

## EL SEGUNDO MINE

The El Segundo Mine, meaning “The Second” in Spanish, is located in Northwest New Mexico in McKinley County and was opened in 2008. El Segundo is one of the most productive mines in the Southwest because of its low overburden ratio. The mine has coal supply agreements with several Southwest electric utilities and co-ops, and ships coal to its customers via the Burlington Northern Santa Fe Railway.

In 2015, El Segundo sold 8.1 million tons of coal. A workforce of approximately 210 uses dozers, shovels, and trucks to uncover between two and five coal seams ranging from 1.5- to 16-feet thick. Coal loading is done with the aid of end loaders.

In 2015, the El Segundo Mine injected more than \$150 million into the regional economy, which represents an implied economic benefit of about \$600 million.

El Segundo is located adjacent to Peabody’s Lee Ranch Mine, which has been honored more than a dozen times as New Mexico’s safest coal mine. Operations at Lee Ranch are currently suspended.

El Segundo Mine is a Peabody Energy operation. Peabody Energy (OTC: BTUUQ) is the world’s largest private-sector coal company and a Fortune 500 company. The company serves metallurgical and thermal coal customers in 25 countries on six continents.

## El Segundo Coal Mine

### Peabody Energy – Grants, NM

#### Customers

1. Tucson Electric
2. Arizona Electric COOP
3. Tri-States – New Mexico
4. Arizona Public Service

#### Sales

1. 2012:	8,377,000 tons
2. 2013:	8,473,000 tons
3. 2014:	8,244,000 tons
4. 2015:	8,070,000 tons
5. 2016 (Projected)	4,858,000 tons

#### Manpower

January 2016:	Total Mine Personnel = 330
July 2016:	Total Mine Personnel = 203
Personnel Reduction	127 positions = 39%

Wages \$16 million

Taxes \$5 million

State & Federal Royalties \$6 million

Annual Economic Benefit \$600 million