

State Director Helen Hankins
Bureau of Land Management
2850 Youngfield Street
Lakewood, CO 80215-7210
ATTN: FERC Withdrawal Recordation

Dear Ms. Hankins:

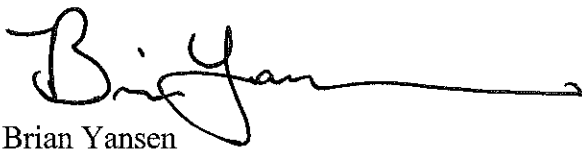
Peabody Trout Creek Reservoir LLC (PTCR) is applying for a Federal Energy Regulatory Commission (FERC) hydropower license for the proposed Trout Creek Reservoir Project (Project), a multi-purpose water storage project in Routt County, Colorado. A parcel of land managed by the Bureau of Land Management (BLM), Little Snake Field Office, is partially within the Project Boundary.

Peabody has previously applied for, and received, a Right-of-Way Grant from the BLM for the right to construct, operate, and maintain a water storage reservoir for the parcel of BLM land identified in the Form FERC-587. The Right-of Way Grant was issued by the Little Snake Field Office, has a Serial Number of COCO74362, and has an effective date of November 24, 2010.

As required by FERC, PTCR has completed the Form FERC-587, which identifies the location of Federal lands within the Project boundary that would be subject to withdrawal under Section 24 of the Federal Power Act of 1920, as amended. In addition to submitting this form (and accompanying map) to FERC, it is also required that the Form FERC-587 be filed with the state office of the BLM.

If you have any questions regarding Form FERC-587, or the Project in general, please contact David Merritt, Project Manager with URS Consultants (PTCR's consultant), at David.Merritt@URS.com or call 970-384-4738.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Yansen", with a long horizontal flourish extending to the right.

Brian Yansen
Director of Real Estate Development
Peabody Trout Creek Reservoir LLC

**LAND DESCRIPTION
 Public Land States
 (Rectangular Survey System Lands)**

1. STATE Colorado 2. FERC PROJECT NO. P-14446-000

3. TOWNSHIP T5N RANGE R85W MERIDIAN 6th Principal

4. Check one:

License
 Preliminary Permit

Check one:

Pending
 Issued

If preliminary permit is issued, give expiration date: _____

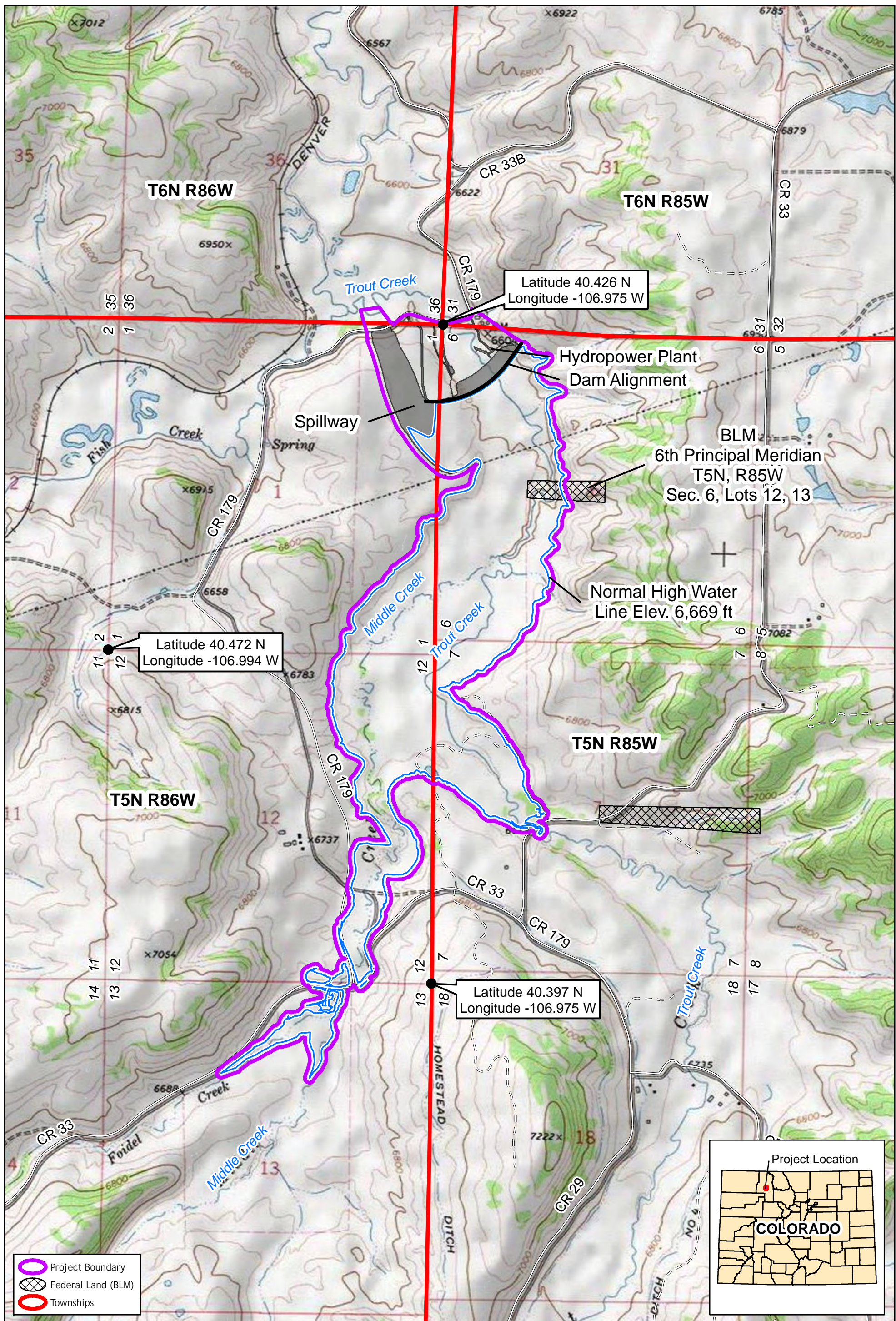
5. EXHIBIT SHEET NUMBERS OR LETTERS

Section 6	5	4	3	2	1
A					
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

6. Contact's name David Merritt

Telephone No. (970-384-4738)

Date submitted September 14, 2012



T6N R86W

T6N R85W

T5N R86W

T5N R85W

Latitude 40.426 N
Longitude -106.975 W

Latitude 40.472 N
Longitude -106.994 W

Latitude 40.397 N
Longitude -106.975 W

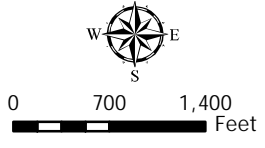
BLM
6th Principal Meridian
T5N, R85W
Sec. 6, Lots 12, 13

Normal High Water
Line Elev. 6,669 ft

- Project Boundary
- Federal Land (BLM)
- Townships

- Legend**
- Trout Creek Reservoir
 - Proposed Dam Alignment
 - Reservoir Facilities
- Dam alignment and reservoir footprint based on preliminary design.

Horizontal Projection: NAD83 State Plane CO North
Base data: © 2011 National Geographic Society, i-cubed and Routt County, 2012
Land Ownership: Routt County, 2012



*Exhibit A
Project Location*

Peabody Trout Creek Reservoir LLC
Trout Creek Reservoir Project
Routt County, Colorado