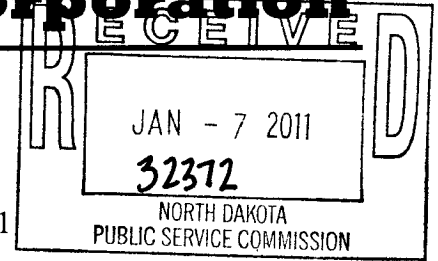


Dakota Westmoreland Corporation

Beulah Mine - P.O. Box 39 • Beulah, North Dakota 58523-0039

Phone: (701) 873-4333 • Fax: (701) 873-7784



January 7, 2011

FROM DIRECTOR - RECLAMATION DIV.

Mr. James R. Deutsch
Director, Reclamation Division
Public Service Commission
600 E Boulevard Ave, Dept 408
Bismarck ND 58501-0480

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Dear Mr. Deutsch:

Re: Revision No. 25, KRSB-8802

The following is submitted in response to the Commission's completeness review letter of November 29, 2010. The individual deficiency comments are set forth below followed by Dakota Westmoreland's responses and a list of revised information. Four sets of the revised narrative are enclosed.

1. Follow-up to Item No. 2: Please update Table 3.7.1, which is located on page 3.7.2, to clarify that SPGM respreading will be completed by the end of 2014 (as stated on page 3.7.7) rather than 2015. In addition, we recommend adding a statement to the first paragraph on page 3.7.7 that DWC will submit quarterly progress reports to the Reclamation Division, within 30 days of the end of each quarter, on progress of reclamation work in the final Orange and Charlie Pit areas that will include the approximate cubic yards of material backfilled into the final pits and the quantities of subsoil and topsoil respread on these areas during each quarter. (If such a statement is not added to Section 3.7, we plan to attach a condition to the approval of the revision to require the submittal of these quarterly progress reports.) (GAW & JRD)
 - Per telephone discussion with Jim Deutsch on November 30, 2010; DWC will submit an annual update of all earthmoving activities for Permit KRSB-8802 to the PSC for review. The yardages will be based off of aerial mapping. Volumes based on aerial mapping are the methodology used to design the reclamation plan. Annual mapping updates will follow the same format as the initial plan. Range diagrams will be revised with the new topography. This information will be used to compute "yardages moved".

The aerial survey will be conducted during the last quarter of each year. A digital copy of the revised topography, updated range diagrams, volume summaries and quantities will be reported to the PSC before the end of the calendar year.

This statement for annual reporting has been added to the bottom of page 3.7.6.



Regarding the SPGM respreading completion date, our internal records indicate the last ton of coal was recovered from the Charlie pit in February 2010 (copy of tons mined royalty report attached as confidential). Five years from that point in time would be March 1, 2015 (3 years for backfilling, 2 years for SPGM respreading). We have revised Table 3.7.1 and the final reclamation schedule to more clearly identify that point in time.

2. The discussion on pages 3.7.6 and 3.7.7 under Part B, Associated Mining Disturbance Schedules, now includes more details on the reclamation schedule for the final Orange and Charlie Pit areas as well as some specific associated disturbances. The heading for Part B should be updated accordingly. Also, this section should include proposed reclamation schedules for all associated disturbances (ponds, haul roads, soil stockpiles, etc.) that are located in areas east of Highway 49. (JRD)
- The heading for Part B, has been changed to Final Reclamation Schedules. Policy Memorandum No. 19 (1.) states, "A sedimentation pond and any associated diversions may not be removed sooner than two years following the last augmented seeding unless..." therefore, ponds and the access roads for such are not projected to be reclaimed until 2017. The revegetation success will need to be reviewed on annual basis. Projected dates were added for reclaiming the ponds and haulroads. Stockpiles will be reclaimed as they are depleted.

The complete *List of Revised Information* has been updated to include all submittals (9 including this) and insertion instructions. Only page dates were changed for section 3.7.

<u>Section</u>	<u>Revised Information and Instructions</u>
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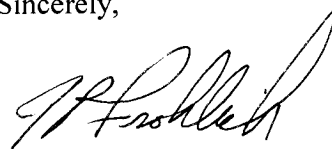
3.7

Replace entire narrative

(Highlighting and strikethrough designations from the past submittals have been removed for this submittal. Only changes made for this submittal are indicated with highlighting and strikethrough.)

If you have any questions please contact Paula Gores, extension 3926, or me at extension 3908.

Sincerely,



Jeff P. Frohlich
Manager
Engineering and Environmental

plg
Encl.

DAKOTA WESTMORELAND CORPORATION

Mine: Beulah Mine
Permit Number: KRSB-8802
Revision No.: 25
Submittal Date: July 25, 2008
Revised Dates: January 30, February 25, and August 4, 2009, March 29, May 21, October 8, October 28, 2010, and January 7, 2011

Revision Summary

Revision No. 25 updates the permit pursuant to the Public Service Commission's mid-term review of permit KRSB-8802 in a letter dated April 30, 2008. The legal and financial sections, general operations and reclamation plans are being updated with this permit revision.

Several sections were converted from *WordStar* to *Microsoft Word*, thus, page numbers may have changed from the last submittal of several sections.

List of Revised Information

<u>Section</u>	<u>Revised Information and Instructions</u>
	Replace entire Table of Contents (3/29/10) Replace 2 pages (dated 5/19/10, change made to Section 3.1)
1.4	Replace entire narrative (8/4/09) (Revision No. 26 is most recent 10/6/10) and Exhibit 1.4.1 (8/4/09) (Revision No. 26 is most recent 10/6/10)
1.5	Replace entire narrative (8/4/09) (Revision No. 26 is most recent 8/23/10)
2.1	Replace page 2.1.4 (7/25/08)
2.2	Replace entire narrative (pgs 1-9: 3/29/10, pg 10: 5/21/10) Replace exhibit 2.2.7 (5/21/10)
2.3	Replace entire narrative (7/25/08) except pg 34 submitted 8/4/09 however, footer date unchanged (see yellow highlighting re: aquifers) Replace exhibits 2.3.1, 2.3.4, 2.3.5, 2.3.6, 2.3.7 and 2.3.8 (8/4/09)
2.4	Add new exhibit 2.4.9 (3/29/10)
2.7	Replace entire narrative (dated 3/26/10) except pgs 4 and 5 (dated 5/19/10) Replace exhibit 2.7.1 (5/21/10)
2.8	Replace page 2.8.1 (7/25/10)
3.1	Replace entire narrative (7/25/10) except page 3.1.6 (5/21/10) Replace exhibits 3.1.1 and 3.1.2 (8/4/09)

- 3.2 Replace entire narrative (pgs 1-10: 3/29/10, pgs 11-59: 5/21/10)
Replace exhibit 3.2.1 (5/21/10)
Replace exhibit 3.2.4 (single sheet 7/25/10) (large exhibit 3/29/10)
- 3.4 Replace exhibit 3.4.1 (10/28/10)
- 3.5 Replace pages 3.5.4, 3.5.5 and 3.5.6 (7/25/08)
Replace exhibit 3.5.1 (3/29/10)
Add new exhibits 3.5.2c and 3.5.2d (3/29/10)
Replace exhibit 3.5.3 (5/21/10)
Add new exhibit 3.5.3a (5/21/10) (created 3/29/10)
Replace exhibit 3.5.4 (3/29/10)
Replace exhibit 3.5.5 (5/21/10)
- 3.6 Replace entire narrative (7/25/08) except page 3.6.9 (dated 3/26/10)
Add new exhibit 3.6.2b (8/4/09)
Replace page 4 of 4 with page 4 of 5 and add page 5 of 5 to exhibit 3.6.4
- 3.7 Replace entire narrative (1/07/11) except page 3.7.4 (dated 6/24/05)
- 3.8 Replace entire narrative (dated 7/10/10)
Replace exhibit 3.8.1 (3/29/10)
Replace exhibit 3.8.2 with new exhibits 3.8.2a and 3.8.2b (3/29/10)