



Public Service Commission

State of North Dakota

COMMISSIONERS

Susan E. Wefald, President
Kevin Cramer
Tony Clark

Executive Secretary
Darrell Nitschke

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
Web: www.nd.gov/psc
E-mail: ndpsc@nd.gov
TDD 800-366-6888 or 711
Fax 701-328-2410
Phone 701-328-2400

October 10, 2008

Mr. Joe D. Friedlander
Environmental Manager
Coteau Properties Company
204 County Rd. 15
Beulah, ND 58523

Dear Mr. Friedlander:

The Reclamation Division has reviewed your response to the technical deficiency letter on the application for Revision 30 to Permit NACT-9501. While many of the deficiencies have been adequately addressed, the following items need to be satisfactorily addressed:

1. Follow-up to original item No. 1: The updated surface water probable hydrologic consequences in Section 2.2.5 needs to further address the combined impact of the changes to Watersheds 14-14 and 14-15 on downstream areas. The changes made to Section 2.2.5 in response to the original item appear to be limited to impacts within the permit area. However, the downstream off-permit areas that will be impacted by the watershed changes also need to be addressed. A staff field review noted that the sections of the north-south diversion ditch that is not within the permit area may not be capable of handling increased flows and it appears the post-mine flow rates will be significantly higher than the pre-mine conditions where the south-north diversion ties into the section line road between Sections 27 and 34. Also, the south ditch of this section line road is not well defined and flows would likely go into the cropland to the south of the road. In addition, based on the delineation of Watershed 14-14 on the pre-mine PHC map, Sheet 2 of 3 of Section 2.2.6, it is not clear if the diversion ditch intercepted the runoff from this watershed prior to mining. If it didn't, the post-mine flows into this diversion and road ditch will be greatly increased over the pre-mine conditions. Please update the PHC and hydrologic reclamation plan to address the potential adverse impacts as a result of the increased runoff and flow rates in the diversion ditch, along the section line road, and other off-permit downstream areas. Coteau also needs to discuss measures that need to be taken to prevent or minimize erosion due to the increased and more concentrated flows. If any off-permit area needs to be disturbed to minimize the hydrologic impacts as a result of watershed changes due to mining and reclamation activities, those areas will have to be added to the permit prior to disturbing them. (JRD)

2. Follow-up to original item No. 6: In the last paragraph on page 2 of Section 4.1.1, please clarify that all of Shelterbelt SB-14-01 will be subject to reclamation revegetation success standards even though most of the shelterbelt will be planted on lands not disturbed by mining related activities. (GAW)
3. Follow-up to original item No. 15: With changes made in response to original item 15, we noted that the post-mine land use of the undisturbed tame pastureland in the NW¼ of Section 25 is being changed to native grassland. To implement this change, does Coteau plan to spray undisturbed tame pastureland area be with Roundup or similar chemical and reseed that area with the native grassland seed mix when the adjoining disturbed areas are reclaimed and seeded? Please clarify. (GAW)
4. Follow-up to original item No. 16: The introduction paragraph of Section 5.1.1 has been changed to state that 12 wetlands will be constructed to replace the 19 that will be disturbed. The Post-Mine Topography and Land Use Map, Section 4.1.6, shows that 16 wetlands are to be created. Please review and update or otherwise explain this discrepancy. (GAW)
5. Follow-up to original item No. 22: The worst-case reclamation cost needs to be updated with this revision. Revision 7 to Permit NACT-0401 was granted allowing the use of 2007 variable costs and with the understanding that the reclamation costs would be updated with Revision 30 using the 2008 variable costs. While we agree that changing the worst-case scenario may be delayed until later this year, the variable costs in the current worst-case condition need to be updated prior to the approval of this revision. (MDB)
6. New: Two permanent grassed waterways are now proposed in cropland in the NE¼ of Section 34 to ensure stability of the drainageways. We agree with this practice and believe they will serve the intended purpose. However, flows from the permanent waterways will enter into an existing diversion ditch off-permit and flow north to the section line road ditch. Since the watershed area into this existing drainage ditch is increased significantly as noted in Item 1 above, please provide calculations in the water management plan demonstrating that the diversion ditch, section line road ditch and culverts are capable of handling the additional runoff without causing erosion or other harm to downstream areas. (MDB)

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division