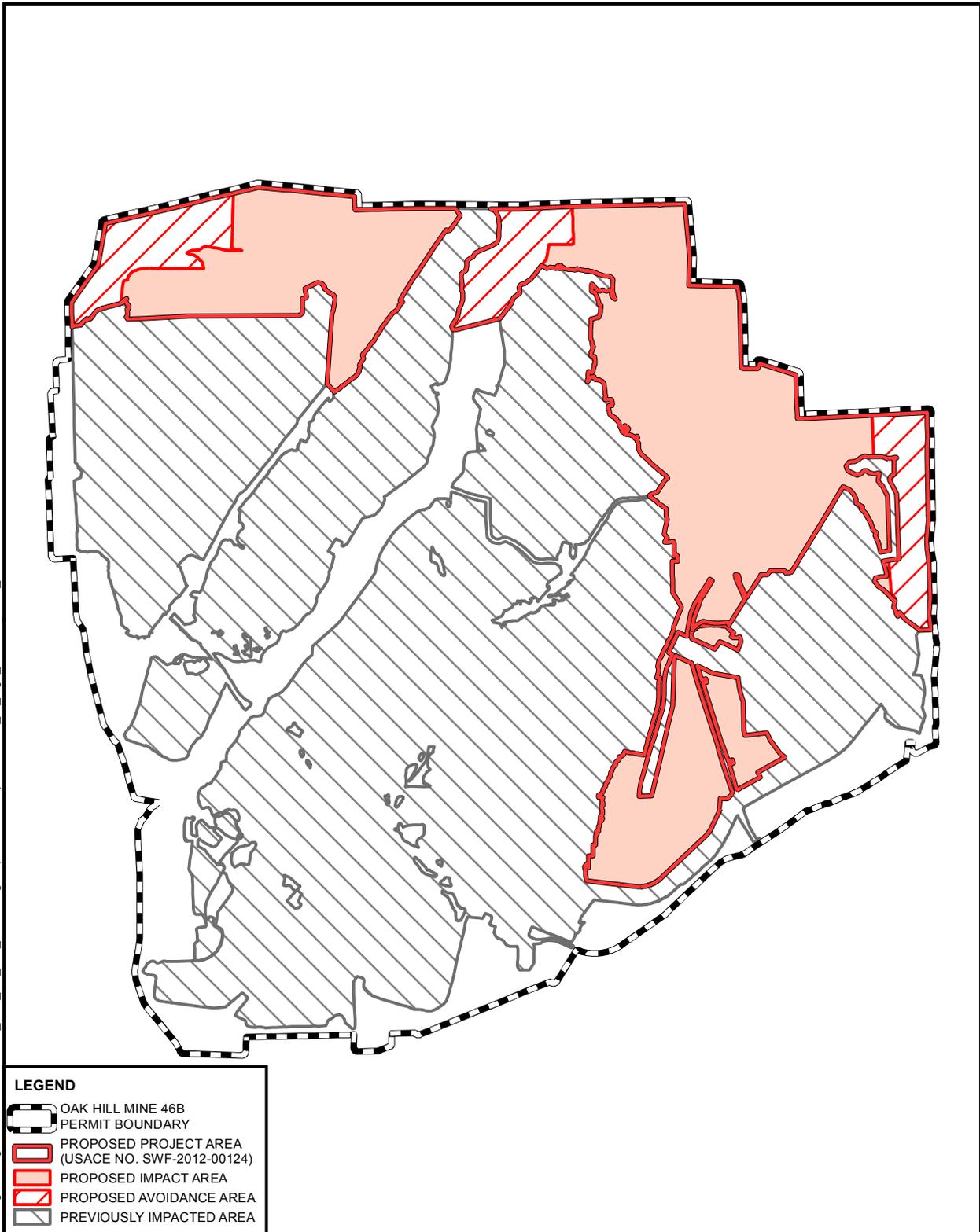


HDR HDR Engineering, Inc.
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Dallas, TX 75248-1232
972-960-4400

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FIGURE 1

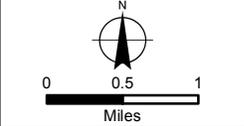
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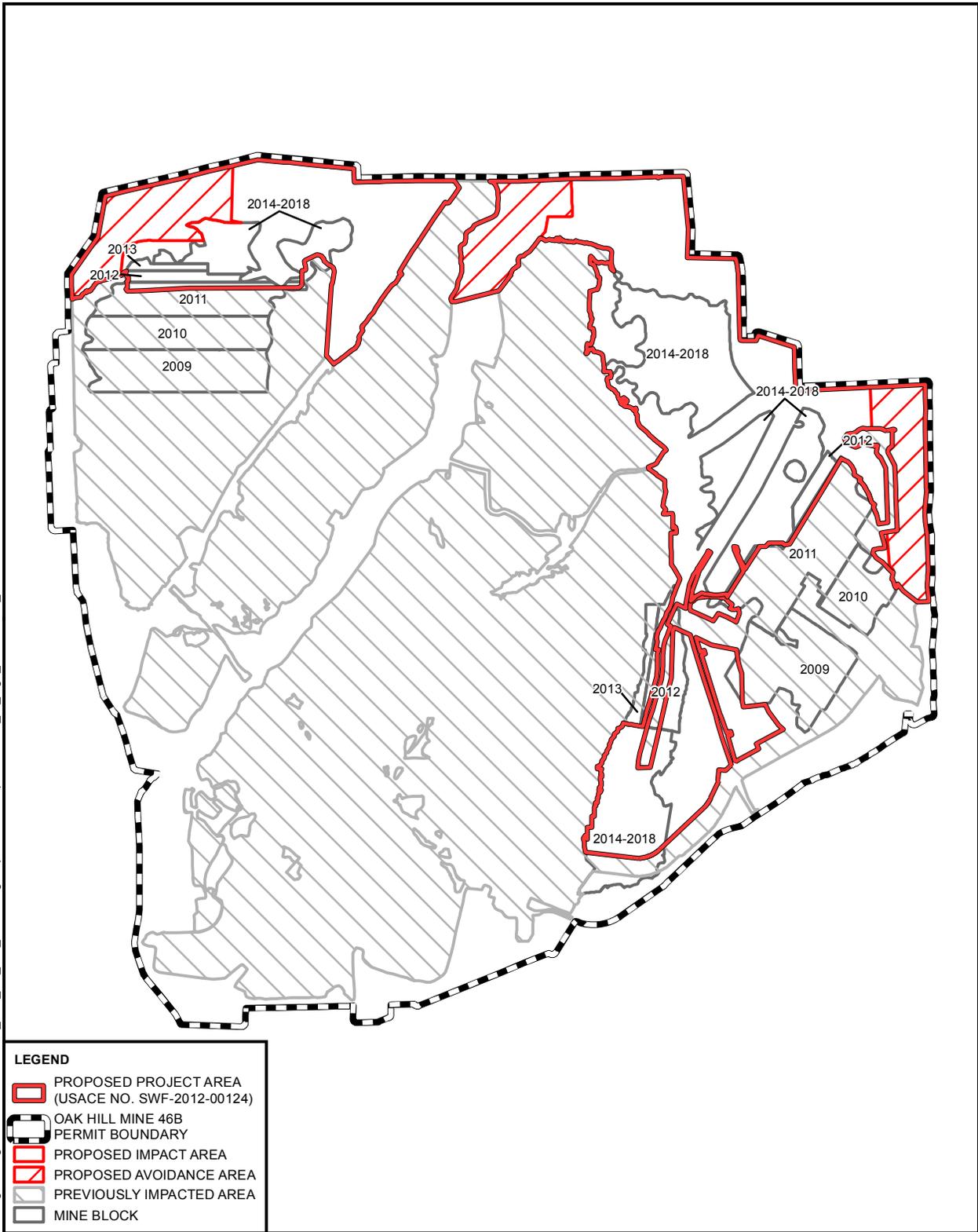
- OAK HILL MINE 46B PERMIT BOUNDARY
- PROPOSED PROJECT AREA (USACE NO. SWF-2012-00124)
- PROPOSED IMPACT AREA
- PROPOSED AVOIDANCE AREA
- PREVIOUSLY IMPACTED AREA

**INDIVIDUAL PERMIT
OAK HILL MINE
USACE PROJECT NO. SWF-2012-00124
PREVIOUS/CURRENT USACE
AUTHORIZATIONS**



HDR Engineering, Inc. 17111 Preston Rd. Suite 200 Dallas, TX 75248-1232 972-960-4400	JUL 2012	FIGURE 2
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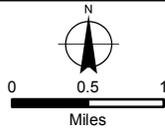
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LEGEND

-  PROPOSED PROJECT AREA (USACE NO. SWF-2012-00124)
-  OAK HILL MINE 46B PERMIT BOUNDARY
-  PROPOSED IMPACT AREA
-  PROPOSED AVOIDANCE AREA
-  PREVIOUSLY IMPACTED AREA
-  MINE BLOCK

**INDIVIDUAL PERMIT
OAK HILL MINE**
USACE PROJECT NO. SWF-2012-00124
PROJECTED SEQUENCE OF MINING

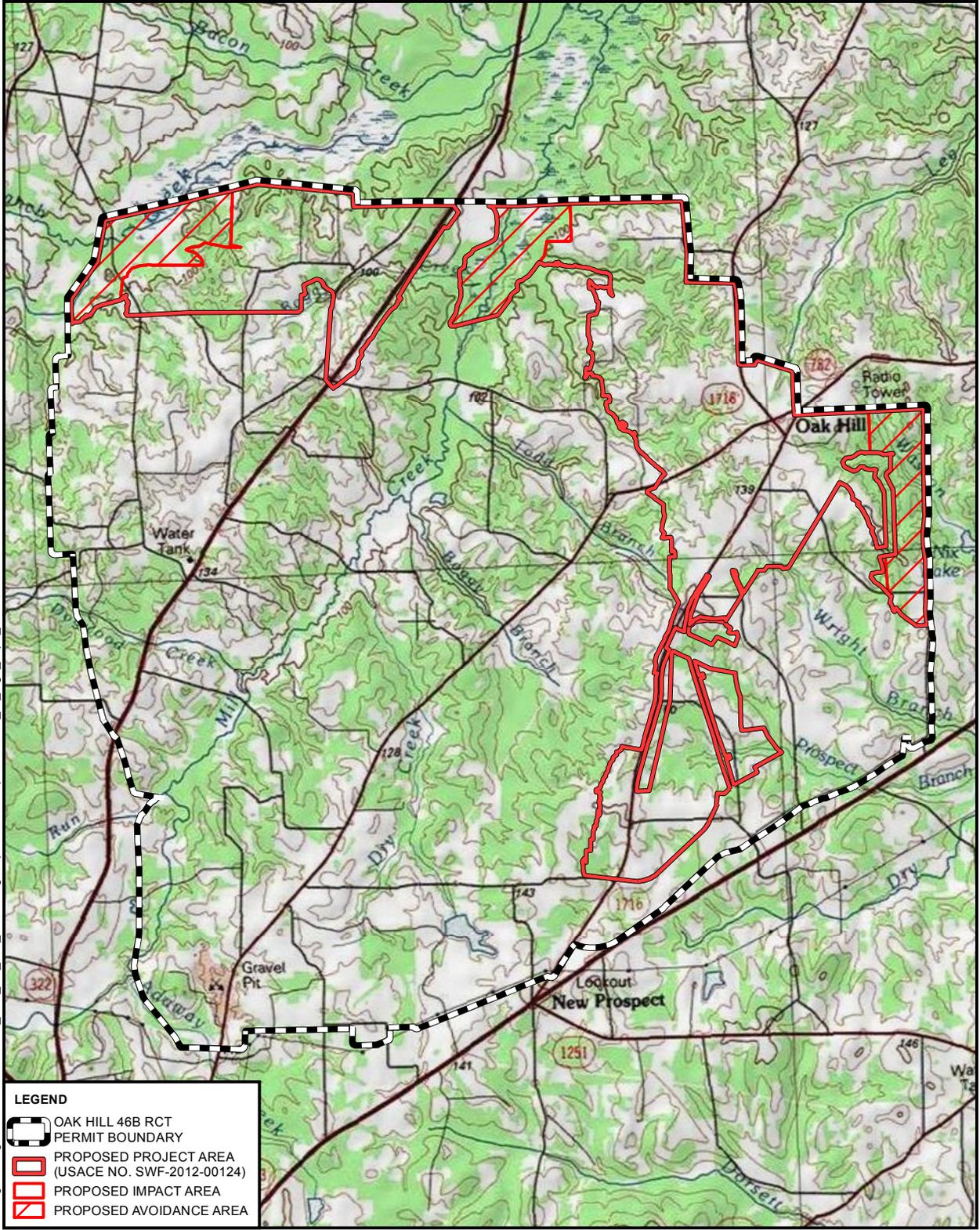


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FIGURE 3

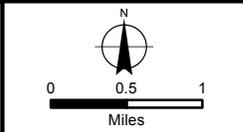
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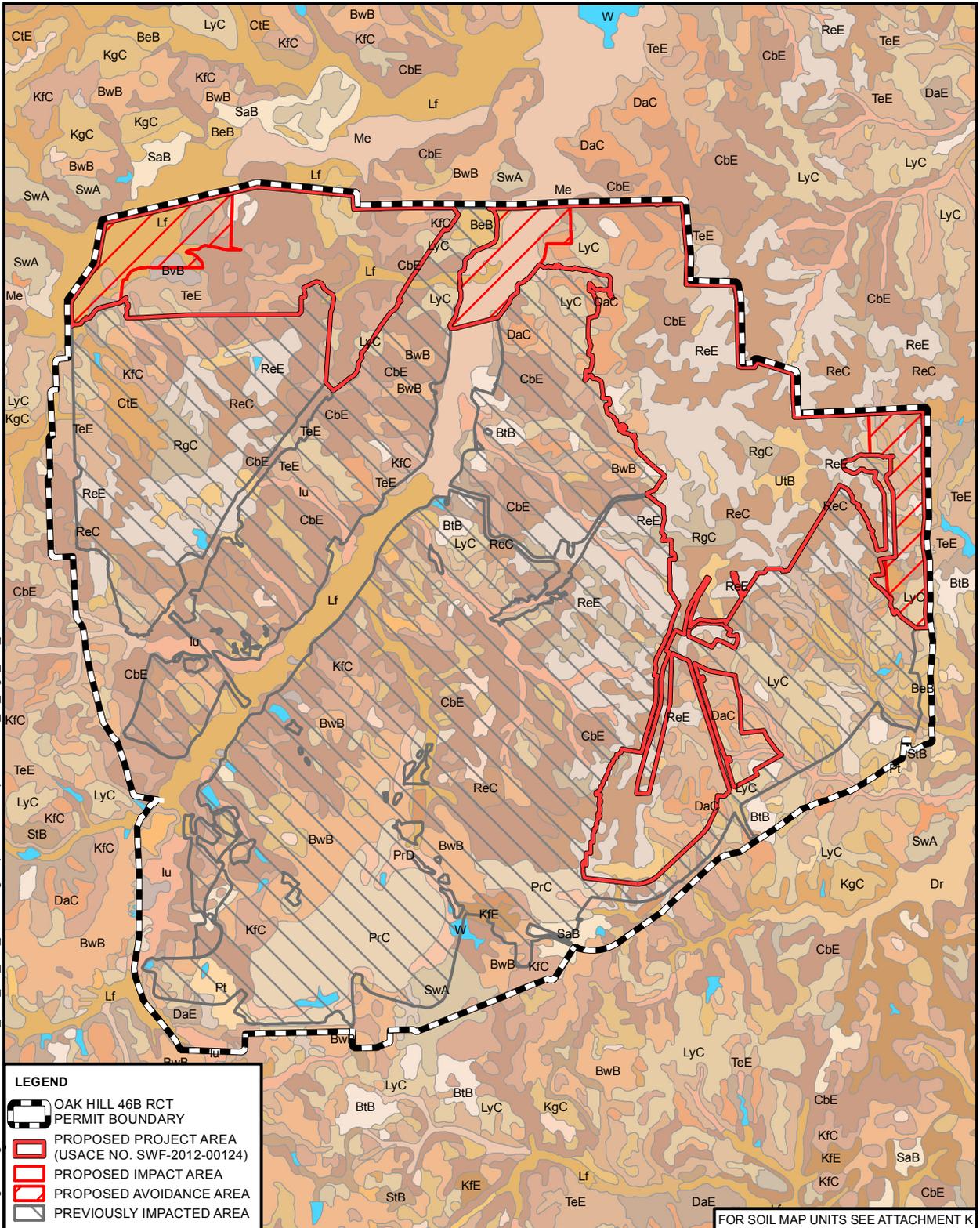
- OAK HILL 46B RCT PERMIT BOUNDARY
- PROPOSED PROJECT AREA (USACE NO. SWF-2012-00124)
- PROPOSED IMPACT AREA
- PROPOSED AVOIDANCE AREA

**INDIVIDUAL PERMIT
OAK HILL MINE
USACE PROJECT NO. SWF-2012-00124
TOPOGRAPHIC FEATURES**



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	JUL 2012	FIGURE 4

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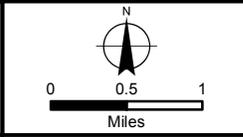


LEGEND

- OAK HILL 46B RCT PERMIT BOUNDARY
- PROPOSED PROJECT AREA (USACE NO. SWF-2012-00124)
- PROPOSED IMPACT AREA
- PREVIOUSLY IMPACTED AREA

FOR SOIL MAP UNITS SEE ATTACHMENT K

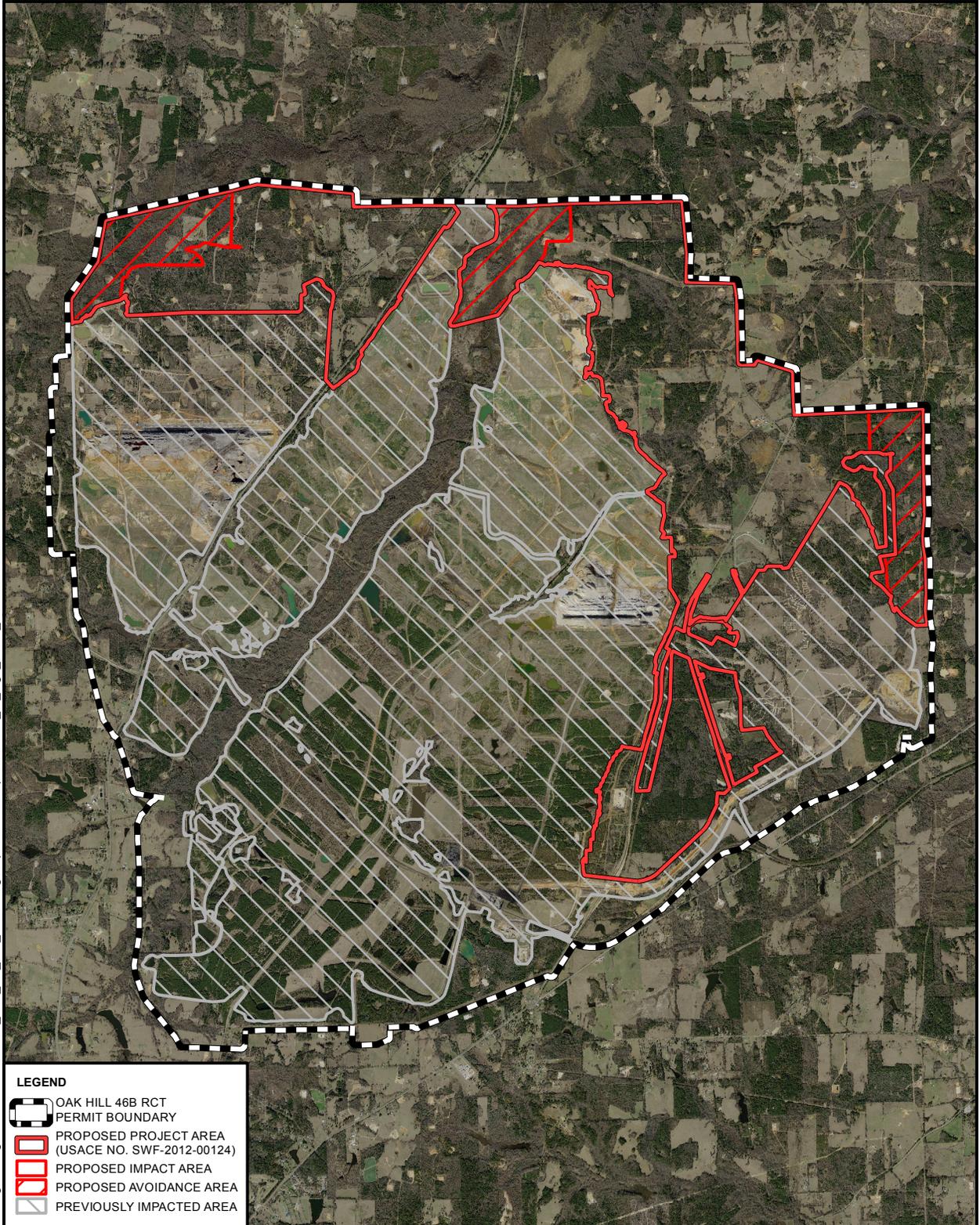
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OAK HILL MINE
USACE PROJECT NO. SWF-2012-00124
SOIL FEATURES**



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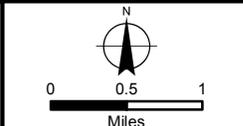
JUL 2012	FIGURE 5
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- LEGEND**
-  OAK HILL 46B RCT PERMIT BOUNDARY
 -  PROPOSED PROJECT AREA (USACE NO. SWF-2012-00124)
 -  PROPOSED IMPACT AREA
 -  PROPOSED AVOIDANCE AREA
 -  PREVIOUSLY IMPACTED AREA

**INDIVIDUAL PERMIT
OAK HILL MINE**
USACE PROJECT NO. SWF-2012-00124
AERIAL PHOTOGRAPH

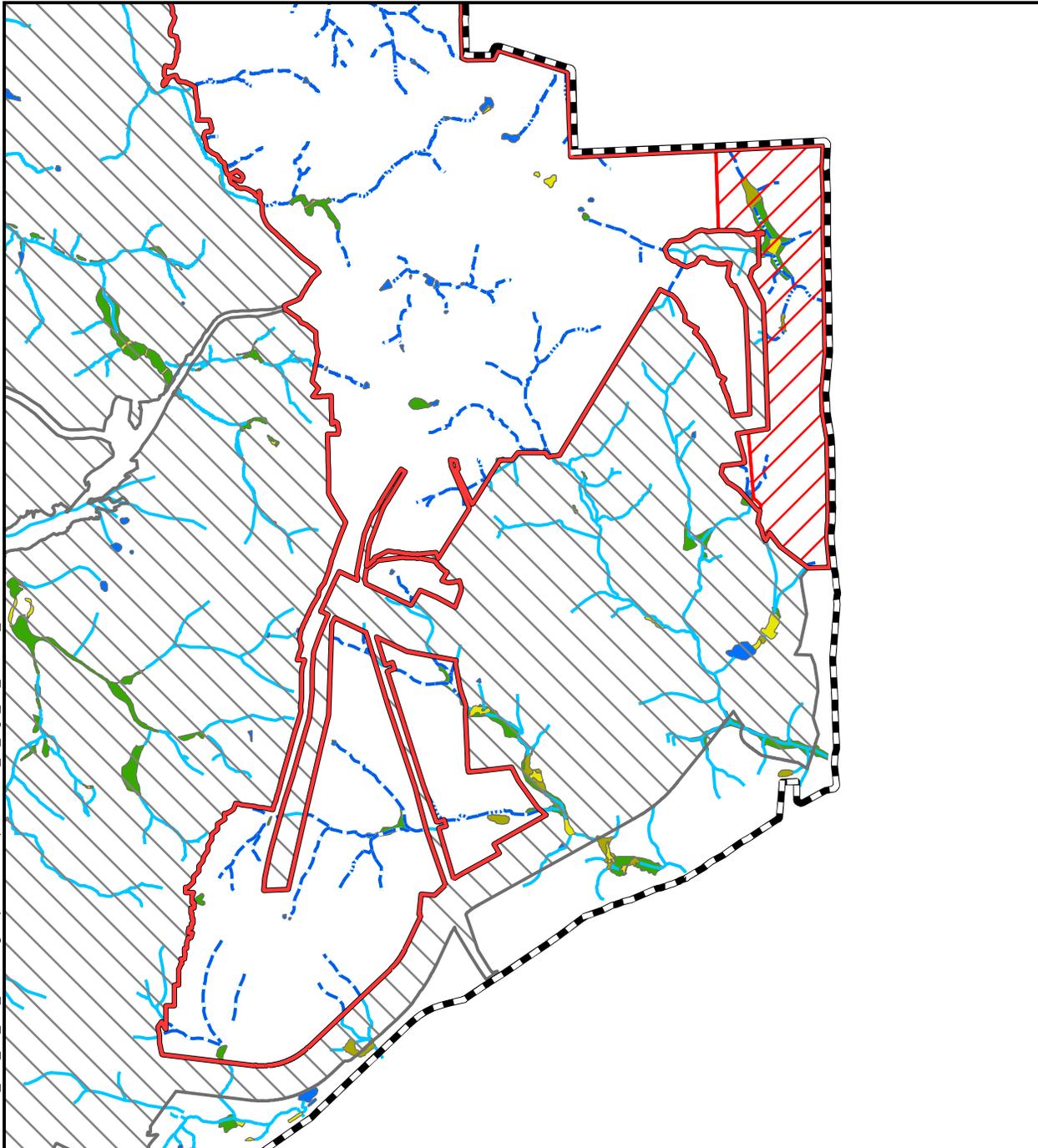


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FIGURE 6

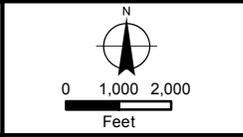
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WATERS OF THE U.S. DELINEATED BY PBS&J IN 1991, 1994, AND 2008.

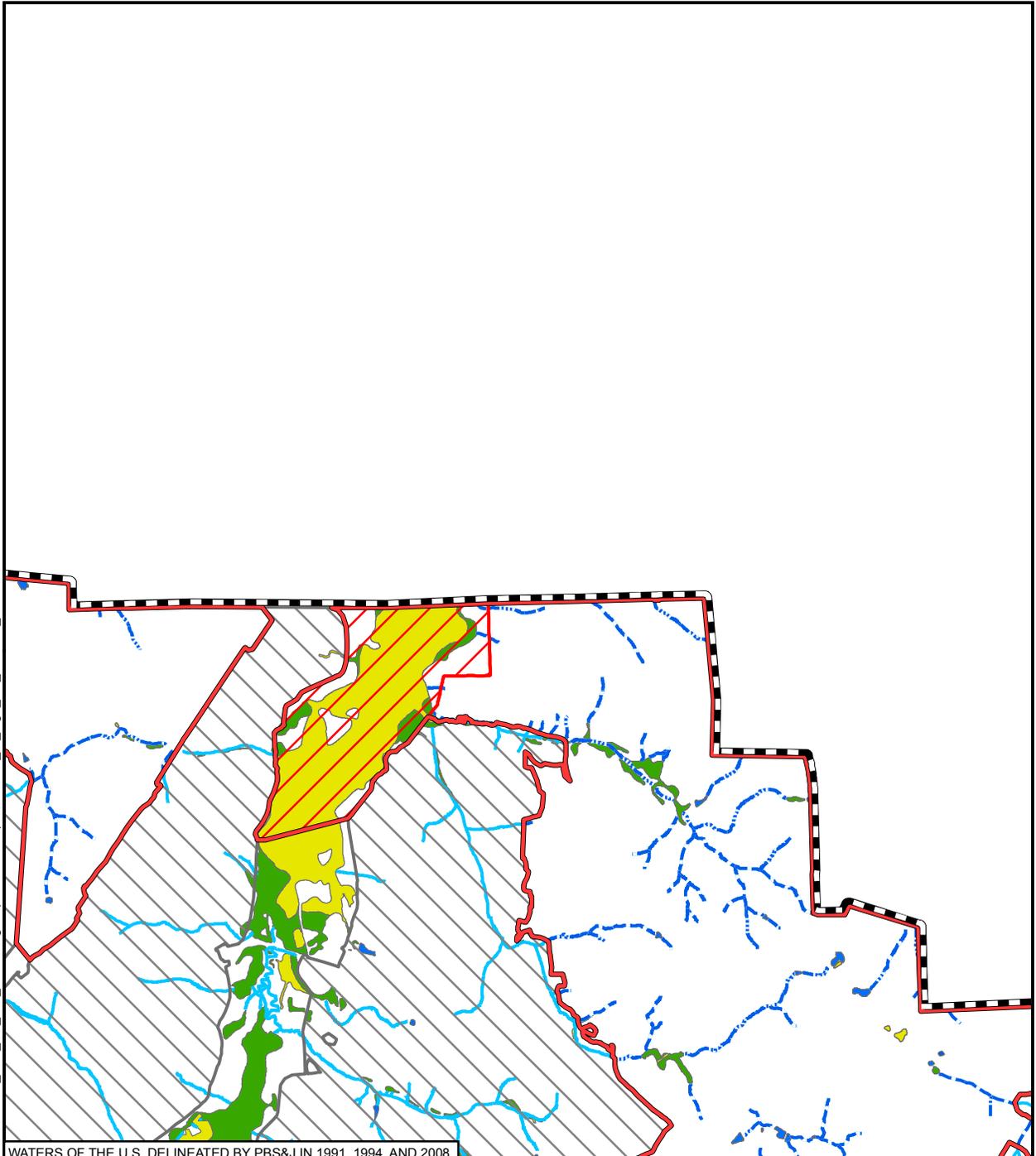
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EPHEMERAL STREAM	POND	OAK HILL MINE 46B RCT PERMIT BOUNDARY	PROPOSED IMPACT AREA
INTERMITTENT STREAM	FORESTED WETLAND	PROPOSED PROJECT AREA	PREVIOUSLY IMPACTED AREA
PERENNIAL STREAM	NON-FORESTED WETLAND	(USACE NO. SWF-2012-00124)	
PREVIOUSLY IMPACTED STREAM	SCRUB-SHRUB WETLAND		

**INDIVIDUAL PERMIT
OAK HILL MINE**
USACE PROJECT NO. SWF-2012-00124
WATERS OF THE U.S.



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	JUL 2012	FIGURE 7

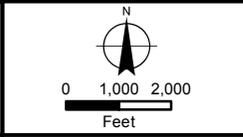
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WATERS OF THE U.S. DELINEATED BY PBS&J IN 1991, 1994, AND 2008.

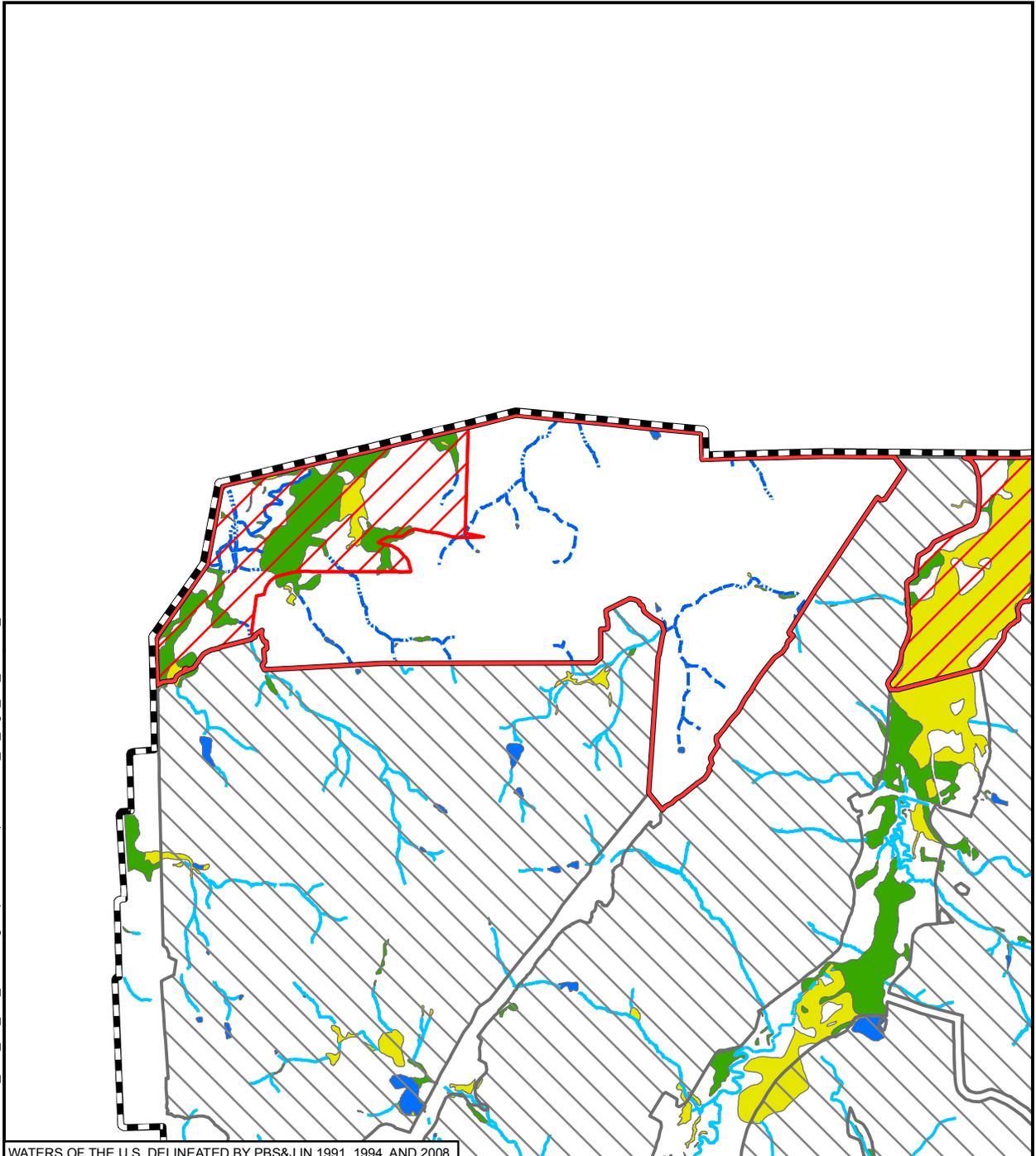
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WATERS OF THE U.S.		NOT WATERS OF THE U.S.	
--- EPHEMERAL STREAM	■ POND	□ OAK HILL MINE 46B RCT	□ PROPOSED IMPACT AREA
- - - INTERMITTENT STREAM	■ FORESTED WETLAND	□ PERMIT BOUNDARY	□ PROPOSED AVOIDANCE AREA
— PERENNIAL STREAM	■ NON-FORESTED WETLAND	□ PROPOSED PROJECT AREA	□ PREVIOUSLY IMPACTED AREA
— PREVIOUSLY IMPACTED STREAM	■ SCRUB-SHRUB WETLAND	□ (USACE NO. SWF-2012-00124)	

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	JUL 2012	FIGURE 8

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WATERS OF THE U.S. DELINEATED BY PBS&J IN 1991, 1994, AND 2008.

LEGEND

WATERS OF THE U.S.

- EPHEMERAL STREAM
- ... INTERMITTENT STREAM
- PERENNIAL STREAM
- PREVIOUSLY IMPACTED STREAM

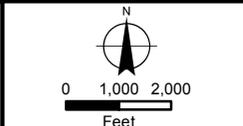
- POND
- FORESTED WETLAND
- NON-FORESTED WETLAND
- SCRUB-SHRUB WETLAND

NOT WATERS OF THE U.S.

- OAK HILL MINE 46B RCT PERMIT BOUNDARY
- PROPOSED PROJECT AREA (USACE NO. SWF-2012-00124)

- PROPOSED IMPACT AREA
- PROPOSED AVOIDANCE AREA
- PREVIOUSLY IMPACTED AREA

**INDIVIDUAL PERMIT
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FIGURE 9