

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



September 5, 2013

B. Scott Cowman
Peabody Sage Creek Mining, LLC
P.O. Box 250
36600 Routt County Road 27
Hayden, CO 81639-0250

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Pineda
Director

**Re: Peabody Sage Creek Mine (Permit No. C-2009-087)
Bond Release Application No. 1 (SL-1)**

Dear Mr. Cowman:

In accordance with Rule 3.03.2(5)(b) of the Rules and Regulations of the Colorado Mined Land Reclamation Board for Coal Mining (Rules), you are hereby notified that the Division's decision to Approve Bond Release Application No. 1 for the Peabody Sage Creek Mine became final on September 5, 2013.

Bond Release No. 1 reduces your reclamation liability by \$995,884.56. The current liability is now \$3,920,284.46. The Division suggests you provide a copy of this letter (and, for federal operations, copies of the OSM and BLM concurrence letters) to your bonding company for written evidence of approval to reduce your bond. If you choose to reduce or replace your existing bond, it must equal or exceed \$3,920,284.46. If this release constitutes a full and final bond release, the Division will return your performance bond to you as soon as possible.

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

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason D. Musick".

Jason D. Musick
Environmental Protection Specialist
Jason.musick@state.co.us

cc: Mary Rodriguez, DRMS

C-SL-18