

June 21, 2002

Mr. Curtis L. Blohm
Knife River Corporation
1915 North Kavaney Drive
Bismarck, ND 58501-1698

Dear Mr. Blohm:

The Reclamation Division has conducted a technical review of Knife River's application for Bond Release No. 4 to Permit KRGC-8101 for the Gascoyne Mine. The following items must be adequately addressed before any further action can be taken of the bond release application:

Application & Summary Page

1. Page 3 to the bond release application form, the addendum that serves as a checklist for the application should be included. Normally a separate sheet is provided for each bond release tract. However, since the three post-1979 disturbance tracts have industrial/commercial land uses, a single sheet may be used for those tracts. Also this sheet does not apply to Tract No. BR4-D since it was mined under the 1969 reclamation law.
2. Knife River's summary page includes instructions for filing information the bond release application into the permit. However, the bond release application does not need to be filed into the permit. Following approval of the bond release, Knife River will be asked to update the permit to reflect the bond release (e.g., metes and bounds description and permit boundary map) most likely at the next permit midterm or renewal. The bond release application will remain a "stand-alone" document and any references to incorporating the bond release application into the permit should be removed.

Attachment 1

3. Please provide an additional map as Attachment No. 1a showing the current topography in Bond Release Tract 4-A, the Dakota Prairie Beef Feedlot. This can be the design topography for this area rather than the “as-built” contour map. Also, please correct the wording under Final Grading on page 2 of Attachment No. 7 to reflect this additional map.

Attachment 2

4. Please correct the following typographical errors in the legal description for Tract # 4D:
 - The coordinates of the beginning point are N 2640 and E 2640.
 - The bearing of the leg between points 569 and 570 is S49°00’02”W.
 - The bearing of the leg between points 572 and 573 is N38°23’06”E.
 - The coordinates for point 569 are N **2140** and E **2640**.
 - The coordinates for point 574 are N **2640** and E 2460.

Attachment 4:

5. Please provide one copy of each letter that was mailed to the surface and adjoining property owners pursuant NDCC Chapter 38-14.1-17 (1) (b).

Attachment 6:

6. Please update the ownership map, Attachment 6, to show the following:
 - A. Identify Gordon Wilson’s property
 - B. Identify the State of North Dakota’s coal ownership
 - C. Identify coal owner(s) for the NW1/4 of Section 34.

Attachment 7:

Tract BR4-B:

7. The first sentence in the first paragraph on page 1 of attachment 7 incorrectly identifies Tract BR4-B as being located in the SW1/4SE1/4 of Section 26. The tract is located in the SW1/4NE1/4 of Section 26. Please correct.
8. In the narrative on page 1, please discuss when the last soil materials were removed from the stockpiles and when the remaining stockpiles material was last seeded. The approximate seeding dates for other

areas should be discussed and provide the seed mixture(s) used. The approximate amount of disturbed and undisturbed acreage should be listed and the areas shown on a map.

9. Please provide a discussion and any supporting information to document that the area is not contributing suspended solids to stream flow outside of the permit area as required by NDAC 69-05.2-12-12(7).
10. Please discuss the final bond release performance standards that apply to this tract and how the applicable standards have been achieved.

Tract BR4-A:

11. The Public Service Commission approves but does not designate post-mining land uses. Please revise the third sentence in the second paragraph accordingly.
12. Please discuss the dates when mining, backfilling and grading occurred on this tract and the dates SPGM was respread, SPGM respread thicknesses, dates of initial seedings, species seeded, seeding rates and management activities that occurred prior to the construction of the feedlot. The approximate amount of disturbed and undisturbed acreage should be listed and the areas shown on a map.
13. Please provide a discussion and any supporting information to document that the area is not contributing suspended solids to stream flow outside of the permit area as required by NDAC 69-05.2-12-12(7).
14. Please discuss the final bond release performance standards that apply to this tract and how the applicable standards have been achieved.
15. This tract includes a portion of Pond 23 including the outlet (current discharge point). The discharge point will be released prior to the approval of the bond release; however, Knife River must discuss plans for future pond maintenance and provide a commitment from the landowner to properly maintain the pond and outlet. NDCC 38-14.1-17(7)(c)(2)

Tract BR4-C:

16. Please discuss when the facilities area was initially disturbed.

17. Please provide a discussion and any supporting information to document that the area is not contributing suspended solids to stream flow outside of the permit area as required by NDAC 69-05.2-12-12(7).
18. At the time of the bond release inspection on June 6th, you mentioned that an engineering firm was reviewing the watershed above Tract 4-C to determine if Gordon Wilson, the owner of this tract, can fill the ditch that goes through that tract. The road embankment also serves as the embankment for Pond 24 and the discharge pipe for this pond is located in Tract 4-C. However, the discharge pipe could not be located during the inspection. If the pond and discharge pipe will remain, the area around the discharge pipe needs to be cleaned out and Mr. Wilson must commit to plan for sound management of that area in the future. However, it appears the statement about reclaiming temporary ponds on page V-22 of Section V in Volume IVA of the permit applies to this pond. Please clarify plans for this area and any additional work that needs to be completed before bond release approval.
19. Please discuss the final bond release performance standards that apply to this tract and how the applicable standards have been achieved.

Tract BR4-D:

20. Please discuss the final bond release performance standards that apply to this tract. If this entire tract was not disturbed by mining activities, the amount of disturbed and undisturbed acreage should be listed and the boundaries should be shown on a map.

Other

21. The Respreading, Seeding and Vegetation Management narrative on page 2 should be deleted and details regarding these activities should be addressed for each tract as requested above.
22. Please include a map, or add information to an existing map, to clearly show the disturbance limits and to label the portions of the bond release tracts that were not disturbed by Knife River's coal mining operations. A map also needs to show the soil respread thicknesses for the portions of Tract No. BR4-A that were not affected by the construction of the feedlot.

Attachment 9

23. The bond release amount shown for disturbed acres in Bond Release No. 3 is \$1,406.46 per acre instead of the \$1,422.67 shown in the bond release computation in Attachment No. 9. Please revise this computation based on the \$1,406.46 per disturbed acre for Bond Release No. 4.
24. Please revise the beginning coordinates for Point 565 on Tract II on page III-2 in Attachment 9 to N 10,560 and W 2,030.6.

Hydrologic Assessment

25. Please address in the application how the hydrologic requirements for final bond release have been met. A checklist of requirements summarized from NDCC 38-14.1 and NDAC 69-05.2 is attached for your reference. Although the tracts submitted are associated disturbance areas or tracts approved for industrial-commercial post-mining land use, they are a significant percentage of the Gascoyne mine area. The post-mining condition of surface and groundwater resources associated with these tracts must be addressed in the application. To explain the restricted hydrologic evaluation, the narrative can note that the approved hydrologic monitoring plans will not be changed this release, that a more exhaustive and mine-wide hydrologic assessment is planned that will also cover these tracts, and that State Health Department monitoring of industrial activities under their jurisdiction is in place.

Since this bond release application contains some Federal coal, OSM will need to concur with granting this bond release application before the Commission can approve it. We expect any field review by OSM staff will occur by late-July.

If you have any questions, please contact this office.

Sincerely,

James R. Deutsch
Director
Reclamation Division

Attachment

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