

PUBLIC SERVICE COMMISSION
Reclamation Division

MEMORANDUM

TO: Commissioners Wefald, Cramer and Clark
Ilona A. Jeffcoat-Sacco
Bill Binek

FROM: Stephan A. Schroeder and Jim Deutsch

DATE: April 2, 2008

SUBJECT: Application for Revision No. 6 to Permit ACPG-9701, Case No. RC-08-57

On February 13, 2008, American Colloid Company (ACC) submitted the application for Revision No. 6 to Surface Coal Mining Permit ACPG-9701 for its Page and Perkins Mine areas between Reeder and Gascoyne. ACC also filed the application for Renewal No. 2 for this permit at the same time. The changes submitted in the revision include identifying the next five-year coal removal subarea and addressing several items noted by the Reclamation Division during our pre-renewal review of the permit. The revision updates the legal, financial and ownership information, surface water management plans, mining and reclamation plans, and the worst-case reclamation cost estimate used for setting the bond amount. The Reclamation Division has finished its review of this revision and respectfully recommends that it be approved.

This revision identifies the areas that will be mined during the next five-year permit term that will expire on April 22, 2013. Coal removal is expected to continue in this permit area beyond 2010. This revision also updates the surface and subsurface ownership information, water management plans and reclamation plans, including the worst-case reclamation cost estimate. Landowner preference statements were also updated for the portion of the mine in Section 12.

Surety Bond K0700784A issued by Westchester Fire Insurance Company currently covers the bond area that includes Permit ACPG-9701. The bond currently totals \$850,000. As a part of Revision No. 6, ACC also prepared an updated worst-case reclamation cost estimate that is used to set the minimum bond amount for the permit area. This estimate showed that the current bond amount must be increased from \$850,000 to \$1,092,445. ACC has submitted the appropriate surety bond documents to increase the bond amount to \$1,092,445.

Revision No. 6 was deemed a significant revision to Permit No. ACPG-9701 and was subject to the public notice requirements. American Colloid Company has submitted affidavits of publication of the newspaper notice from the Bowman County Pioneer indicating that the notice was published on February 8, 15, 22, and 29, 2008. We also notified the appropriate agencies,

affected landowners, and advisory committee members. No objections to this revision application were received.

Attached for your consideration is a motion for the April 9th meeting to approve the revision. Also attached are the revision approval form and the newspaper notice we must publish.

Attachments

Caselib\080057\memo_to_commission.doc