



STATE OF
COLORADO

Musick - DNR, Jason <jason.musick@state.co.us>

RE: Oxbow Mining Permitting Status Update

1 message

Mike Ludlow <Mike.Ludlow@oxbow.com>
To: "Musick - DNR, Jason" <jason.musick@state.co.us>
Cc: Doug Smith <Doug.Smith@oxbow.com>

Wed, May 1, 2019 at 4:02 PM

Jason,

Thanks for the follow up. We do plan to submit a Permit Revision for Terror Creek before July 1, 2019. The area is a highly desired site for commercial use and the post mine land use will be changed to industrial.

Also, a Phase 1 bond release has been applied for at the Elk Creek Mine for the regrading to the coal storage area. The next requests will be for the office warehouse area and the drill hole pads and roads.

Best Regards,

Michael W Ludlow

President

Oxbow Mining, LLC

Elk Creek Mine

P.O. Box 535

Somerset, CO 81434

970-929-5494 Office

970-261-5142 Cell

From: Musick - DNR, Jason [mailto:jason.musick@state.co.us]
Sent: Wednesday, May 1, 2019 2:19 PM
To: Mike Ludlow <Mike.Ludlow@OXBOW.COM>
Subject: Oxbow Mining Permitting Status Update

[external email-use caution]

Good afternoon Mike,

I hope Spring is off to a good start out your way. I wanted to check the status of some projects for both the Elk Creek Mine and the Terror Creek Loadout.

As you know, the Terror Creek Loadout Permit Renewal No. 7 (RN7) was submitted in March of this year. The Division did not find any glaring adequacy issues; however, the reclamation cost estimate was updated based on the Division's updated costs to reflect the currently approved reclamation plan. Based on that update, Jim Stark and yourself had a conversation in March of this year concerning a path forward on the increase in bond liability costs.

It was the Division's understanding that a Permit Revision to the Terror Creek Loadout permit would be forthcoming to propose a change in the post-mining land use to industrial/commercial. To date, the Division has not received the permit revision application. This permit revision application to revise the post-mining land use would create a scenario in which certain portions of the reclamation plan would be removed and the bond liability reduced. It is vital for Oxbow Mining, LLC, to apply for the permit revision in order for the Terror Creek Loadout to not reflect a potential under bonded situation. I believe that a submittal date of **July 1, 2019** is appropriate for the permit revision application submittal. As always, the Division is here to answer any questions concerning the application process.

One additional item is any forthcoming bond release application of the mine ventilation borehole pads and roads within the Elk Creek Mine permit. As you know, a Phase I bond release for these portions of reclaimed lands would alleviate a substantial portion of bond liability for the mine and, in turn, create a scenario in which the Elk Creek Mine would have adequate liability in place during the on-going permit renewal. Please provide any update to the timing of the potential bond release application for the Elk Creek Mine.

Please let me know if you have any questions or comments.

Thanks,

Jason

Jason Musick

Senior Environmental Protection Specialist

Coal Regulatory Program

P 303.866.3567 x 8134 | F 303.832.8106

1313 Sherman Street, Room 215, Denver, CO 80203

jason.musick@state.co.us | <http://mining.state.co.us>

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