

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

DEC 15 2008

3 12 04

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.



1

RC-08-926 Filed: 12/15/2008 Pages: 6
Application for Renewal Filed to Extend the Permit
Term for Another 5 Years

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:

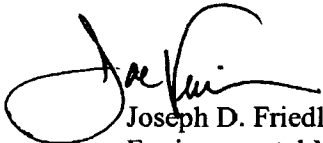
- Section 1.3.5 – pages 1-4
- Section 3 3 – certification letter
- Section 3.3.2 – Surface Water Management Plan Map
- Section 3.3.4 – page 1
- Sections 3.3.16 – 3.3.20 – design information and drawings for five new ponds

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 RENEWAL OF PERMIT TO ENGAGE IN SURFACE COAL MINING AND RECLAMATION OPERATIONS
PUBLIC SERVICE COMMISSION
RECLAMATION DIVISION
 SFN 10566 (Rev. 12-99)

			Date December 12, 2008	
Name of Permittee The Coteau Properties Company			Permit Number NACT-0201	
Address 204 County Road 15	City Beulah	State ND	Zip Code 58523	

The above named hereby makes application for Renewal Number 1 of the above Permit Number in order to continue to engage in surface coal mining and reclamation operations within the area described below in the permit during the period from April 14, 2009 to April 14, 2014.

The reasons for requesting the renewal is attached and any changes to the matters set forth in the approved Permit are particularly described in the accompanying revision application.

The applicable public notice provisions of Section 38-14.1-18 of the North Dakota Century Code have been complied with. A copy of the advertisement is attached and affidavits of publications will be furnished to the Commission prior to issuance of the Permit Renewal.

Bond for surface coal mining and reclamation operations and liability insurance will be provided for the proposed period of renewal. Attached is a statement evidencing that the bond is sufficient and will continue in full force for the renewal period and that liability insurance will be provided for the renewal period.

LOCATION				ACRES
SECTION	TOWNSHIP	RANGE	COUNTY	
				See Attachment 1
TOTAL ACRES				17050.9635

Signature of Official <i>William R. Kihl</i>	Title Staff Mining Engineer
---	--------------------------------

VERIFICATION

Name of Official Joseph D. Friedlander

I, the above named, being first and duly sworn, verify that the information contained in the Permit Renewal Application is true and correct to the best of my knowledge and belief.

Signature of Official <i>Joe Friedlander</i>	Title Environmental Manager
---	--------------------------------

Subscribed and sworn to before me this 12th day of December 20 08. My commission expires: 9/10/09

(SEAL)

LISA RYAN
 Notary Public, STATE OF NORTH DAKOTA
 My Commission Expires SEPT. 10, 2009

Lisa Ryan
 Notary Public

An area of land located in T145N, R88W, T144N, R88W and T144N, R89W, of the 5th P.M., Mercer County, North Dakota. Described as follows:

Beginning at the northwest corner of Section 4, T145N, R88W; thence bearing S 88°55'44" E a distance of 2638.64 feet to the north 1/4 corner of said Section; thence bearing S 88°55'56" E a distance of 2638.69 feet to the northeast corner of said Section; thence bearing S 88°55'49" E a distance of 1319.33 feet to the west 1/16 corner of Section 3, T145N, R88W; thence bearing S 88°55'12" E a distance of 1319.37 feet to the north 1/4 corner of said Section; thence bearing S 00°55'15" W a distance of 2612.48 feet to the center 1/4 corner of said Section; thence bearing S 00°55'26" W a distance of 659.92 feet to the center-north-south 1/64 corner of said Section; thence bearing S 88°56'08" E a distance of 1319.29 feet to the center-north-southeast 1/64 corner of said Section; thence bearing S 00°54'55" W a distance of 659.87 feet to the southeast 1/16 corner of said Section; thence bearing S 88°56'16" E a distance of 659.63 feet to the center-east-southeast corner of said Section; thence bearing S 00°54'49" W a distance of 1319.73 feet to the east-east 1/16 corner on the south line of said Section; thence bearing S 88°56'44" E a distance of 659.67 feet to the southeast corner of said Section; thence bearing S 89°25'37" E a distance of 2633.20 feet to the north 1/4 corner of Section 11, T145N, R88W; thence bearing S 01°00'53" W a distance of 1319.98 feet to the center north 1/16 corner of said Section; thence bearing S 89°25'17" E a distance of 1317.33 feet to the northeast 1/16 corner of said Section; thence bearing S 00°59'03" W a distance of 1320.08 feet to the center-east corner of said Section; thence bearing S 89°25'00" E a distance of 1318.04 feet to the east 1/4 corner of said Section; thence bearing S 00°57'20" W a distance of 2641.41 feet to the southeast corner of said Section; thence bearing S 00°57'13" W a distance of 2641.19 feet to the east 1/4 corner of Section 14, T145N, R88W; thence bearing S 00°57'24" W a distance of 2641.29 feet to the southeast corner of Section; thence bearing S 01°00'29" W a distance of 2640.18 feet to the east 1/4 corner of Section 23, T145N, R88W; thence bearing S 01°00'22" W a distance of 2639.94 feet to the southeast corner of said Section; thence bearing S 44°02'59" E a distance of 3742.47 feet to the center 1/4 corner of Section 25, T145N, R88W; thence bearing S 62°22'39" E a distance of 2951.20 feet to the south 1/16 corner of said Section; thence bearing S 89°02'09" E a distance of 1317.28 feet to the northeast corner of Government Lot 4 of Section 30, T145N, R87W; thence bearing S 00°49'39" W a distance of 1317.22 feet to the southeast corner of Government Lot 4 of Section 30, T145N, R87W; thence bearing S 89°02'09" E a distance of 1317.86 feet to the south 1/4 corner of said Section; thence bearing S 89°02'11" E a distance of 2635.70 feet to the southeast corner of said Section; thence bearing S 89°01'50" E a distance of 1314.35 feet to the west 1/16 corner of Section, 32 T145N, R87W; thence bearing S 00°54'10" W a distance of 2638.20 feet to the center-west 1/16 corner of said Section; thence bearing S 00°54'09" W a distance of 2631.89 feet to the west 1/16 corner of said Section; thence bearing N 89°02'13" W a distance of 63.06 feet on the Standard Parallel to the north 1/4 corner of Section 2, T144N, R88W ; thence bearing S 00°43'40" W a distance of 2707.20 feet to the center 1/4 corner of said Section; thence bearing S 00°43'33" W a distance of 2633.84 feet to the south 1/4 corner of said Section; thence bearing N 89°18'47" W a distance of 2629.27 feet to the southwest corner of said Section; thence bearing N 88°37'09" W a distance of 2632.45 feet to the south 1/4 corner of Section 3, T144N, R88W; thence bearing N 88°37'16" W a distance of 2632.42 feet to

the southwest corner of said Section; thence bearing N 88°55'38" W a distance of 2628.68 feet to the north 1/4 corner of Section 9, T144N, R88W; thence bearing S 00°29'58" W a distance of 1319.37 feet to the center-north 1/16 corner of said Section; thence bearing N 88°53'30" W a distance of 2628.38 feet to the north 1/16 corner of said Section; thence bearing S 00°29'17" W a distance of 1318.31 feet to the west 1/4 corner of said Section; thence bearing S 00°29'10" W a distance of 1318.03 feet to the south 1/16 corner of said Section; thence bearing N 89°02'24" W a distance of 2622.44 feet to the center-south 1/16 corner of Section 8, T144N, R88W; thence bearing S 00°31'13" W a distance of 1316.25 feet to the south 1/4 corner of said Section; thence bearing N 89°00'11" W a distance of 2623.34 feet to the southwest corner of said Section; thence bearing N 88°48'16" W a distance of 2625.40 feet to the south 1/4 corner of Section 7, T144N, R88W; thence bearing N 88°48'16" W a distance of 2646.41 feet to the southwest corner of said Section; thence bearing N 88°56'40" W a distance of 2628.70 feet to the south 1/4 corner of Section 12, T144N, R89W; thence bearing N 00°51'59" E a distance of 5276.74 feet to the north 1/4 corner of said Section; thence bearing N 00°56'54" E a distance of 5279.32 feet to the north 1/4 corner of Section 1, T144N, R89W; thence bearing N 89°01'45" W a distance of 1413.03 feet on the Standard Parallel to the southwest corner of Section 33, T145N, R88W; thence bearing N 00°57'01" E a distance of 2641.00 feet to the west 1/4 corner of said Section; thence bearing N 00°57'50" E a distance of 2640.83 feet to the northwest corner of said Section; thence bearing N 01°03'13" E a distance of 2641.08 feet to the west 1/4 corner of Section 28, T145N, R88W; thence bearing N 01°03'06" E a distance of 2641.05 feet to the northwest corner of said Section; thence bearing N 00°59'39" E a distance of 2641.09 feet to the west 1/4 corner of Section 21, T145N, R88W; thence bearing N 00°59'29" E a distance of 2641.03 feet to the northwest corner of said Section; thence bearing N 01°01'21" E a distance of 2640.39 feet to the west 1/4 corner of Section 16, T145N, R88W; thence bearing N 01°00'18" E a distance of 2639.74 feet to the northwest corner of said Section; thence bearing N 00°59'42" E a distance of 2641.18 feet to the west 1/4 corner of Section 9, T145N, R88W; thence bearing N 01°00'04" E a distance of 2642.42 feet to the northwest corner of said Section; thence bearing N 00°56'26" E a distance of 1310.65 feet to the south 1/16 corner of Section 4, T145N, R88W; thence bearing S 88°41'14" E a distance of 2635.85 feet to the center-south 1/16 corner of said Section; thence bearing N 01°00'32" E a distance of 1314.76 feet to the center 1/4 corner of said Section; thence bearing N 88°46'37" W a distance of 2637.40 feet to the west 1/4 corner of said Section thence bearing N 00°58'52" E a distance of 2598.51 feet to the point of beginning.

Said area of land contains 17050.9635 acres