



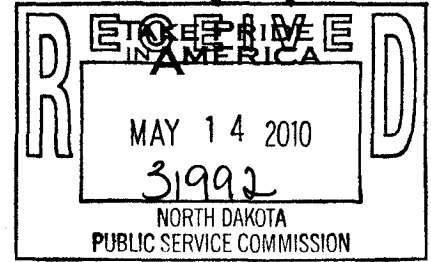
United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Montana State Office
5001 Southgate Drive
Billings, Montana 59101-4669
www.blm.gov/mt

In Reply Refer To:
(MT9210.AMA)

May 12, 2010



FROM DIRECTOR - RECLAMATION DIV.

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Mr. Allen D. Klein, Regional Director
Western Regional Coordinating Center
Office of Surface Mining
1999 Broadway, Suite 3320
Denver, Colorado 80202-3050

Dear Mr. Klein,

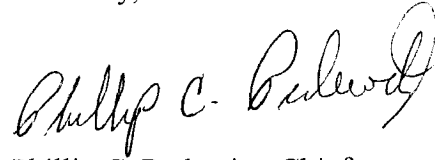
The Bureau of Land Management, Montana/Dakotas State Office (BLM) has received a copy of the application for Surface Coal Mining Permit No. NAOC-0802 that was submitted to North Dakota Public Service Commission (NDPSC). The NDPSC notified and solicited comments from the BLM with regard to the existence of unleased Federal coal within the proposed permit application boundary through a letter to you dated April 19, 2010. Specifically, the second paragraph states NDPSC, under a cooperative agreement, gives the NDPSC "authority to issue permits allowing for surface disturbances on land containing unleased federal coal after consultation with BLM through OSM." NDPSC requested BLM to determine if the disturbances proposed by Otter Creek Mining Company, LLC (Otter Creek) will or will not result in substantial and adverse effects to the federal mineral estate.

BLM has been in contact with the Mr. Melchior, Land Manager, at Otter Creek. BLM explained the federal coal leasing process takes approximately three to four years to complete and inquired if Otter Creek may apply for a Federal coal lease in the future. Mr. Melchior responded, if the timing and situation were right, Otter Creek would apply for the lease.

From BLM's perspective, if Otter Creek did not decide to apply for a federal coal lease, mining to the lease line and having a setback to minimize exposure of the Federal coal should be considered to prevent any substantial and adverse effects to the federal mineral estate. These effects could include spontaneous combustion or weathering of the exposed Federal coal. This would help BLM to ensure the conservation of the recoverable coal reserves to prevent wasting of coal.

If you have any questions or concerns, please contact Anne Allen at 406-896-5082.

Sincerely,



Phillip C. Perlewitz, Chief
Branch of Solid Minerals

cc: Randall Crooke
Otter Creek Mining Company, LLC
2000 Schafer St., Suite D
Bismarck, ND 58501-1201

Jim Deutsch, Director
Reclamation Division
North Dakota Public Service Commission
600 E. Boulevard Ave.
Bismarck, ND 58505-0480

Allen D. Klein, Director
Western Regional Coordinationg Center
Office of Surface Mining
1999 Broadway, Suite 3320
Denver, CO 80202-3050

Gene Hay, Mining Engineer
Office of Surface Mining
P.O. Box 46667
Denver, CO 80201-6667

Jeff Fleischman, Director
Casper Field Office
Office of Surface Mining
150 East B St., Room 1018
Casper, WY 82602