



Public Service Commission

State of North Dakota

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November 30, 2009

Mr. Joe D. Friedlander
Environmental Manager
Coteau Properties Company
204 County Rd. 15
Beulah, ND 58523-9475

Dear Mr. Friedlander:

The Reclamation Division has reviewed Coteau's November 10, 2009 response to our technical review letter dated October 27, 2009 on the application for Bond Release No. 3 for Permit NACT-9101. The following items must be satisfactorily addressed before the Reclamation Division will recommend Commission approval:

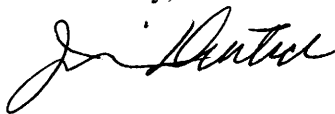
Attachment VIII – Site History, Management, and Vegetation

1. It is not possible to compute the "undisturbed acres" "weighted average yield values" that are being used in Step 1 of the pages in Attachment VIIIb without knowing the soil mapping unit acreages of the undisturbed areas. The disturbed and undisturbed acreage amounts being used in Step 1 of Attachment VIIIb do not match the values listed in the CVSS. Please provide these calculations in the bond release application. (Also, pages 31, 32, 33, 37 and 38 of the CVSS should be updated as part of the deficiency response that will be made for pending Revision No. 13 to Permit NACT-0401.) (GAW)
2. In reviewing the yield calculations associated with the above item, it was noted that approximately 6.8 acres of undisturbed land associated with the Benz farmstead is being included in calculation of the unadjusted standard for the E½ of Section 22. This acreage was not cropland prior to mining nor is it being cropped at this time. Therefore, the soils on this acreage should not be included in calculation of the unadjusted yield standard. Please review and revise the unadjusted yield standard calculations for the Benz property to address this issue and update Sheet 5 of Section B-8 of the CVSS accordingly. Revised unadjusted yield standards must be included in the bond release application so that this office can process the application prior to approval of Revision 13 to NACT-0401. (GAW)

3. One of the elevator receipts on page 5 of Attachment VIIIId has "Section 23" written on it and the crop insurance claim shows that barley was also planted on Benz owned land in Section 23 in 2008. Therefore, the yield from this receipt should not be used to demonstrate revegetation success. Please update the computed estimated yields on page 11 of Attachment VIIIb accordingly. (GAW)
4. According to data in Attachment VIIIId (page 25), field 22Benz3 was summer fallowed in 2006. Therefore, it is not appropriate to adjust the 2007 barley yield for continuous cropping management. Please recalculate the 2007 average yield accordingly. (GAW)
5. Please recalculate the 2005 weighted yield standard for the SW¼ of Section 22. Field 22Coteau2 was summer fallowed in 2004 not field 22Coteau3 as indicated in Step 5 on page 7 of Attachment VIIIb. Page 82 of Attachment VIIIId indicates that field 22Coteau3 was planted to wheat in 2004. Please correct as necessary. (GAW)
6. The summary yield data on pages 5 and 8 of Attachment VIIId will need to be adjusted for changes resulting from the above listed issues. (GAW)

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division