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Department of Environmental Quality

To protect, conserve and enhance the quality of Wyoming's environment for the benefit of current and future generations.

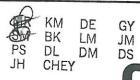


Todd Parfitt, Director

EXHIBIT



Mr. Mark Thrall Blackjewel, L.L.C. P.O. Box 3039 Gillette, WY 72717-3039



License to Mine applications for Blackjewel L.L.C., PT0428-T7, Eagle Butte Mine, TFN 6 4/293, and PT0214, Belle Ayr Mine, TFN 6 3/293

Dear Mr. Thrall,

This letter is in regards to your License to Mine applications for the Eagle Butte and Belle Ayr Mines. As part of the Land Quality Division coal regulatory program, applicants for Licenses to Mine must be checked for violations in other states using the Applicant Violator System (AVS) managed by the Office of Surface Mining. The application cannot be approved if the applicant owns or controls a surface coal mine operation with an outstanding violation (30 CFR 773.14). The most recent AVS check for January 16, 2018 indicates that Blackjewel L.L.C currently has violations that are classified as outstanding. A list of the violations are attached. Until these violations are resolved, the LQD cannot continue to process your applications. Please inform LQD when these violations are resolved, in order for LQD to proceed with processing these applications as soon as possible.

The LQD would also like clarification in relation to the Black Thunder Ranch collateral for the Belle Ayr Mine bond. If this property was part of the sale to Blackjewel, then the LQD as first lien holder of the mortgage must be informed of this transfer of ownership. Please clarify to LQD the status of the Black Thunder Ranch real property as it relates to the sale and transfer of the Belle Ayr Mine to Blackjewel L.L.C.

Should you have any questions, please feel free to contact me at (307) 777-7046.

Sincerely,

Kyle Wendtland

Administrator, Land Quality Division

Enclosures

Mark Rogaczewski w/enclosure

Tammi Pusheck, LQD Cheyenne w/enclosure Kim Pandullo, LQD Chevenne w/enclosure Kimber Wichmann, Chief Economist

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