

EXHIBIT 2

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March 21, 2019

VIA EMAIL

Thomas Moers Mayer, Esq.
Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, New York 10036

Re: In re Westmoreland Coal Company, et al., No 18-35672 (Bankr. S.D. Tex.)

Dear Tom:

Thank you for your letter, dated yesterday, regarding the anticipated closing of the sale of the Kemmerer Assets to Western Coal Acquisition Partners, LLC ("WCA") under the Kemmerer APA.¹ We disagree with your position that anything related to the Closing would materially adversely affect your client, Westmoreland Mining Holdings LLC (the "WLB Purchaser").² The WLB Purchaser's efforts to block the Closing of the Kemmerer Sale jeopardizes, among other things, hundreds of United Mine Worker of America ("UMWA") jobs, the nearly completed retiree benefit settlement with the UMWA, and WCA's agreement to reclaim the Kemmerer Mine.

The WLB Purchaser, WCA and the Debtors all knew and agreed that the existing indemnity obligations to Zurich would be unaffected by the confirmation of the WLB Debtors' plan and the sale of the Kemmerer Assets, and that the buyers would disentangle themselves on the other side of the transactions. The *Order Confirming the Amended Joint Chapter 11 Plan of Westmoreland Coal Company and Certain of its Debtor Affiliates* [Docket 1561] (the "Confirmation Order") provides:

The WMLP Debtors are in the process of selling assets (the "Kemmerer Assets") associated with the Existing Kemmerer

¹ The "Kemmerer APA" is that certain Asset Purchase Agreement, by and among WCA, Merida Natural Resources, LLC, Westmoreland Resource Partners LP, Westmoreland Kemmerer, LLC and Westmoreland Kemmerer Fee Coal Holdings, LLC, dated as of February 7, 2019, and filed at Docket No. 1401. All terms not otherwise defined herein have the meanings ascribed to them in the Kemmerer APA or the *Order (I) Approving the Sale of the Kemmerer Mine and Substantially All Assets Related thereto Free and Clear of All Non-Assumed Liens, Claims, Encumbrances and Interest, (II) Approving the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases and (III) Granting Related Relief* [Docket No. 1560] (the "Kemmerer Sale Order").

² Nor is the WLB Purchaser a third party beneficiary of the Kemmerer APA. See Kemmerer APA § 12.10.

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Surety Bonds. Notwithstanding any other provision of this Order, upon the (a) termination and/or release of the Existing Surety Bonds after regulatory authority approval, and (b) satisfaction of all obligations under the Existing Indemnity Agreements, including, without limitation, the payment and/or reimbursement of all premiums, fees and expenses, including reasonable attorneys' fees, and (c) replacement or supplementation by Purchaser or PMRU ***of any additional collateral or other security as may be requested by Zurich as part of its ongoing underwriting process*** (x) Zurich shall release the collateral in the amount set forth on Exhibit B relating to the Kemmerer Assets (the "Kemmerer Collateral") to the buyer of such assets or such other entity agreed upon by Zurich, and the buyer of such assets and (y) the WLB Debtors and their affiliates (including any affiliates purchased by Purchaser) shall have no further obligation to such Surety under the Existing Indemnity Agreements on account of the Kemmerer Assets or any obligations related thereto.

Confirmation Order ¶ 39 (emphasis added). The Kemmerer Sale Order similarly provides:

Upon the (a) termination and/or release of all of the existing bonds (after regulatory authority approval) Zurich American Insurance Company and its affiliate Fidelity & Deposit Company of Maryland (collectively, "Zurich") have issued on behalf of the WMLP Debtors (the "Kemmerer Bonds"), (b) satisfaction of all the WMLP Debtors' obligations under the related indemnity agreement (the "Kemmerer Indemnity Agreement"), including, without limitation, the payment and/or reimbursement of all premiums, fees and expenses, including reasonable attorneys' fees, and (c) replacement or supplementation by the Purchaser (as referred to in the Amended Joint Chapter 11 Plan of Westmoreland Coal Company and Certain of Its Debtor Affiliates [Docket No. 1459]) or Prairie Mines & Royalty ULC ***of any additional collateral or other security as may be requested by Zurich as part of its ongoing underwriting process***, (x) Zurich shall release that certain collateral in the approximate amount of \$30,259,188.11 (as of December 31, 2018), which is held in Bank of New York Account No. 858733 (the "Kemmerer Collateral"), to the Buyer or such other entity agreed upon by Zurich and the Buyer and (y) the

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WMLP Debtors will have no further obligation to Zurich under the Kemmerer Indemnity Agreement.

Kemmerer Sale Order ¶ 24 (emphasis added).

Zurich and the WLB Purchaser both participated in the February 28, 2019 hearing to approve the sale of the Kemmerer Assets to WCA and to confirm the plan pursuant to which the WLB Purchaser acquired the WLB Debtors' assets. At all times, it was abundantly clear to Zurich and the WLB Purchaser that WCA was the intended purchaser of the Kemmerer Mine. Nonetheless, the WLB Purchaser expressly agreed that Zurich could request "additional collateral or other security . . . as part of its ongoing underwriting process." Confirmation Order ¶ 39.

I understand that the WLB Purchaser closed on its purchase of WLB Debtors' assets on March 15, 2019. I further understand that the WLB Purchaser closed without the WLB Debtors' permits being transferred or full replacement bonding being in place with Zurich or any other surety provider. Accordingly, as of March 15, 2019, the WLB Purchaser assumed the risk that Zurich could and would ask for additional collateral from the WLB Purchaser. Now that the risk of your client's voluntary assumption of these liabilities and risks has evidently materialized, your client seeks to put at risk the jobs at the Kemmerer Mine, the likely settlement with the UMWA regarding retiree benefits and the reclamation of the Kemmerer mine, and harm the WMLP Debtors' estates by attempting to prevent the closing of the Kemmerer sale. The risk that the WLB Purchaser has today is exactly the risk that the WLB Purchaser had on March 2, 2019 when the WLB plan was confirmed and the Kemmerer Sale to WCA was approved, and on March 15, 2019 when the WLB Purchaser closed its own sale. Closing the Kemmerer Sale will simply maintain the status quo with respect to the risk your client voluntarily assumed.

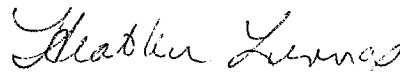
Thus, we do not agree that the anticipated Kemmerer Sale Closing will materially, adversely affect the WLB Purchaser. Even if it did, which it does not, by closing on its own sale on March 15, 2019 without having obtained full replacement bonding or other arrangements in place with Zurich, the WLB Purchaser voluntarily assumed the risk that Zurich could request additional collateral.

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Consequently, the WLB Purchaser's assertion that its consent is required before the WMLP Debtors can Close the sale of the Kemmerer Assets to WCA is incorrect, and withholding consent is unreasonable. Further, the WLB Purchaser's efforts to prevent, or interfere with, the Closing of the Kemmerer sale are wrongful and without justification. The WMLP Debtors reserve all of their rights with respect to the WLB Purchaser's conduct.

Very truly yours,



Heather Lennox

cc: Gregory Pesce, Esq,
Lorenzo Marinuzzi, Esq.
Jay Bender, Esq.
Kristine Manoukian, Esq.