

THE NAVAJO NATION DIVISION OF NATURAL RESOURCES



MINERALS DEPARTMENT

Land • Water • Power • Quality of Life

NAVAJO NATION MINERALS DEPARTMENT: STEWARDSHIP, REVENUE, AND RESPONSIBLE DEVELOPMENT.

NAVAJO NATION MINERALS DEPARTMENT
DIVISION OF NATURAL RESOURCES
DNR EXPO 2026



Land • Water • Power • Quality of Life



WHY THE MINERALS DEPARTMENT MATTERS

- ✓ We manage and protect Navajo mineral assets.
- ✓ We ensure equitable compensation.
- ✓ We support responsible development.
- ✓ We safeguard resources for future generations.





NAVAJO LAND AND ITS RESOURCES

- **Beneath Navajo lands are coal-bearing formations, oil and gas basins, industrial minerals, and specialty resources.**
- **These resources are held in trust, with the Navajo Nation holding beneficial interest.**
- **Development decisions today affect economic stability for future generations.**
- **Stewardship requires technical review, oversight, and long-term planning.**

Minerals Department – Mission: To responsibly manage Navajo mineral resources, ensure fair compensation, and support sustainable development consistent with Navajo Nation law.



WHY MINERALS MATTER TO THE NATION

- **Generate revenue for Navajo Nation government operations and programs**
 - **Support Public Service, including education, healthcare, public safety programs, and other services.**
- **Provide direct and indirect employment opportunities**
- **Require environmental safeguards and compliance oversight**
- **Influence long-term land use and economic strategy through technical support**
- **Promotes sovereignty by creating revenue and economic development**

CORE RESPONSIBILITIES



- **Oil & Gas lease review and production oversight**
- **Coal mining oversight and coordination**
- **Solid mineral permitting and evaluation**
- **Energy-related land valuation (ROW, easements, leases)**
- **Participation in the Navajo 164 Review process**
- **Royalty review, valuation, and revenue verification**
- **Coordination of federally funded inspection and audit programs**
- **Assist other Navajo Nation entities with negotiations of mining contracts, minerals exploration and development proposals, and other energy-related projects.**

HOW WE ARE STRUCTURED



Core Minerals Staff:

- **Director**
- **Senior Office Specialist**
- **Senior Accountant**
- **Senior Mining Engineer**
- **Senior Geologist**

Federally Funded Programs:

1. **Minerals Audit Program (MAP)**
2. **Oil & Gas Inspection Program**
3. **Mine Safety & Health Program**
4. **Surface Mining Program (SMP)**

WHAT IS THE NAVAJO 164 REVIEW? (MINERALS ROLE FOCUSED)



- A formal review process for ROW, TAA, and land leases
- Includes technical, economic, and compliance review
- Economic review involves the determination of compensation

Why is the 164 Review important?

- To protect Navajo lands before approval, provide technical due diligence, and estimate fair value
- Calculation of compensation consideration based upon type of use (ROW, TAA, land lease) including the term of project and payment structure

EXAMPLES OF ROWS AND LEASES (CONTEXT + MINERALS LENS)



Examples of Rights-of-Way:

- Roads
- Waterlines and gas lines
- Transmission lines
- Distribution lines (utility-fiber optics)
- Temporary Construction Easements (TCE)

Examples of Land/Mineral Leases:

- Educational
- Mining/oil & gas/sand & gravel
- Religious
- Agricultural
- Public use
- Renewable energy: solar, wind



COMPENSATION CONSIDERATION

- **NN Trust Lands**
- **Determination on how we value our land**
- **Outside the Nation, land has a value given in \$/sq.ft. or \$/acre**
- **For the Nation, not only is it valued in \$/acre (area) or \$/rod (linear)**
- **There is also a cultural and traditional value to our land that must be taken into consideration**
- **Scholarship payments are typically part of the consideration**
- **Community benefits – not a new concept but emphasis will be place upon the overall benefits to a chapter vs. a grazing permittee holder**
- **Compensation Consideration is based upon the following:**
- **The term (in years) the company is seeking.**
- **Will the disturbance include anything below the surface (like pipelines)?**
- **For example, a ROW corridor is confined to a linear component. How many ancillary areas will be needed in addition to the corridor?**
- **Depending on the project, do we calculate on a \$/acre or \$/rod basis? Which makes more sense? Do not want to compare apples to oranges.**
- **What payment structure is the company seeking? What is the NPV of project compared to the future value if paid in a lump sum?**

NEGOTIATION PROCESS



- **Confidentially**
- **Nation prepares an offer to company**
- **Company either will accept the offer or provide a counter-offer**
- **May involve a ‘trade-off’ for conditions that are acceptable to both the Nation and the company**
- **Resolution and Agreement (in broad terms, a “terms & condition” that a company must follow)**
- **Effective date**
- **Payments are subjected to an annual escalation or by CPI**

REVENUE, ENERGY & COMMUNITY BENEFITS



- Review monthly production reports
- Apply federal valuation regulations
- Verify royalty calculations
- Coordinate audit findings
- Conduct land valuation for ROW and leases
- Support forecasting and budgeting

REVENUES COLLECTED IN FY 2025



- Coal Royalties = \$34.9M
- Oil & Gas Royalties = \$29.2M
- Rights-of-Way = \$ 43.4M
- Sand & Gravel Royalties = 176K

FY2025 Grand Total = \$107.8M

BEYOND REVENUE: COMMUNITY BENEFITS



Long-term economic benefits extend beyond direct payments:

- **“Navajo Scholarship”**
 - **Annual contributions to the Navajo Nation Scholarship Office (Certain mineral agreements include scholarship provisions)**
- **Long-term educational investment**
- **Economic benefits beyond direct royalties**

FEDERALLY FUNDED PROGRAMS – SURFACE MINING PROGRAM (SMP)



Surface Mining Program

- U.S. Office of Surface Mining Reclamation and Enforcement (OSMRE) is the Regulatory Authority on all Indian Lands-Receives, Reviews, and is the decision-maker on all Surface Coal Mining Federal Permits.
- OSMRE Works with Tribal Nations: Tribal Governments, BIA, and BLM on all Surface Mining Control and Reclamation Act (SMCRA) Activities.
- Inspect each mine with the Minerals Department - Surface Mining Program Monthly and with other agencies such as BIA and BLM.

SMP – ROLES & FUNCTIONS



- Created under a Cooperative Agreement with OSMRE under Title V of the Surface Mining Control and Reclamation Act of 1977 (SMCRA).
- Operates under a grant from OSMRE since the early 1980's.
- Does not have Enforcement or Permitting Authority.
- Participates in joint mandatory inspections of surface coal mines with OSMRE inspectors monthly to ensure coal mining operations are conducted in an environmentally responsible manner, and that Navajo Nation land is adequately reclaimed during and following the mining process.
- Reviews Permit Revisions of surface coal mines and submits a report to OSMRE.
- Participates in public outreach process with the federal agencies during the preparation of Environmental Impact Statement (EIS) or Environmental Assessment (EA) and submits comments.

NAVAJO NATION SURFACE COAL MINES



Peabody Western Coal Company (PWCC)

- Black Mesa Mine.
- Kayenta Mine.

ONEOK, Inc.

- Black Mesa Pipeline Facilities.

Navajo Transitional Energy Company (NTEC)

- Navajo Mine
- Pinabete Mine.

Chevron Mining Inc. (CMI)

- McKinley Mine North.

LAND JURISDICTIONS & LAND RELEASES



- **Kayenta / Black Mesa Mines, Navajo Mine and McKinley Mine have three different land jurisdictions throughout the permit area.**
- **Pre-Law Lands – United States Geological Survey (USGS) standards, Pre-SMCRA; disturbance prior to 1977**
 - **No Phase Bond Releases and TOJ. BIA is the Regulatory Authority (RA) for Pre-law lands and have to approve lease relinquishment before it is turned over to the Navajo Nation.**
- **Initial or Interim Program Lands – Part 710 of SMCRA; disturbance between 1977 – 1983**
 - **No Phase Bond Releases but goes through TOJ application. OSMRE approves the application and BIA approves the lease relinquishment.**
- **Permanent Program Lands – Part 816 of SMCRA; disturbance after 1983 to present**
 - **Three (3) Phase Bond Release processes (Phase I, Phase II, and Phase III). OSMRE approves the applications and BIA approves the lease relinquishment.**



SMP - INSPECTION RESPONSIBILITIES (1/2)

COMPLETE INSPECTION

- 1 per quarter per mine
- 2-3 days in length
- Overall Mine Inspection
- Documents and Records Review

PARTIAL INSPECTION

- 2 per quarter per mine
- 1-2 days in length
- Site-specific locations and follow-ups



SMP - INSPECTION RESPONSIBILITIES (2/2)



BOND RELEASE INSPECTIONS

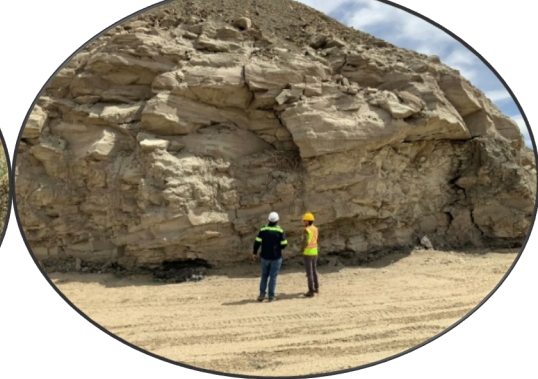
- Phase One, Two, Three, or Termination of Jurisdiction (TOJ)
 - Phase 1 = Pit backfilling, regrading, and drainage control provisions.
 - Phase 2 = Perennial vegetation in accordance with the mine's approved reclamation plan.
 - Phase 3 / TOJ = successful completion of all reclamation activities required in the approved permit.
- Field inspections conducted with representatives from OSMRE, SMP, Bureau of Indian Affairs (BIA), Bureau of Land Management (BLM), mine operator, and other interested parties.



CITIZENS' COMPLAINTS



- A private citizen may file a formal request to OSMRE regarding issues at a mine.
- OSMRE will follow up with the citizen and collect information.
- OSMRE, along with SMP, will schedule a mine site visit with the citizen(s).
- Additional field visits may be requested.
- After information has been collected and site visits conducted, OSMRE will send an official response letter back to the citizen(s) with its findings and recommendations to the mine operator.



PEABODY WESTERN COAL COMPANY, KAYENTA MINE COMPLEX LEASE



LEASE APPROVED:

June 6, 1966 on the Navajo-Hopi Use Area
(64,858 acres)

14-20-0603-8580 (Navajo
Lease)

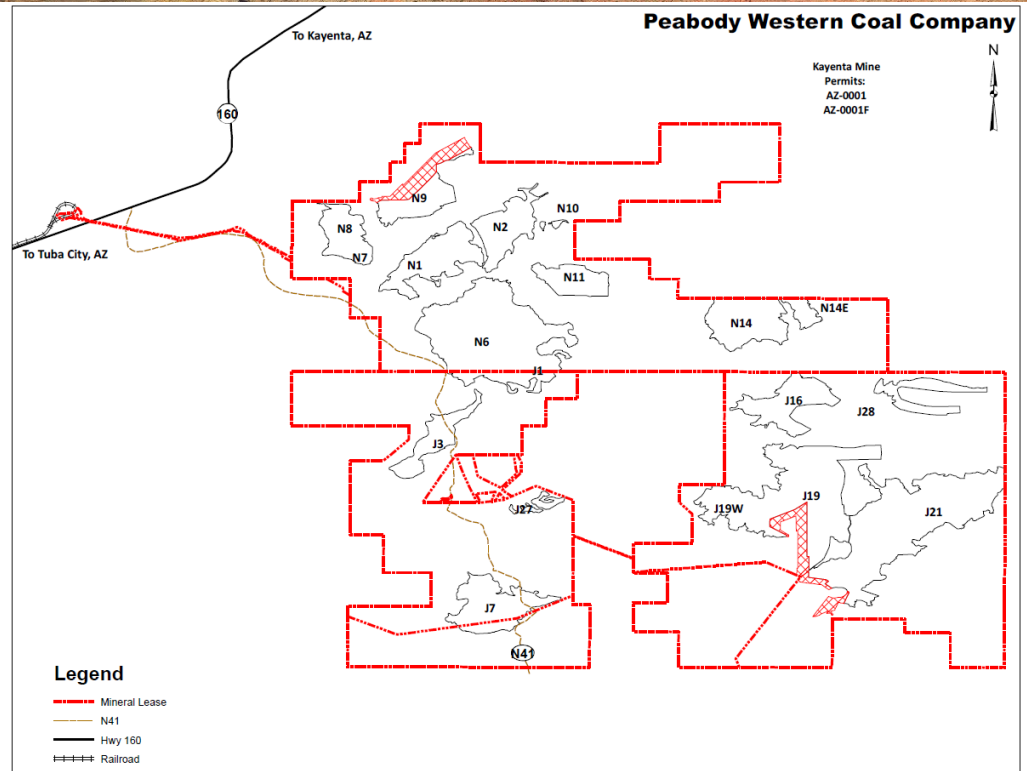
24,858 acres

14-20-0603-9910 (Joint
Lease)

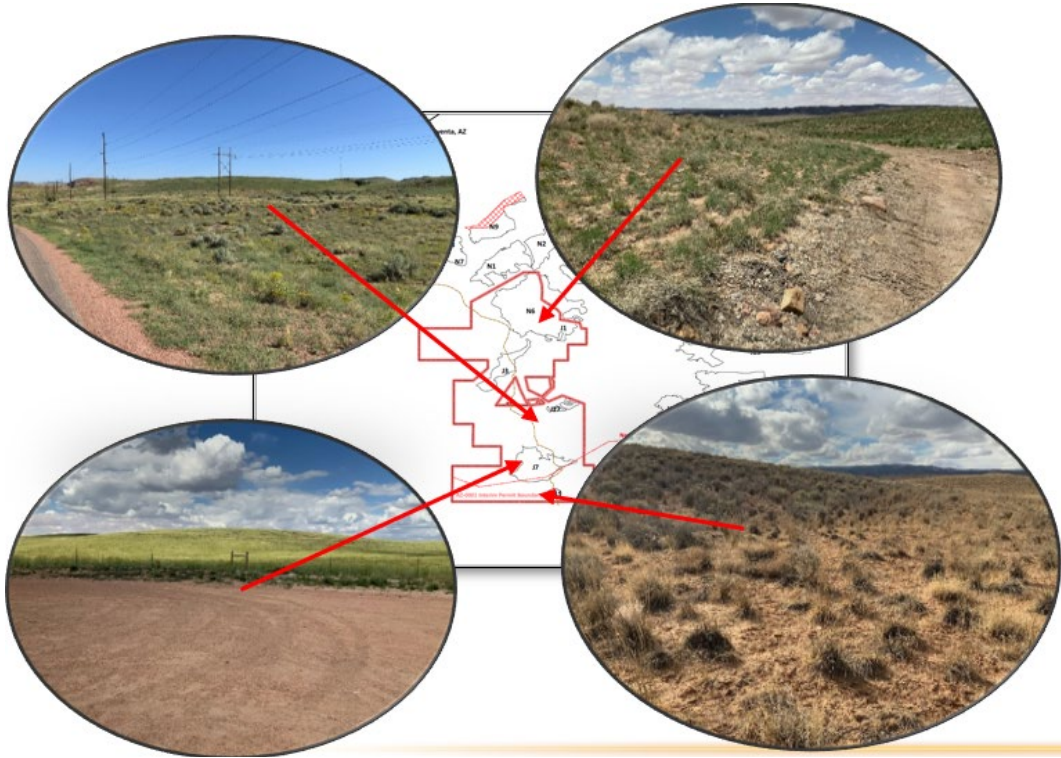
33,863 acres

14-20-0603-5743 (Hopi
Lease)

6,137 acres

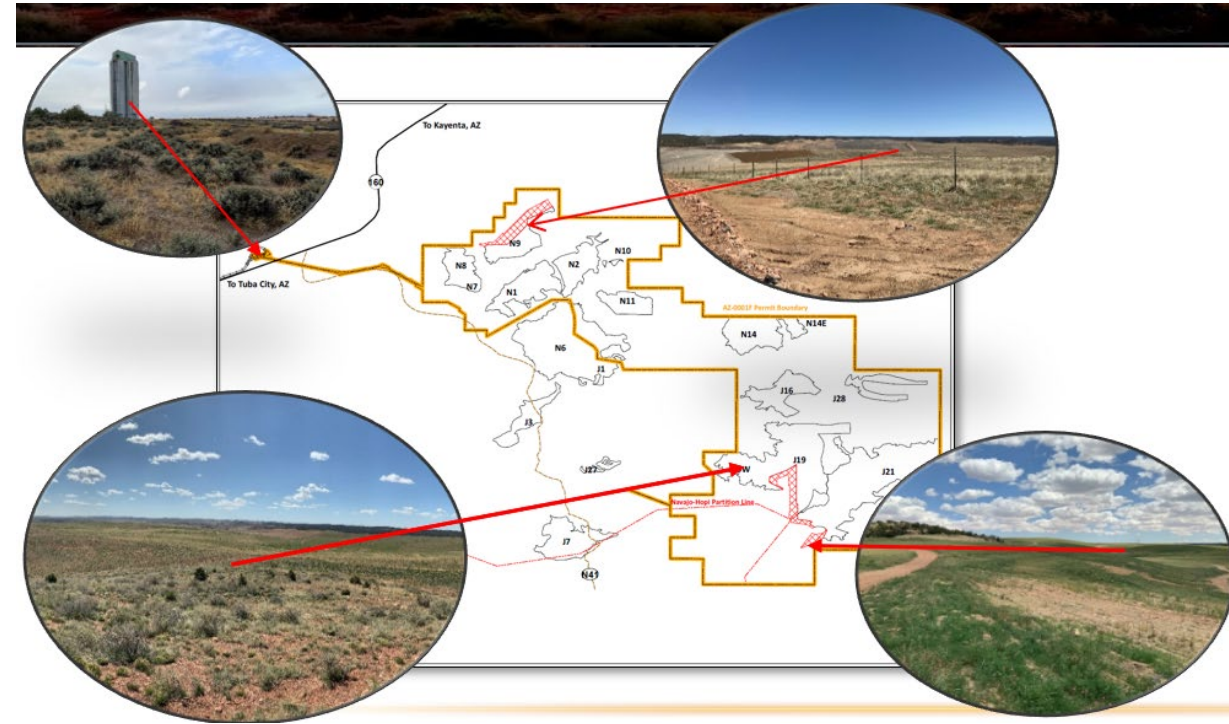


BLACK MESA MINE



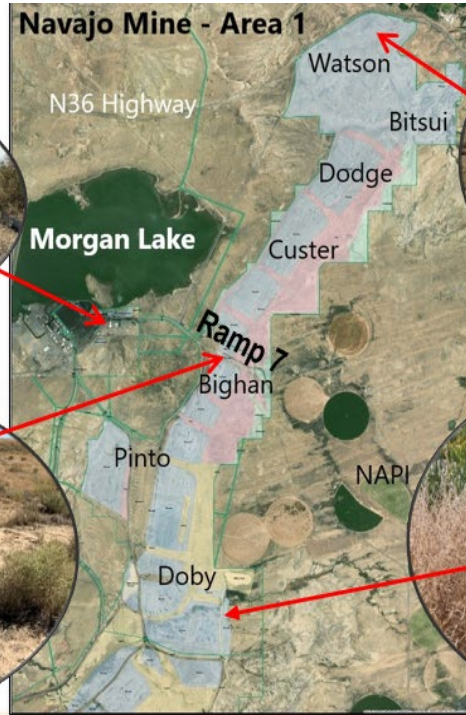
- The mine supplied coal slurry to the Mohave Generating Station near Laughlin, NV.
- The mining operations ended in December 2005.
- 40 acres within the lease area belonged to the Black Mesa Pipeline Facilities, Inc. The facilities were sold to ONEOK, Inc. The facilities were demolished by ONEOK and Entrada between 2021 – 2022.

KAYENTA MINE



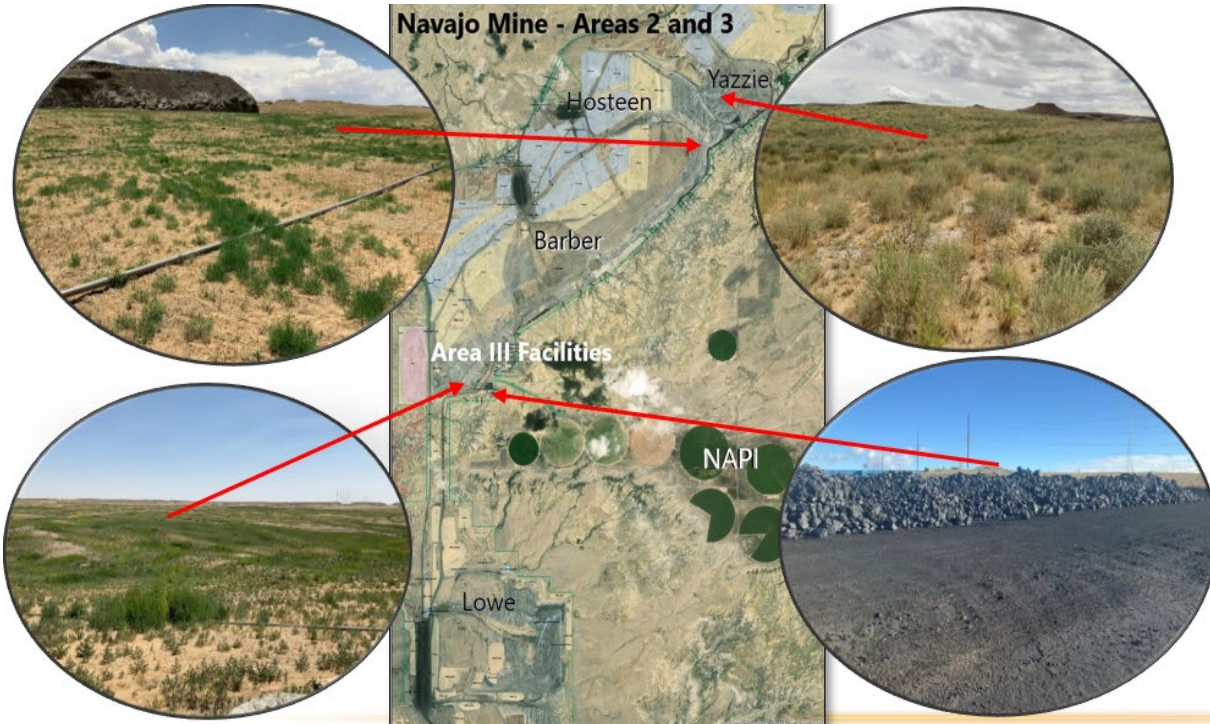
- The mine supplied coal to the Navajo Generating Station (NGS) near Page, AZ.
- The mine ceased coal operations in August 2019.
- J-19 Pit backfill is underway.
- N-9 Pit has been backfilled and graded.
- J-21 Pit backfill and grade work has been completed.
- Most of the coal handling facilities have been demolished.

NAVAJO MINE & PINABETE LEASE AREA (1/3)



- The Total Lease Area for the Navajo Mine is approximately 33,600 Acres. Mining began in 1963.
- Coal is transported to the Power Plant from Area 3 by train.
- Previously mined areas (Watson, Bitsui, Dodge, Custer, and Bighan) had undergone a Termination of Jurisdiction in 2004 from OSMRE.
- A lease relinquishment application for 2,208 acres north of Ramp 7 is with BIA for review.

NAVAJO MINE & PINABETE LEASE AREA (2/3)

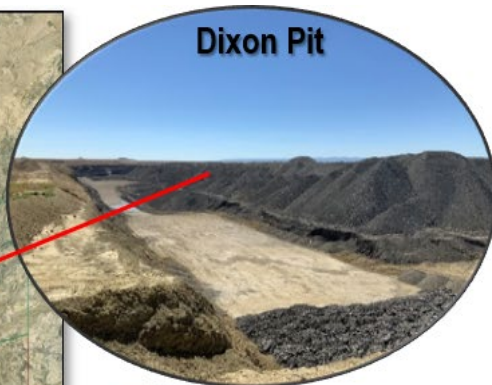
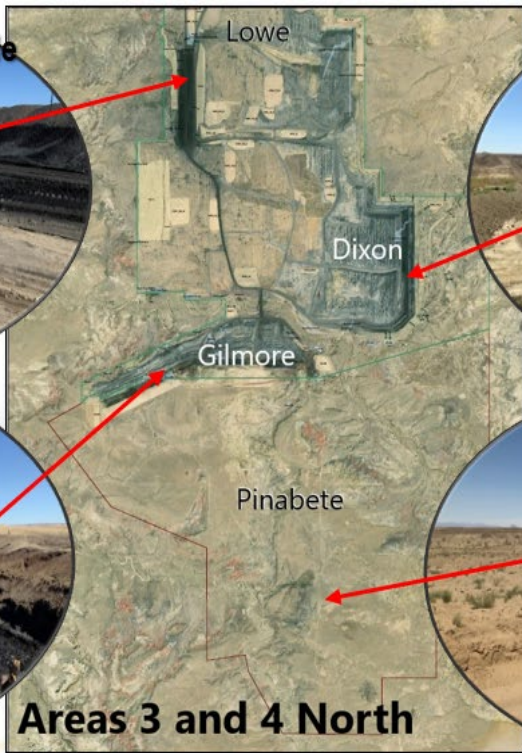


- Hosteen and Yazzie Pits are currently under full reclamation. The pits have been backfilled. Most of the slopes have been graded.
- Drainage channels have been constructed, and perennial vegetation has appeared over the completed slopes.
- NTEC's mine office is located within the Area III Facilities.
- Community Heating Resource Program (CHRP) provides free coal to residents of the Navajo Nation.
- This program runs between October and March each year.

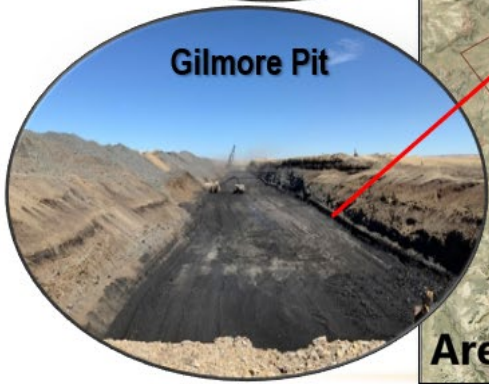
NAVAJO MINE & PINABETE LEASE AREA (3/3)



Lowe Coal Stockpile



Dixon Pit

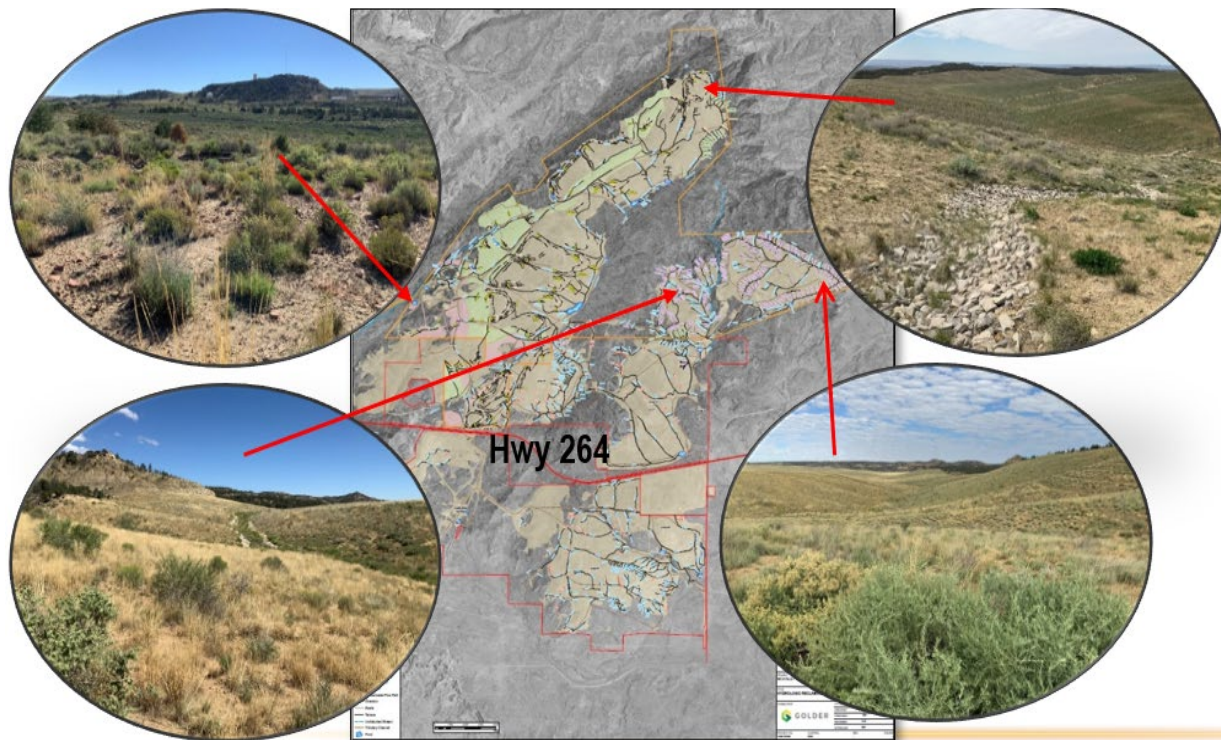


Gilmore Pit



- Coal seams are currently being mined out of the Dixon and Gilmore Pits.
- Kress trucks haul the coal to the Lowe Coal Stockpile, where it is transported to the Four Corners Power Plant by train.
- The Gilmore Pit is currently south of the Pinabete permit boundary

MCKINLEY MINE LEASE AREA



- The mine is regulated by two agencies: OSMRE and New Mexico Mines & Minerals Division (MMD).
- Total Lease Area for OSMRE Jurisdiction/Navajo Nation Side is 12,422.46 Acres.
- South of Hwy 264 is regulated by NM MMD.
- Mining operations ceased in 2009 in OSMRE-regulated areas.
- All of the former pits have been backfilled and reclaimed.
- Perennial vegetation has been re-established over the reclaimed areas.

SUMMARY: CURRENT OPERATION & RECLAMATION



Mine	Permitted/ Disturbed (Acres)	Active Mining Areas	Reclamation Status
Navajo Mine (NTEC)	18,522/13,164	Area 3; Dixon & Area 4 N; Gilmore	Active coal mining is ongoing. Reclamation is proceeding in areas where mining has been completed. 4,997 acres is backfilled and graded. TOJ -1324 Acres, Phase III- 228 Acres
Pinabete Mine (NTEC)	5.567/1,081	Area 4 North: Gilmore	Active coal mining started in July 2016 and is ongoing. Reclamation occurs as area becomes available. Phase III-0 Acres
McKinley North Mine	12,263/6,336	None, Mining Ceased in December 2009	97% of Land is reclaimed & eligible for Phase 3 bond release pending vegetation performance demonstration; leaving about 164 acres of facilities un-reclaimed. Phase III- 1,759.5 Acres, TOJ- 309.5 Acres
Kayenta Mine	44,073/17,150	None, Mining Ceased on August 21, 2019	Overall percentage reclaimed, including facilities-79% Overall percentage reclaimed of the mined areas-86%. TOJ - 8,371 Acres, Phase III-6030 Acres
Black Mesa Mine	18,857/6,160	None, Mining Ceased on December 31, 2005	Overall percentage reclaimed, including facilities-82% Overall percentage reclaimed of the mined areas -100%
Black Mesa Preparation Plant	40/40	Facility Only, No Mining	Demolition & Reclamation Completed in 2022. Vegetation Monitoring Initiated. TOJ application submitted by ONEOK.

*Updated on 4/16/2026

RECLAMATION



KAYENTA MINE: J-21 PIT - RECLAMATION PROCESS



April 25, 2017



June 17, 2021



June 15, 2023

KAYENTA MINE: J-21 PIT BACKFILL, REGRADE & REVEGETATION



June 17, 2021



April 9, 2024

KAYENTA MINE: N-9 PIT BACKFILL, REGRADE



September 15, 2015



March 18, 2025

BLACK MESA: PIPELINE FACILITY RECLAMATION



April 2017



April 2024

NAVAJO MINE: YAZZIE PIT RECLAMATION



March 6, 2018



September 7, 2023

NAVAJO MINE: YAZZIE PIT BACKFILL, REGRADE & REVEGETATION



July 25, 2019



April 3, 2025

MCKINLEY MINE: AREA 12 - REVEGETATION



October 2006



August 2023

KAYENTA MINE: J-7-RECLAMATION



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N-6 KAYENTA MINE RECLAMATION



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N-11-KAYENTA MINE RECLAMATION



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J-19- WEST KAYENTA MINE RECLAMATION



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J27 PRE-LAW REVEGETATION-SUSTAINABLE



6/13/2023



127 2/28/2018

NAVAJO MINE: MASON AREA RECLAMATION



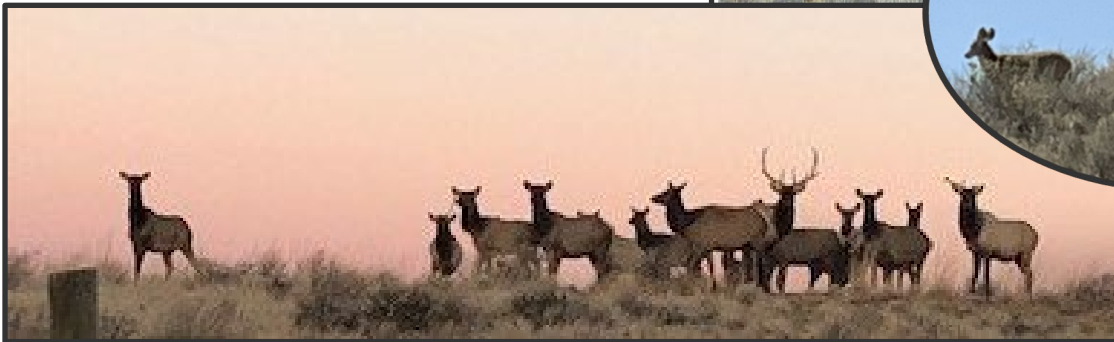
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MCKINLEY MINE: AREA 2 RECLAMATION



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POST MINE LAND USE: LIVESTOCK GRAZING & WILDLIFE.



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WINTER GRAZING (2012 - PRESENT)



J-19



February 2023

N-6

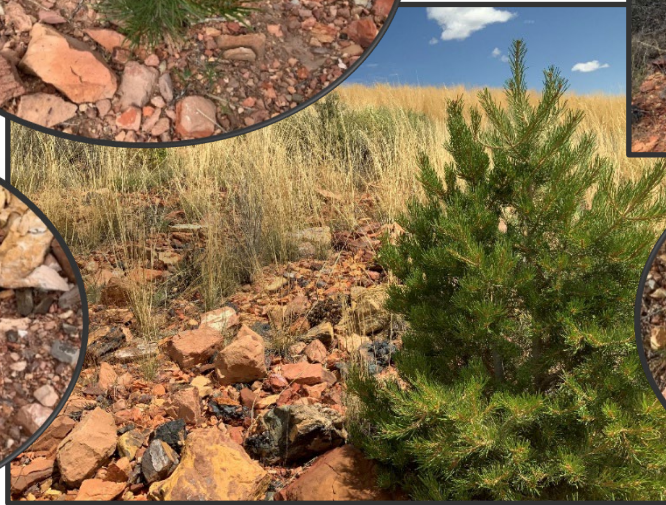


November 2023

RANGELAND, WILDLIFE & CULTURAL SEED MIXES



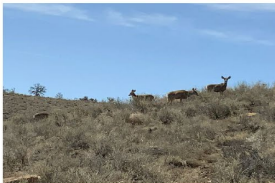
CULTURAL PLANTING AREAS IN THE MINE



WILDLIFE WITHIN THE RECLAIMED AREAS



WILDLIFE AND LIVESTOCK OBSERVED WITHIN THE MINE RECLAIMED AREAS



Deer



Ducks



Crow



Golden Eagle Nest



Geese



Horned Toad at Navajo Mine



Lizard at J-16 Kayenta Mine
Bobcat cubs



Llama



Sheep



Horses



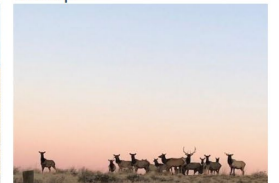
Cattle



Bobcat near
chinde wash



Cranes



Elk



Ferruginous
Hawks in Dixon Pit

MINERALS ROLE IN ENERGY DEVELOPMENT



- ❑ Ensures mineral resources are properly evaluated before development
- ❑ Establishes fair value for land use and mineral extraction
- ❑ Reviews and supports negotiations with developers and operators
- ❑ Coordinates technical review and negotiation support
- ❑ Verifies production and protects revenue

Energy-Related Land Valuation:

- ROW consideration analysis
- Easement valuation
- Lease valuation for power plants, pipelines, transmission

Royalty Verification:

- Production review
- Audit coordination
- Payment verification



MINERALS' VACANT POSITIONS

**Minerals'
is HIRING**

Open positions:

- (1) Environmental Engineer
- (3) Assoc. Minerals Auditors

Apply now:



Minerals Department

DNR01290751	941396 Associate Minerals Auditor	Window Rock, AZ	\$47,105.28	4/21/2026
DNR01290828	947953 Associate Minerals Auditor	Window Rock, AZ	\$47,105.28	4/27/2026

DPM Application Website: <https://apply.navajo-nsn.gov/jobs>

Ahéhee' Thank You

NAVAJO NATION MINERALS DEPARTMENT

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REVENUE, AND RESPONSIBLE DEVELOPMENT.”

APRIL 2026

