

EXHIBIT 1

Kramer Levin



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BY EMAIL

Heather Lennox, Esq.

Jones Day LLP

Counsel to the Board of Directors of Westmoreland Resource Partners, LP (with its subsidiaries, collectively, "WMLP")

Jay Bender, Esq.

Bradley Arant Boult Cummings LLP

Counsel to Merida Resource Partners, LP and its subsidiary, Western Coal Acquisition Company (collectively, "Merida")

Re: Closing of Kemmerer Sale

Dear Heather and Jay:

I write as counsel to Westmoreland Mining Holdings LLC and its affiliates (the "WLB Purchaser")¹ in reference to WMLP's proposed sale of the Kemmerer Mine to Merida pursuant to the Kemmerer Purchase Agreement.²

We understand that WMLP and Merida intend to consummate the sale in the next few days.

The Kemmerer Purchase Agreement contains multiple conditions to closing that cannot be satisfied, including in particular Sections 9.2(c) and 9.3(d).

¹ The sale of substantially all assets of Westmoreland Coal Company and certain of its affiliates (the "WLB Debtors") assets to the WLB Purchaser consummated on March 15, 2019. On that date, the secured lenders and bondholders of the WLB Debtors (the "WLB Secured Lenders") became equity holders and holders of first and second lien debt of the WLB Purchaser, and the WLB Purchaser retained Kramer Levin as its counsel.

² We refer to the *Form of Asset Purchase Agreement* among Westmoreland Resource Partners, LP, Westmoreland Kemmerer, LLC, Westmoreland Kemmerer Fee Coal Holdings, LLC, Westmoreland Coal Acquisition Partners, LLC and Merida Natural Resources, LLC (the "Kemmerer Purchase Agreement") (available at Docket No. 1401)).

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Section 9.2(c) requires as a condition to closing:

"arrangements satisfactory to [WMLP] shall be in place regarding the Required Bonding **(under which, for the avoidance of doubt, neither Sellers nor any of their Affiliates (including Westmoreland Coal Company and its Affiliates) will be liable for the obligations of Purchaser)**, and [WMLP] shall be satisfied that there have been no adverse developments or occurrences that would reasonably be expected to be material and adverse in the context of the transfer of one or more Transferred Permits/Licenses."

(Emphasis added).

Section 9.3(d) requires as a condition to closing:

"Zurich shall have agreed to assign or replace all of its existing Mining Financial Assurances at Closing on terms not unreasonable to [Merida]r **and Zurich, or one or more other sureties selected by [Merida] shall have issued replacement bonds for all such Zurich bonds on terms not unreasonable to [Merida].**"

(Emphasis added).

To our knowledge, there are no arrangements in place regarding "Required Bonding", defined as follows:

"Required Bonding" means the applicable reclamation bonds, letters of credit or other sources of collateral, or financial assurance, required for each Transfer, Permit/License sufficient to roll over or replace all existing reclamation and surety bonds of the Sellers related to the transferred Permits/Licenses."

To our knowledge, Zurich has not agreed to assign or replace its existing Mining Financial Assurances ("bonds"). To our knowledge, Merida has not obtained replacement bonds. To our knowledge, "Required Bonding" has not been obtained under which Westmoreland Coal Company will not be liable for the obligations of Merida.

Paragraph 51 of the Kemmerer Sale Order provides that:

"[A]ny amendment, restatement, supplement, modification or waiver of or under the [Kemmerer Purchase Agreement] or this Order that materially, adversely affects the WLB Debtors [or] the WLB Purchaser (including its Canadian subsidiaries) . . . as determined by each such party, requires the consent of such party (such consent not to be unreasonably withheld)."

Accordingly, WLB Purchaser is a third party beneficiary of provisions under the Kemmerer Purchase Agreement, including without limitation Sections 9.2(c) and 9.3(d).

WLB Purchaser maintains a collateral pool that secures all bonds issued by Zurich, including the bonds issued to the State of Wyoming to assure reclamation of the Kemmerer Mine. Zurich's counsel has informed us that Zurich will ask WLB Purchaser for additional collateral should Merida acquire the Kemmerer Mine without obtaining substitute bonding.

March 20, 2019



The consummation of the Kemmerer Purchase Agreement without substitute bonding, and any waiver or modification of the requirement of substitute bonding, "materially adversely affects" the WLB Purchaser and would violate the WLB Purchaser's rights under the Kemmerer Sale Order.

If your clients proceed to consummate the Kemmerer Purchase Agreement in violation of the WLB Purchaser's rights under the Kemmerer Sale Order, WLB Purchaser will exercise all of its rights and remedies with respect to the enforcement of such rights against WMLP, Merida and the individual directors and officers of these entities who are responsible for the breach of WMLP's rights and tortious inducement of such breach.

WLB Purchaser reserves all of its rights to enforce the Kemmerer Sale Order in any appropriate forum through the assertion of all available rights and remedies, including without limitation compliance with all conditions in the Kemmerer Purchase Agreement and the Intercompany Settlement Order.³

Sincerely,

Thomas Moers Mayer

Cc:

Steve Hessler

Greg Pesce

Counsel to Westmoreland Coal Company

Lorenzo Marinuzzi

Counsel the Official Committee of Unsecured Creditors

³ The Intercompany Settlement among the WMLP Debtors, WLB Debtors, the WLB Secured Lenders and the WMLP Secured Lenders further provides that the WLB Debtors and WLB Secured Lenders need not support the Kemmerer sale if the transaction materially, adversely affects the WLB Debtors, the WLB Purchaser (including its Canadian subsidiaries) or the WLB Secured Lenders.