



Big Sky Coal Company

July 17, 2015

Ms. Melissa Sjolund
Montana Department of Environmental Quality
Industrial and Energy Minerals Bureau
2001 11th Avenue, Building B
Helena, MT 59620

Re: Response to Deficiencies, Bond Release Application #SL8 Final Bond Release, Big Sky Mine Area A SMP No. C1983004CR

Dear Ms. Sjolund:

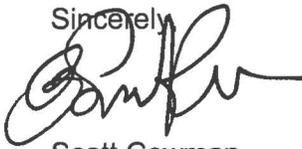
Big Sky Coal Company (BSCC) hereby submits responses to deficiencies identified in the Department's July 1, 2014 letter regarding Bond Release Application #SL8 for final bond release at our Area A Mine (Permit No. C1984004CR). The deficiency letter required BSCC to address whether all commitments in the Area A reclamation plan, including the plan for protecting the hydrologic balance, had been successfully completed, and whether surface or subsurface water pollution is occurring or likely to occur.

With respect to the overall surface reclamation plan, existing conditions and prior evaluations of Phase I, II, and III bond release demonstrate that areas have been successfully reclaimed in accordance with the Area A Permit and applicable regulations. With regard to protection of the hydrologic balance and surface or subsurface pollution, BSCC has attached a document entitled "Hydrologic Demonstration Report, Area A Bond Release, Big Sky Mine". The document presents pertinent hydrologic information and assessments of impacts related to available impact projections provided in the Area A Permit Application Documents. The hydrologic information covers more than 30 years of monitoring data collected and reported to the Department at approved surface and groundwater monitoring sites located within and adjacent to the Area A permit area. The report is sufficiently comprehensive to provide adequate information to reference for forthcoming Phase IV bond release applications for other reclaimed mine areas in Area A.

BSCC is confident the information and assessment provided in the attached report addresses all deficiencies noted in the Department's letter. Therefore, BSCC requests that the Department move forward with processing the application. If an inspection of the areas associated with Application #SL8 is necessary, BSCC also requests the Department schedule the inspection as soon as practicable in order to deem the application complete and continue the process of review with an eye towards approval during the third or fourth quarters of 2015.

Please don't hesitate to contact me via email at scowman@peabodyenergy.com or by telephone at (970) 276-7003 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott Cowman". The signature is fluid and cursive, with a large initial "S" and "C".

Scott Cowman
Senior Environmental/GIS Specialist
Peabody Investments Corporation

Attachment: Hydrologic Demonstration Report, Area A Bond Release, Big Sky Mine

cc: Bryce West (PIC)
Chris Yde (MDEQ-IEMB)
Judd Stark (Catena)

Gilbert, Sharona

From: Sjolund, Melissa
Sent: Thursday, July 16, 2015 3:43 PM
To: DEQCoal
Cc: Gilbert, Sharona
Subject: BSCC #SL8 Deficiency Response

Sharona,

Below is a link to the files that were sent to me today by Scott Cowman via FTS. Let me know if you have any questions.

<G:\IEM\COAL\TEMP\Melissa\BSCC SL8 Response>

Thanks!

Melissa Sjolund
Technical Coordinator/MPDES Permit Coordinator
MT DEQ Coal and Uranium Program
(406) 444-2885 (office)
(406) 444-4988 (fax)