

# 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

RECEIVED

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PUBLIC SERVICE COMMISSION

December 12, 2008

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:

Enclosed are three DVD's containing Revision 7 to Permit NACT-0201. This revision updates introductory information, legal information, business entity/compliance information, identification of interests and rights of entry, surface water hydrology, ground water hydrology, soil resources, operations – general, transportation facilities, surface water management, and post-mining land use plans for renewal #1 of the permit. In addition, this revision also includes design information and drawings for five sedimentation ponds to be constructed in 2009. The five sedimentation ponds are P-W26-01, P-W26-02, P-W26-03, P-W02-01, and P-W03-01. The Surface Water Management Plan Map of Section 3.3.2 has also been updated to reflect the final locations of the five sedimentation ponds and their contributing watersheds. Also enclosed are the original revision application form, original renewal application form, and a certification letter.

Responses below refer to deficiencies in your October 14, 2008 letter:

1. See new pages 22-29 of Section 1.2.9.
2. See revised Section 1.3.1
3. See revised Section 1.3.2.
4. See revised Section 1.3.3.
5. See revised Section 1.5.1, 1.5.2, and 1.5.3.
6. The wells scheduled to be eliminated were used in developing the cross-section map and provide baseline information used in developing the discussion of pre-mining hydrogeologic conditions. For this reason, they should not be eliminated from this original permit map.
7. See the revised Geomorphic Reference Map of Section 2.3.1.1.
8. The ground water drawdown discussion in Section 2.3.8 reflects information available at permit application submittal, and conclusions upon which the application was approved. Updates are not to be made to this discussion; they are more appropriately placed in annual ground water updates as needed in the Consolidated Ground Water Monitoring Plan.



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RC-08-925 Filed: 12/15/2008 Pages: 6  
Application for Revision No. 7 Filed

Coteau Properties Company

Joe Friedlander

9. See revised page 3 of Section 2.2.3; the correct number is 44. The original language, as originally approved, is adequate. The discussion you refer to is about stockponds. Where stockponds are the replacement water source, water quality should be generally improved. This does not mean that stockponds alone will always serve as the post-mining water source, but when it is, water quality will be improved.
10. See revised page 1 of Section 2.5.2, revised pages 17-18 of Section 2.5.3.1, revised page 1 of Section 2.5.3.2, revised page 3 of Section 2.5.6.2, revised pages 29, 31, 37, and 56-57 of Section 2.5.7, revised pages 6 and 18 of Section 2.5.8, revised page 7 of Section 2.5.9.1, and the revised Soil Survey and Prime Farmland Map of Section 2.5.10.
11. We have reviewed this section, and there are no updates required since Revision 5 was approved in July 2007.
12. See revised pages 1-2 of Section 3.1.1.1.
13. See revised page 2 of Section 3.1.1.1.
14. Section 3.1.1.3 does not need to be revised at this time. However, pages 9-10 of Section 3.1.1.2 were revised to include narrative relating to a dragline erection site in the NE¼ Section 26, T145N, R88W.
15. See revised page 1 of Section 3.1.1.4.
16. See revised page 1 of Section 3.1.1.5.
17. See the revised Pit Layout and Facilities Map of Section 3.1.3, and the revised Extended Mining Plan Map of Section 3.1.4. Federal coal was not added, since the Resource Recovery and Protection Plan has not been approved, and the royalty reduction has not been obtained.
18. See revised page 3 of Section 3.2.1.
19. This will be provided with later design plans for Pond P-W26-04. Until then, language will remain as approved.
20. All land uses were evaluated, and no changes are necessary. No additional mining in areas overlying federal coal is planned at this time.
21. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2. Projected locations of 9 plantings each at 0.5 acre, totaling 4.5 acres, were delineated on this map to replace approximately 13 acres of western snowberry that will be disturbed in the initial mine area. Each planting was labeled with a "WS". Pre-mining acres and locations of shrubs can be found in Section 2.4.13 and 2.4.17.
22. See revised page 1 of Section 4.1.1.
23. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2, and revised pages 1-2 of Section 4.1.3. No changes were made to the pre-mining information to retain historical material.

Mr. James R. Deutsch  
December 12, 2008  
Page 3

24. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2, and revised pages 2-3 of Section 4.1.3. The area was inspected, and all of the tame pastureland in this area has been affected by associated disturbance. A portion of the tame pastureland in the SE¼NE¼ Section 31 should have been identified as industrial land use, not tame pastureland. The area is a steep slope that appears to have been cut when the industrial facility was built.
25. See revised pages 1-3 of Section 4.1.3.
26. See revised pages 1-2 of Section 4.1.3.
27. See revised page 2 of Section 4.1.3.
28. See revised pages 4-5 of Section 4.1.5.
29. This will be addressed in a later revision to Permit NACT-0401.
30. This will be addressed in a later revision to Permit NACT-0401.
31. This will be addressed in a later revision to Permit NACT-0401.
32. This will be address in Revision 11 to Permit NACT-0401, which will be submitted soon.

The following sections were also revised:

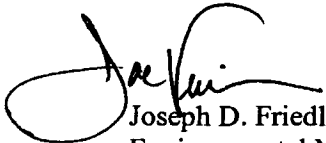
- Section 1.3.5 – pages 1-4
- Section 3 3 – certification letter
- Section 3.3.2 – Surface Water Management Plan Map
- Section 3.3.4 – page 1
- Sections 3.3.16 – 3.3.20 – design information and drawings for five new ponds

A proposed newspaper publication will be submitted via email on December 15 or 16.

If you have any questions, please contact me.

Sincerely,

THE COTEAU PROPERTIES COMPANY



Joseph D. Friedlander  
Environmental Manager

JDF:lr  
Enc.



**APPLICATION FOR REVISION OF PERMIT TO ENGAGE IN  
SURFACE COAL MINING AND RECLAMATION OPERATIONS**  
PUBLIC SERVICE COMMISSION  
RECLAMATION DIVISION  
SFN 10562 (Rev. 08-2001)

Date	December 12, 2008
Revision Number	7
State	ND
Zip Code	58523

Name of Company, Corporation, Partnership, or Individual <b>The Coteau Properties Company</b>	Permit Number <b>NACT-0201</b>
Address <b>204 County Road 15</b>	City <b>Beulah</b>

The above named hereby makes application for the above Revision Number to: (include a brief description of the surface coal mining and reclamation operation being revised.)

See Attachment 1

Attached to this Permit Revision Application are a narrative describing the proposed permit revision, reasons for requesting the revision, and appropriate maps, cross-sections, graphs, construction details, revised reclamation plans and other data which demonstrate compliance with Chapter 38-14.1 of the North Dakota Century Code, Article 69-05.2 of the North Dakota Administrative Code, and the permit conditions of the approved permit. If an incidental boundary revision involving an acreage adjustment is being requested as part of the permit revision application, the following information shall be included (attach a copy of a metes and bounds description):

NAME OF MINE	ACRES	LOCATION			
		SEC.	TWP.	RANGE	COUNTY
Freedom Mine	N/A				
ADDRESS					
204 County Road 15					
Beulah, ND 58523					
<b>TOTAL ACRES</b>	<b>N/A</b>				

Based upon the proposed changes and any incidental boundary revisions to the permit as stated herein, a new or adjusted bond, or its equivalent, duly executed in accordance with Section 38-14.1-16 of the North Dakota Century Code and Chapter 69-05.2-12 of the North Dakota Administrative Code will be delivered to the Public Service Commission prior to issuance of the surface coal mining and reclamation operations permit herein requested. A check for filing fees, pursuant to Section 38-14.1-13 of the North Dakota Century Code, in the amount of \$ -0- is included with the revision application.

Name of Official Authorized to Represent the Applicant	<b>William R. Kirk</b>
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- I, the above named, certify that:
- All information and documents required by Sections 38-14.1-13, 38-14.1-14, and 38-14.1-15 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code, are submitted as part of this permit application;
  - Information and documentation contained in the permit application affirmatively demonstrate that:
    - The permit revision application is accurate and complete and all the requirements of Chapter 38-14.1 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code have been complied with;
    - Reclamation as required by Chapter 38-14.1 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code can be accomplished under the reclamation plan contained in this permit revision application;

- c. An assessment of the probable cumulative impact of all anticipated mining in the general area on the hydrologic balance as specified in subdivision o of subsection 1 of Section 38-14.1-14 has been made and the proposed operation has been designed to prevent material damage to the hydrologic balance both on and off the mine site;
  - d. The area proposed to be affected is not included within an area designated unsuitable for all or certain types of surface coal mining and is not within an area under study for such designation in an administrative proceeding;
  - e. The proposed surface coal mining operation will not interrupt, discontinue or preclude farming on alluvial valley floors that are irrigated or naturally subirrigated and will not materially damage the quantity or quality of water in surface or underground water systems that supply these alluvial valley floors; and
  - f. The permit revision applicant has the legal right to surface mine the land for which this permit revision application is made and all of the requirements of Chapter 38-18 of the North Dakota Century Code have been complied with.
3. The area proposed to be affected is not included within an area where mining is prohibited pursuant to Section 38-14.1-07 of the North Dakota Century Code; unless specifically allowed in accordance with the provisions of Section 69-05.2-04-01 of the North Dakota Administrative Code; and
  4. The surface coal mining and reclamation operations contained in this permit revision application will be carried out at all times in a manner which ensures that all of the requirements of Chapter 38-14.1 of the North Dakota Century Code, Article 69-05.2 of the North Dakota Administrative Code, and any permit conditions attached thereto are complied with.

Signature of Official <i>William R. Kib</i>	Title Staff Mining Engineer
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VERIFICATION

I, Joseph D. Friedlander, being first and duly sworn, verify that the information contained in this Permit Revision Application is true and correct to the best of my knowledge and belief.

Signature of Official <i>J. Friedlander</i>	Title Environmental Manager
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Subscribed and sworn to before me this 12th day of December, 20 08. My commission expires: 9/10/09.

*Lisa Ryan*  
Notary Public

(SEAL)



This revision updates introductory information, legal information, business entity/compliance information, identification of interests and rights of entry, surface water hydrology, ground water hydrology, soil resources, operations – general, transportation facilities, surface water management, and post-mining land use plans for renewal #1 of the permit.

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