

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215
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John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Pineda
Director

March 7, 2014

Dave Lazorchek
U.S. Bureau of Land Management
Gunnison Field Office
216 N. Colorado
Gunnison, CO 81230

**Re: West Elk Mine (Permit No. C-1980-007)
Bond Release Application No. 6 (SL-6)**

Dear Mr. Lazorchek:

Mountain Coal Company, LLC has applied for a bond release at the West Elk Mine. The bond release application was found complete by this Division 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. The surface ownership is Federal and private, and the coal mined was Federal and private.

We will contact you to advise you of the Division's required bond release inspection of the site as soon as it has been scheduled. A proposed decision on the application will be issued within sixty (60) days of our inspection.

If you have questions or need additional information, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "James R. Stark".

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

C-SL-03A