



Brian Schweitzer, Governor

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December 16, 2011

Mr. Eric Detmer
Spring Creek Coal, LLC
Spring Creek Coal Mine
67 Lakeshore Drive
Decker, MT 59025

Permit ID: C1979012
Revision Type: Bond Release
Permitting Action: N/A
Subject: Acceptability Determination Bond Release Application #6 ()

Dear Eric:

The Department of Environmental Quality (Department) received Bond Release Application #6 on August 25, 2011. Department staff reviewed the application and inspected the application area with regard to Phase I and II criteria of the four phase process leading ultimately to full and final bond release. Application #6 is a request for partial release of liability only, on approximately 157 acres Phase I and 29 acres Phase II at the Spring Creek Coal Mine. Spring Creek Coal, LLC (SCC) notified individuals and agencies consistent with 82-4-232(6)(a), MCA, and a public notice of the application was published weekly in The Sheridan Press in Sheridan, Wyoming beginning October 25, 2011 and ending November 15, 2011. No objection, comment, or requests for hearing or informal conference concerning the application have been received.

Phase I bond release requires that backfilling, grading, and drainage control have been completed in accordance with the approved reclamation plan, and that all drill holes not approved for retention as monitoring wells or completely mined through be plugged in accordance with ARM 17.24.1005(3). Phase II bond release requires that soil replacement and soil and spoil tillage have been completed in accordance with the approved reclamation plan; that at least two growing seasons have elapsed since seeding or planting; that vegetation is establishing, in accordance with revegetation standards and the approved postmining land use [re: ARM 17.24.1116 (6)(b)]; that noxious weeds are controlled; and that with respect to prime farmlands (none included in this application), production has returned to the level required by ARM 17.24.815.

Pursuant to ARM 17.24.1113(1) and to confirm that field conditions pertinent to requirements for Phase I and II have been met, the Department conducted a multidisciplinary inspection of the lands specified in Application #6 on September 14, 2011 [Ric Casteel and Peter Mahrt, MDEQ and Gene Robinson (USDI Office of Surface Mining (OSM))]. Based upon the field inspection and review of the application the Department has determined that, subject to final OSM concurrence, the permittee has fulfilled the requirements for Phase I and II bond release pursuant to ARM 17.24.1116 on 157 acres Phase I and 29 acres Phase II.

No monetary release of bond is being sought at this time. A total bond of \$114,967,071 remains in place for SMP 79012. ARM 17.24.1116(5) requires that bond held may not be less than that necessary for the Department to ensure completion of all reclamation and liability requirements. Release of the requested portion of the total liability under this application is consistent with that requirement.

If you have any questions or wish to discuss any of the above, please contact me.

Sincerely,



Eric Urban, Technical Coordinator
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EU/sg

Cc: Jeff Fleischman, OSM, Casper

FC: 620.411 (Application #6)