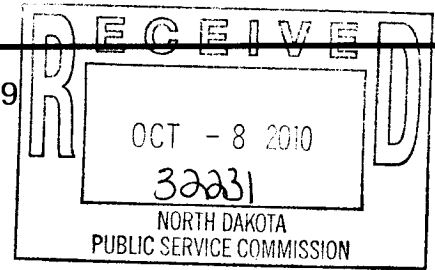


Dakota Westmoreland Corporation

Beulah Mine – P.O. Box 39, Beulah, North Dakota 58523-0039
Phone: (701) 873-4333 • Fax: (701) 873-7784



FROM DIRECTOR - RECLAMATION DIV.

October 8, 2010

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Mr. James R. Deutsch
Director, Reclamation Division
Public Service Commission
600 E Boulevard Ave, Dept 408
Bismarck ND 58505-0480

Dear Mr. Deutsch:

Re: Revision No. 25, KRSB-8802
Technical Deficiency #4 Responses

The following information is submitted in response to the technical deficiencies letter dated July 6, 2010. Individual comments are set forth below followed by Dakota Westmoreland's responses and a list of revised information. Four copy sets are enclosed.

Revision Summary

1. Please update the original Revision Summary to include a description of all of the mining and reclamation operations being revised with this revision. To simply state that the permit is being updated in response to a midterm review is inadequate. The revision "Listing of Revised Information" must be comprehensive with all of the changes proposed with the revision and include instruction information for updating the approved permit. The Listing of Revised Information should be for insertion into the permit not various versions of the revision. Prior to approval of the revision, DWC will need to submit a detailed instruction list for inserting the entire revision into the permit. (GAW)
 - The *Revision Summary* has been revised as requested. The *List of Revised Information* has been revised to include all submittals (7 including this) and insertion instructions. The most recent submittal date of each narrative and exhibit is provided in an effort to minimize confusion (detailed instruction sheet).

Section 3.7 – Time Schedules

2. The Reclamation Division has discussed the proposed reclamation schedule for the final Orange and Charlie Pit areas with the Commission and they agreed with our earlier recommendation that all backfilling and grading needs to be completed within 3 years rather than 4 years. The proposed 2-year time period for completing soil respreading and seeding is acceptable. Please note that this schedule allows two additional years for completing reclamation work than typically required by NDCC 38-14.1-24(14). Please adjust the schedule accordingly. (DKM & JRD)

➤ Pages 3.7.6 and 3.7.7 have been revised as requested.

Section 3.8 – Reclamation Cost Estimate

3. Follow-up to Items 11 through 14: Per NDAC 69-05.2-12-07(2)(a) the Reclamation Division has determined the required bond amount to be no less than \$10,382,986.00. The following discrepancies were noted during our review process. Attached is a copy of Table 3.8.11 with a summary of the revised values (revised figures are shaded). Please incorporate these changes into Revision No. 25 and submit the bonding instruments accordingly. (MDB)

➤ The recommended changes were incorporated into the worst case bond narrative. Due to rounding differences in embedded formulas, DWC's narrative indicates the bond amount to be \$10,383,057.46, a difference of \$75.46. DWC will use the PSC's bond amount of \$10,382,986.00. The new bond was submitted, under separate cover, to the PSC on October 6, 2010.

<u>Section</u>	<u>Revised Information and Instructions</u>
3.7	Replace pages 3.7.6 and 3.7.7
3.8	Replace entire narrative

We hope the Public Service Commission staff will be able to review this information as soon as possible in an effort to reduce further confusion between the approved dates for the various narratives and exhibits between this revision and revision No. 26.

If you have any questions, please contact me at extension 3926 or Jeff Frohlich at extension 3908.

Sincerely,



Paula Koble Gores
Permit Coordinator

/s/