

United States Department of the Interior



OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT
Western Region
P.O. Box 25065
Lakewood, CO 80225-0065



March 22, 2021

James Stark
Coal Program Supervisor
Colorado Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Re: Partial Phase I, II, and III Bond Release Application SL-2, Oxbow Mining, LLC, Elk Creek Mine, C-1981-022

Dear Mr. Stark,

This letter acknowledges the Office of Surface Mining Reclamation and Enforcement (OSMRE), Denver Field Branch's (DFB) receipt and review of the Colorado Division of Reclamation, Mining and Safety's (DRMS) March 4, 2021 Proposed Decision and Findings of Compliance pertaining to Oxbow Mining, LLC's (Oxbow) SL-2 partial Phase I, II, and III bond release application. OSMRE agrees with the proposed decision and hereby provides concurrence in accordance with 30 CFR 740.15 (d)(3) and 30 CFR 906.30, Article IX, Section 24 of the State-Federal Cooperative Agreement.

The surface and mineral ownership associated with this bond release is federal and private. By letters dated May 21, 2020, DRMS invited The Bureau of Land Management (BLM), the United States Forest Service (USFS), and OSMRE to attend the bond release inspection on July 7, 2020. The BLM, USFS, and OSMRE all participated in the SL-2 bond release inspection. By letter dated March 15, 2021, USFS provided its concurrence with DRMS's proposed decision. By letter signed March 18, 2021, BLM provided its concurrence with DRMS's proposed decision. OSMRE interprets this to mean Oxbow is in compliance with all stipulations associated with its federal surface use agreements and coal lease stipulations.

DRMS's proposed decision notes Oxbow's compliance with the approved Colorado regulatory program at Rules 3.03.1(2)(a) through (c) and recommends authorizing partial Phase I bond release on 66.05 acres; partial Phase I and II bond release on 70.36 acres; and partial Phase I, II, and III bond release on 2.33 acres at the Elk Creek Mine. DRMS currently holds a performance bond in the amount of \$4,500,000.00 which covers the entire permit area, including the acreage proposed for release. Under SL-2, DRMS proposes to release a total of \$1,839,606.71 from Phase I, II, and III bond liability. DFB concurs with DRMS's proposed decision and recommends Phase I, II, and III bond release for the requested areas at the Elk Creek Mine.

Thank you and your staff for coordinating this bond release action through the DFB. Please direct any questions to Christine Belka, Senior Regulatory Program Specialist, at cbelka@osmre.gov or (303) 236-4682.

Sincerely,

Howard E. Strand, Manager
Denver Field Branch

Cc: Oxbow Mining, LLC