



Public Service Commission

State of North Dakota

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October 24, 2008

Jeffrey B. Jennings
Williston Basin Geologist
GeoResources, Inc.
Box 1505
Williston, ND 58802-1505

Dear Mr. Jennings:

The Reclamation Division has reviewed the application for final Bond Release No. 3 to Permit GRGR-8403. The following items were noted that must be addressed/corrected prior to approval of this bond release:

Attachment IV – Copies...Letters

1. Please include in the bond release application a copy of all notification letters that were mailed to individuals and governmental agencies. (SAS)

Attachment V – Area Photo Based Map

2. Please correct the title sheet to read “Topographic Base Map” because a topographic map, rather than an aerial photograph, was provided with the bond release application. (WTG)

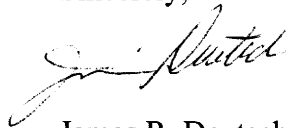
Attachment VI – Detailed Information on Zone I

3. Please add a short summary narrative to the bond release application indicating that ground water monitoring was not a permit requirement. Also, please indicate if there has been any surface or ground water complaints received by GeoResources for areas within or adjacent to the bond release tracts and, if there were, explain how those complaints were resolved. (BEB)

4. Please include a copy of the conditional use permit or zoning approval by the proper authorities for heavy industrial for the permit area in Section 17 in Exhibit C. This should be included in addition to the Health Department permit. (SAS)
5. Please specify the post bond release use of the pond in the proposed bond release area. NDCC38-14.1-24(7). (SAS)
6. The "Method 1" used for sample size adequacy in Exhibit D is not appropriate for cover measurements. Please delete the information. Method 2 shows that adequate samples were taken. (SAS)
7. Please provide supporting documentation that the lands to which the bond release would be applicable to or runoff outside the permit are not contributing suspended solids to stream area in excess of the requirements set by NDAC 69-05.2-16-04. (WTG)
8. Please correct the typographical error on the cover page of Exhibit D in which the word vegetation is misspelled. (BEB)
9. The surety bond number in Exhibit E is different than that recorded by the Reclamation Division. Supposedly this number was to be changed by an addendum to the policy, but no record can be found in the records for the permit maintained by the Reclamation Division. Did GeoResources ever receive a copy of the addendum? If so, please provide a copy. (SAS)
10. Please provide calculations in Exhibit F that the emergency spillway will safely discharge a 50 year 6-hour precipitation event as required per NDAC 69-05.2-16-09(9). It is understood that a 25-year 24-hour storm event has a higher rainfall value; however, it also has a longer period of time thus reducing the intensity of the event. (MDB)

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division