

PERMIT RENEWAL APPLICATION

ABSALOKA MINE

PERMIT MT-0021A



WESTMORELAND RESOURCES, INC

HARDIN, MONTANA

JULY 17, 2014

30 CFR:

774.15	Transmittal Letter
777.11(c), 778.9(a)(b)(d)	Verification & Certification Statement
777.11(c), 778.9(a)(b)(d), 778.11(d)	Certification Statement
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30 CFR 774.15(a), (b)(i)

INTRODUCTION

Pursuant to 30 CFR 774.15(a) and 30 CFR 774.15(b)(1), Westmoreland Resources, Inc. (WRI) hereby submits an application for renewal of Surface Mine Permit MT-0021A for the Absaloka Mine. This package has been submitted prior to the permit expiration date of August 18, 2014. The following information is included in this package to support the application and make it administratively complete. The renewal does not propose any revisions to the approved mining and reclamation plan. The renewal application package contains:

1. Name and address of the permittee, the term of the renewal requested, and permit number as required by 30 CFR 774.15(b)(2)(i)
2. Certification of liability insurance as required by 30 CFR 774.15(b)(2)(ii)
3. Performance bond assurance as required by 30 CFR 774.15(b)(2)(iii).
4. Newspaper notice and proof of publication as required by 30 CFR 774.15(b)(2)(iv) and 30 CFR 774.15(b)(3).
5. Additional updated information as required by 30 CFR 774.15(b)(2)(v).

30 CFR 774.15(b)(2)(i)

NAME AND ADDRESS OF PERMITTEE, PERMIT NUMBER, and PERMIT TERM

Name and address of Permittee:

Westmoreland Resources, Inc.
P.O. Box 449
Hardin, MT 59034
(406) 342-5241

This information is presented in Section 1.1 in Permit MT-0021A. Listed below is the current permit number, permit number for the requested renewal permit, and the term of the requested renewal.

Renewal Term: August 14, 2014 through August 14, 2019
Permit Number: MT-0021B

30 CFR 774.15(B)(2)(ii)

CERTIFICATE OF LIABILITY INSURANCE

Attached is a Certificate of Liability Insurance for the Absaloka Mine indicating compliance with the minimum requirements for liability insurance per 30 CFR 800.60(a). The policy shall be maintained in full force during the life of the permit, this and any subsequent renewals, and the liability period necessary to complete all reclamation operations per 30 CFR 800.60(b)

A copy of the effective Liability Insurance Certificate is on file at Westmoreland Resources, Inc.

CERTIFICATE OF LIABILITY INSURANCE



WESTCOA-02

WILSONLE

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/2/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Willis of Tennessee, Inc. c/o 26 Century Blvd P.O. Box 305191 Nashville, TN 37230-5191	CONTACT NAME: certificates@willis.com	FAX (A/C, No): (888) 467-2378	
	PHONE (A/C, No, Ext): (877) 945-7378	E-MAIL ADDRESS:	
INSURED Westmoreland Resources, Inc. Attn: Jennifer Grafton 9540 South Maroon Circle Suite 200 Englewood, CO 80112	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Westmoreland Risk Management		C6755
	INSURER B: ACE Property & Casualty Insurance Company		20699
	INSURER C:		
	INSURER D:		
	INSURER E:		
INSURER F:			

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR			WRMGL14	7/1/2014	7/1/2015	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 0 MED EXP (Any one person) \$ 0 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 50,000			XOO G27422123	7/1/2014	7/1/2015	EACH OCCURRENCE \$ 6,000,000 AGGREGATE \$ 6,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						PER STATUTE OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Re: Absaloka Mine, State Permit #85005, Federal Permit #MT-0007F and MT0021A

The General Liability coverage includes Explosion, Collapse, and Underground.

Insurer will notify Office of Surface Mining Reclamation and Enforcement, Casper Field Office, whenever substantive changes are made to this policy including the termination or failure to renew. This policy applies to Absaloka Mine, Federal Permit #MT-0021A and includes coverage for property damage and bodily injury resulting from the use of explosives.

CERTIFICATE HOLDER

CANCELLATION

Office of Surface Mining Reclamation and Enforcement, Casper Field Office Attn: Alan Boehms 150 East B Street, Room 1018 Casper, WY 82601	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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30 CFR 774.15(B)(2)(iii)

PERFORMANCE BOND ASSURANCE

All performance bonds and Letter of Credit in effect for the Absaloka Mine operation will continue in full force and effect for the 2014 to 2019 five-year renewal period per 30 CFR 774.15(b)(2)(iii). WRI recently calculated the bond liability for the 2009-2014 "worst case" or highest reclamation liability year in September 2013. WRI will provide any additional bond justified and required by OSMRE per 30 CFR 800.15. The following documents are in force as of July 23, 2014 for the Absaloka Mine.

MT-0021A	Absaloka Mine	SB	Lexon Insurance Company	1069660	\$6,000,000.00
MT-0021A	Absaloka Mine	SB	Travelers Insurance Company	1069653	\$2,215,522.00
MT-0021A	Absaloka Mine	SB	Travelers Insurance Company	64S105307075BCM	\$7,550,000.00

SB- Surety
Bond

TOTAL ***\$15,765,522.00***

Upon Approval of the permit renewal application, WRI will provide OSMRE with any additional bond required by OSMRE pursuant to 30 CFR, Subchapter J.

30 CFR 774.15(b)(2)(iv) and 30 CFR 774.15(b)(3)

NEWSPAPER NOTICE AND PROOF OF PUBLICATION

Attached is the proposed announcement of application for renewal of surface mining Permit MT-0021A. According to 30 CFR 773.6(a)(b), 30 CFR 774.15(b)(2)(iv), and 30 CFR 778.21, once OSM has determined the application to be administratively complete and has approved the proposed newspaper notice, WRI will commence the publication process. A copy of the approved newspaper advertisement and proof of publication will be filed with OSM and shall be made part of the renewal application within four weeks after the last date of publication. The announcement will be published in the Big Horn County News.

The advertisement and proof of publication shall be placed in Section 1.7 of Absaloka Mine Permit MT-0021A.

DRAFT PUBLIC NOTICE

Pursuant to the Code of Federal Regulations (CFR), Title 30, Chapter VII, Subchapter E, Part 750 and Subchapter G, Parts 773 and 774, notice is hereby given that Westmoreland Resources, Inc (WRI) has filed an application with the Office of Surface Mining Reclamation and Enforcement, Western Region (OSM) for renewal of Permit MT-0021A covering mining operations at the Absaloka Mine, Big Horn County, Montana. The permit renewal does not affect any terms and conditions of the existing coal leases, and no new coal leases are associated with the renewal. No new permit area is proposed beyond that which is currently approved. The term of the renewed permit will be from August 14, 2014 through August 14, 2019. This notice is hereby given that:

Applicant is:
Westmoreland Resources, Inc.,
P.O. Box 449
26 Miles East of Hardin
Hardin, Montana, 59034

Location:
The lands included within the application lie on the Crow Indian Reservation south of and adjacent to the Absaloka Mine, located at Sarpy Creek approximately 30 miles east of Hardin, Montana, via State Highway 384 and Sarpy Basin Road. The area of the application includes the below described legal subdivisions comprising 3,316.89 acres, more or less:

T.1S, R.38E:	Section 8:	Lots 5,6,7,8; S1/2
	Section 9:	Lots 5,6,7,8; S1/2
	Section 10:	Lots 5,6,7,8; S1/2
	Section 11:	Lots 3,4,14
	Section 14:	Lots 1,2,3,4
	Section 15:	All
	Section 16:	All
	Section 17:	All
	Section 20:	N1/2NE1/4NW1/4; N1/2N1/2 NE1/4
	Section 21:	N1/2N1/2N1/2

The area described is within the Wolf School and Jeans Fork NE U.S. Geological Survey Quadrangle Maps.

A copy of the application is available for inspection at the Big Horn County Library, 419 North Custer Avenue, Hardin, Montana.

An Electronic copy of the application is available for review on the OSM Western Region, Internet Website at <http://www.wrcc.osmre.gov>.

The name and address of the OSM representative where written comments, objections, or requests for an informal conference may be submitted on or before 5:00 p.m. MDT, July xx, 2014, which is no less than thirty (30) days after the last publication date of the paper is:

Jeff Fleischman
Division Manager
Denver Field Division, Casper Area Office, Dick Cheney Federal Building
P.O. Box 11018, 150 East B Street
Casper, Wyoming 82601-7032
(307) 261 - 6550,
jfleischman@osmre.gov

30 CFR 774.15(b)(2)(v)

ADDITIONAL UPDATED INFORMATION

No new items are being submitted with this five-year Absaloka Mine Permit MT-0021A renewal application to update information per 30 CFR 774.15(b)(2)(v). WRI will provide information during the technical reviewed as required by OSM.

