STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY Department of Natural Resources

1313 Sherman St., Room 215 Denver, Colorado 80203 Phone: (303) 866-3567 FAX: (303) 832-8106

March 7, 2014

Town of Paonia P.O. Box 460 Paonia, CO 81428

Re: West Elk Mine (Permit No. C-1980-007) Revision: SL-6 Phase III Bond Release

Dear Sir or Madam:

The Division of Reclamation, Mining and Safety has received an application for the above mentioned permitting action for the West Elk Mine. The application was deemed complete on March 7, 2014.

The Mountain Coal Company, LLC has submitted an application for a Phase III Bond Release for the West Elk Mine. A Phase III Bond Release is a final bond release and termination of the Division's jurisdiction for the areas requested. The proposed release is for the Lone Pine area, the Thermal Event area and the West Point area. The proposed release areas cover approximately 24.2 acres. Since this is a bond release, there will be a decrease in the mine's reclamation liability. The amount of the liability release will be determined following an application review and the bond release inspection.

This revision application is available for review at the Gunnison County Clerk and Recorder, 221 N. Wisconsin, Suite C, Gunnison, CO 812.

If you have any questions, please contact me.

Sincerely,

James R. Stark Environmental Protection Specialist Jim.stark@state.co.us

C-CI-01



John W. Hickenlooper Governor

Mike King Executive Director

Loretta E. Pineda Director