



Blackhawk Mining LLC  
3228 Summit Square Place  
Suite 180  
Lexington, KY 40509

August 29, 2019

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Division of Nuclear Materials Safety  
U.S. Nuclear Regulatory Commission, Region I  
2100 Renaissance Blvd., Suite 100  
King of Prussia, PA 19406-2713

**Subject: Application for Consent to Indirect Transfer of Control**  
**NRC License No. 47-24809-01**  
**NRC License No. 47-24917-01**  
**NRC License No. 47-25301-01**  
**NRC License No. 47-31315-01**

**Expedited Review Requested (By September 13, 2019)**

Pursuant to 10 C.F.R. § 30.34(b), Blackhawk Mining LLC (“Blackhawk”) and Blackhawk Mining, LLC (“New Blackhawk”) (jointly, “Applicants”) hereby request written consent from the U.S. Nuclear Regulatory Commission (“NRC”) for a proposed indirect transfer of control of the following NRC licenses:

<u>Blackhawk Subsidiary (“Licensee”)</u>	<u>License No.</u>	<u>Docket No.</u>	<i>mc#</i>
Blue Creek Mining, LLC	47-31315-01	030-37777	<i>614065</i>
Guyandotte Mining, LLC	47-24917-01	030-30008	<i>614066</i>
Panther Creek Mining, LLC	47-25301-01	030-33571	<i>614067</i>
Rockwell Mining, LLC	47-24809-01	030-28938	<i>614068</i>

Blackhawk has entered into a plan of reorganization, approved by U.S. Bankruptcy Court, which will entail the transfer of Blackhawk’s assets, consisting primarily of equity in its subsidiaries (including the Licensees) to New Blackhawk. Blackhawk will cease to exist, and the current holders of Blackhawk’s senior indebtedness will become the equity owners of New Blackhawk. New Blackhawk and its subsidiaries will have the same management and employees as Blackhawk.

Four of Blackhawk’s subsidiaries, identified above (the “Licensees”), hold specific NRC nuclear byproduct materials licenses issued pursuant to 10 C.F.R. Part 30. The Licensees will be transferred to New Blackhawk intact, along with their assets, including certain devices containing licensed nuclear materials and related equipment. The Licensees’ names will not change as a result of the reorganization process.

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Blackhawk is, and New Blackhawk will be, a company engaged, through its subsidiaries, in coal mining and related businesses. Blackhawk currently employs nearly 3,000 people across ten mining complexes in West Virginia and Kentucky, producing nearly fourteen million tons of coal annually. The Licensees are each located in West Virginia, and the reorganization will have no effect on their licensed activities, locations, or their radiation-safety trained personnel.

The Applicants intend to complete the reorganization promptly upon receipt of regulatory approvals and expect that NRC's consent will be the final approval necessary before they are able to effectuate the reorganization. The Bankruptcy Court approved the plan of reorganization for Blackhawk and its subsidiaries on August 29, and Blackhawk immediately filed this application. A stay in bankruptcy beyond September 15 will cause Blackhawk and its subsidiaries to incur substantial additional expenses and could put the proposed emergence structure at risk, while failure to close by that date is likely to jeopardize the delicate balance between debtor and creditor interests contained in the plan. **The Applicants therefore respectfully submit that these extenuating circumstances justify issuance of NRC's written consent to the proposed indirect transfers of control as soon as possible, but in no event later than September 13, 2019.**<sup>1</sup>

Questions or comments pertaining to this application should be directed to D. Edward Brown, Chief Engineering Officer, SVP-Technical Services, at 859-543-0515, or [ebrown@blackhawkmining.com](mailto:ebrown@blackhawkmining.com).

**Enclosures:** Attachment 1: License Transfer Application  
Attachment 2: Simplified Organizational Charts

cc: Mary Spencer, NRC OGC  
Brian Harris, NRC OGC  
Brooksany Barrowes, Kirkland & Ellis LLP  
Drew Stuyvenberg, Kirkland & Ellis LLP

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<sup>1</sup> This is the last NRC business day prior to September 15. The Applicants respectfully note that NRC has authorized multiple license transfer requests for coal-mining entities filed after reorganization and emergence from bankruptcy, without apparent consequences for the non-compliant licensees. *See, e.g.*, Marfork Coal Company, LLC, Acceptance of Notification of Indirect Transfer of Control, Mail Control No. 610227, Accession No. ML19057A243 (Feb. 11, 2019). Blackhawk respectfully submits that its decision here to postpone reorganization to ensure regulatory compliance should be viewed as a factor that supports processing this application in an expedited fashion.

I declare under penalty of perjury under the laws of the United States of America that to the best of my knowledge the information contained in the license transfer application pertaining to Blackhawk Mining LLC, Blackhawk Mining, LLC, and the Licensees is true and correct.

Executed on August 29, 2019



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Name: Jesse M. Darrish  
Title: Chief Financial Officer  
Blackhawk Mining LLC

**Attachment 1**  
**License Transfer Application**

The following information is submitted consistent with Chapter 5 (Change of Control) and Appendix E (Information Needed for Transfer of Control Application) of NUREG-1556, Vol. 15, Rev. 1, *Consolidated Guidance About Materials Licenses: Guidance About Changes of Control and About Bankruptcy Involving Byproduct, Source, or Special Nuclear Materials Licenses*.

**1. Describe any planned changes in the organization, including but not limited to, transfer of stocks or assets and mergers, change in members on Board of Directors, etc. Provide the new licensee name, mailing address, and contact information, including phone numbers. Clearly identify when the amendment request is due to a name change only**

Blackhawk Mining LLC (“Blackhawk”) has entered into a Plan of Reorganization (“Plan”) approved in U.S. Bankruptcy Court, Case Number 19-11595-LSS, in Wilmington, Delaware, on August 29, 2019. The plan provides for Blackhawk Mining, LLC (“New Blackhawk”) to acquire all of the assets of Blackhawk, which consist primarily of the equity interests in its subsidiaries. Pursuant to the Plan, Blackhawk’s senior debtholders will become equity holders in New Blackhawk. Blackhawk’s subsidiaries, including the Licensees, will become indirect, wholly-owned subsidiaries of New Blackhawk. None of the equity holders in New Blackhawk will hold a majority of equity or voting interests in New Blackhawk (*i.e.*, there will be no controlling owner of New Blackhawk).

New Blackhawk will retain Blackhawk’s management and employees. However, the board of directors will be replaced. The New Blackhawk board will include the following individuals who have significant operational experience:

- Jessie Parrish, currently Chief Financial Officer for Blackhawk and a Blackhawk senior manager since 2014;
- Nicholas Glancy, chairman of the Blackhawk Board of Managers from 2015 through 2018 and President from 2011 through 2019;
- Michael Jack Quillen, Manager of CHM Holdings, LLC, a provider of investment services; Mr. Quillen previously founded Alpha Natural Resources, Inc., a major coal producer, where he held positions of CEO and Chairman of the Board;
- Lawrence M. Clark Jr., founder of BalanTrove Management, LLC, a corporate advisory firm to middle-market companies, investors, and lenders, and a past president and CEO of JW Resources, Inc., a coal producer; and
- Richard D. Robison, formerly Senior Vice President, Asset Management & Continuous Improvement at Peabody Energy, through his retirement in 2014.

**There will be no changes to names, physical addresses, or contact information as a result of the reorganization.**

**2. Describe any changes in personnel or duties that relate to the licensed program. Include training and experience for new personnel and any changes in the training program.**

There will be no changes to personnel, duties or training programs related to the licensed program as a result of the reorganization.

**3. Describe any changes in the location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program.**

There will be no changes to location, facilities, equipment, radiation safety program, use, possession, waste management, or other procedures that relate to the licensed program as a result of the reorganization.

**4. Describe the status of the licensee's facilities, equipment, and radiation safety program, including any known contamination and whether decontamination will occur prior to transfer. Include the status of calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records.**

The status of the Licensees' facilities, equipment, and radiation safety program will not change as a result of the restructuring. There is no known contamination. All calibrations, leak tests, area surveys, wipe tests, training, quality control, and related records are current.

**5. If current decommissioning funding plans (DFP) will be changed as a result of the transfer, the revised DFP should be submitted. If other financial assurance documents will be changed as a result of the transfer, confirm that all financial assurance instruments associated with the license will be held in the transferee's name before the license is transferred, and as required by 10 CFR 30.35(f), the licensee must, within 30 days, submit financial instruments reflecting such changes.**

Neither DFPs nor financial assurance instruments are required under these licenses.

**6. Confirm that all records concerning the safe and effective decommissioning of the facility will be transferred to the transferee or to NRC, as appropriate. These records include documentation of surveys of ambient radiation levels and fixed and/or removable contamination, including methods and sensitivity.**

The Applicants and Licensees confirm that all such records will remain with the Licensees, that they are current, and that they will be current at the time of transfer.

**7. Confirm that both transferor and transferee agree to transferring control of the licensed material and activity, and the conditions of transfer, and that the transferee has been made aware of any open inspection items and its responsibility for possible resulting enforcement actions.**

The Applicants confirm that all parties have agreed to the change in control over the Licensees. There are no known open inspection or enforcement items.

**8. Confirm that the transferee will abide by all constraints, conditions, requirements, representations, and commitments of the transferor or that the transferee will submit a complete description of the proposed licensed program.**

Transferee agrees to abide with the existing licenses and related constraints, conditions, requirements, and representations.

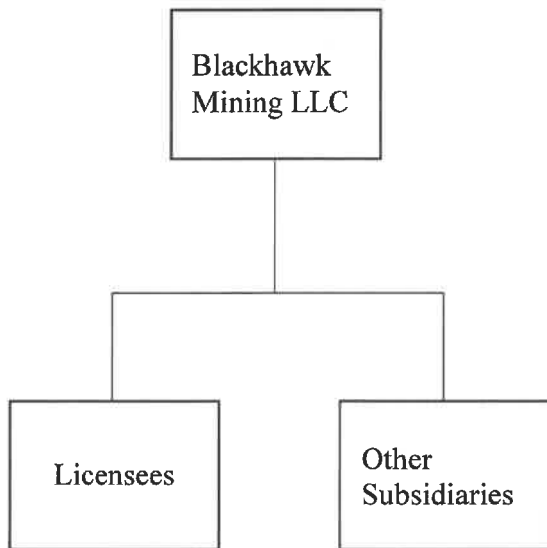
**9. The transferee, in the case of fuel cycle facilities, shall provide documentation showing that it is financially qualified to conduct normal operations. The information can be in the form of income statements and balance sheet forecasts.**

This question is not applicable to these licenses.

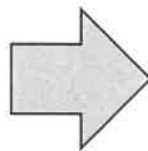
**Attachment 2**  
**Simplified Organizational Charts**



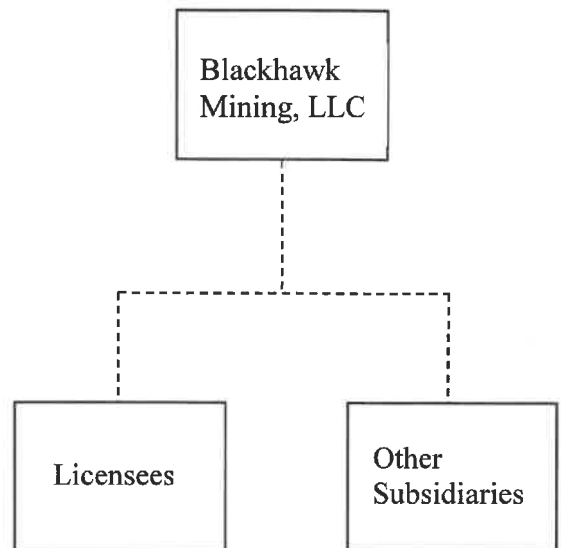
**Before**



*All Licensees and most other subsidiaries are wholly and directly owned by Blackhawk Mining LLC.*



**After**



*All Licensees and subsidiaries are wholly and indirectly owned; intermediate entities (not shown) existing between Blackhawk Mining, LLC and subsidiaries support reorganization steps and do not affect control over the Licensees.*