

THE COTEAU PROPERTIES COMPANY

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

FREEDOM MINE

204 County Road 15
Beulah, North Dakota 58523-9475

(701) 873-2281 • Fax (701) 873-7226

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MAR 11 2009
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March 6, 2009

Mr. James R. Deutsch
Director Reclamation Division
Public Service Commission
600 East Boulevard Avenue
Department 408
Bismarck, ND 58505-0480

FROM DIRECTOR - RECLAMATION DIV.

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Dear Mr. Deutsch:

This is in response to your March 4, 2009 letter regarding Coteau's requests for liability period variances for reclaimed lands in the W½ Section 20 (Permits NACT-8203 and NACT-8503), submitted December 10, 2007, and in Section 22 (Permit NACT-9101), submitted July 16, 2008. You requested additional information to comply with the requirement in Policy Memo 20 "that the permittee must affirmatively demonstrate that reclamation carried out on the proposed variance area provides equal or greater protection to the environment and to public health and safety."

Land reclamation on the proposed variance areas was conducted using the same methods as surrounding reclaimed areas, and was conducted in a manner to tie all areas together, providing land tracts that can be safely and efficiently managed. This resulted in a stable landscape and seamless transition between older and newer reclaimed lands in the same tract. Proper drainage was accomplished during reclamation of the variance areas, including improving drainage in selected locations where standing water could have impeded fulfillment of the designated land use. By approving a liability variance to the described tracts, final bond release can be accomplished sooner, and the lands can be removed from the mine and returned to full control by a private landowner. This assures equal or greater protection to the environment and to public health and safety than if the entire area were delayed for several years to obtain final bond release.

We trust this information provides a sufficient demonstration to comply with Policy Memo 20. If this is acceptable language, we propose to use it in future liability period variance requests.

Sincerely,

THE COTEAU PROPERTIES COMPANY



Joseph D. Friedlander
Environmental Manager
JDF:lr

7 RC-07-783 Filed 03/09/2009 Pages: 1
Additional Information Provided for the Variance Request
Coteau Properties Company
Joe Friedlander