

THE COTEAU PROPERTIES COMPANY

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

FREEDOM MINE

204 County Road 115 Beulah, North Dakota 58523-9475 (701) 873-2281 • Fax (701) 873-7226	RECEIVED DEC - 3 2009
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NORTH DAKOTA PUBLIC SERVICE COMMISSION	

December 3, 2009

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 revised information for Final Bond Release #3 to Permit NACT-9101. Responses below refer to deficiencies in your November 30, 2009 letter:

1. The disturbed and undisturbed acreage amounts being used in Step 1 of Attachment VIIIb do not match the values listed in the CVSS because of a difference in calculation of roadway acres. After a phone conversation with Mr. Guy Welch and Dr. Stephen Schroeder on December 1, 2009, it was determined that the productivity values listed in the CVSS would be used for the undisturbed yield standard, but acreages listed in the bond release document would be used to calculate the weighted average for the unadjusted yield standard. See revised pages 5, 7, and 8 of Attachment VIIIb.
2. Following the previously mentioned phone conversation, it was also determined that pages 31, 32, and 33 of Section B-2 of the CVSS would be recalculated because of numerous discrepancies in the original calculations, and the pages would be included in this bond release. These recalculations, however, will not be included in the update of the CVSS with Revision 13 to Permit NACT-0401, because they will not be necessary once final bond release is granted, which is anticipated to occur before approval of this revision. These pages from the CVSS were added to the end of Attachment VIIIb (pages 14-16). This recalculation of pre-mining productivity resulted in a change in the unadjusted yield standard for the Benz tract. Pages 10, 11, 12, and 13 of Attachment VIIIb were revised as a result of these changes. Pages 1 and 2 of Attachment VIIIa were revised to reflect the increase of 6.0 acres of disturbance and respread of prime soils in associated disturbance, as discussed in an extra item at the end of our letter to your staff dated November 10, 2009. This item should have been updated at that time, but was not.
3. See revised page 11 of Attachment VIIIb and revised page 5 of Attachment VIIIc.

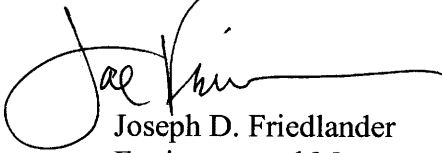
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4. This item was questioned by our staff during the previous review, and at that time, your staff recommended using the continuous cropping management adjustment. After additional discussion during the conversation with Mr. Welch and Dr. Schroeder on December 1, 2009, your staff determined it was not appropriate to use the continuous cropping management. See revised page 11 of Attachment VIIIb.
5. See revised page 7 of Attachment VIIIb.
6. See revised pages 5 and 8 of Attachment VIIIa.

If you have any questions, please contact Jessica Unruh.

Sincerely,

THE COTEAU PROPERTIES COMPANY

A handwritten signature in black ink, appearing to read "Joe Friedlander", with a large loop at the beginning and a horizontal line extending to the right.

Joseph D. Friedlander
Environmental Manager

JDF:lr
Enc.