

1313 Sherman Street, Room 215 Denver, CO 80203

May 18, 2015

Peabody Sage Creek Mining, LLC 701 Market Street, Suite 707 St. Louis, MO 63101

Re: Peabody Sage Creek Mine (Permit No. C-2009-087) Bond Release Application No. 3 (SL-3) Bond No. SB-007

Dear Sir or Madam:

This letter, as required by Rule 3.03.2(5)(a) of the Rules and Regulations, is to inform you that the Division of Reclamation, Mining and Safety's proposed decision to approve Bond Release Application No. 3 for the Peabody Sage Creek Mine became final on May 13, 2015.

The bond for the operation is a Self Bond issued by your company (Bond No. SB-007), in the amount of \$4,420,284.46. The proposed release amount is (\$374,491.00).

Please be aware that this notification is not a request to initiate any action by Peabody Sage Creek Mining, LLC concerning Bond No. SB-007, and is for your information only. Should Peabody Sage Creek Mining, LLC choose to take action with regard to this bond release, they will contact you.

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

Sincerely,

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Jason D. Musick Environmental Protection Specialist Jason.musick@state.co.us cc: Alysha H. Hernandez, CDRMS C-SL-22

