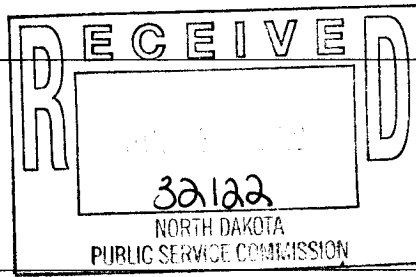


BASIN COOPERATIVE SERVICES

A BASIN ELECTRIC SUBSIDIARY

GLENHAROLD MINE
1717 EAST INTERSTATE AVENUE
BISMARCK, NORTH DAKOTA 58501-0564
PHONE: 701/223-0441
FAX: 701/224-5322



July 29, 2010

FROM DIRECTOR - RECLAMATION DIV.

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Mr. James R. Deutsch
Reclamation Director
Public Service Commission
600 East Boulevard
Bismarck, ND 58505-0480

Re: Revised Final Bond Release No. 3 – Permit CCGH-8003

Dear Mr. Deutsch:

Enclosed are 2 copies of a revised bond release application for Permit CCGH-8003. These copies include changes resulting from our response to the PSC list of deficiencies dated March 22, 2010 (BCS response is enclosed). Due to the nature of these deficiencies these copies are complete including data, text, CD and plates that changed as well as any other information that was not affected by the review.

If you have questions, please contact me at the following address.

Leland Olds Power Station
3901 Hwy 200 A
Stanton, North Dakota 58571-9417

Phone no: 701-745-7242
Email: dnilson@bepc.com

Sincerely,

David J. Nilson
Reclamation Administrator

Attachment

cc: Permit CCGH-8003
Mike Murray

Response to PSC Deficiencies

Dated: March 22, 2010

PSC Item	
General:	
1.	The bond release application, public notice, notice letters, binder labels, maps and much of the narrative incorrectly refer to the permit as Permit <u>BCGH</u> -8003 or BCGH-8803. The correct permit number is Permit <u>CCGH</u> -8003. The bond release application, public notice, notice letters, and binder labels must be revised to provide the correct permit number (CCGH-8003). Other maps and narratives should be updated if other changes are being made to that section. (GAW, BEB, WTG)
Response:	Changes were made to the application, public notices, notice letters, binder labels as well as the narrative and Attachments. This required changes to most of the application including text, tables and digital information on the CD. Because of these and many other changes, the entire application was reprinted in its entirety. This revised application includes all changes including additional data and plates required as a result of the PSC staff deficiencies.
Attachment 1 – Metes and Bounds with Surface and Mineral Ownership	
2.	Please add the township and range numbers to Attachment I. (WTG)
Response:	A reference to the Township and Range was added to this Attachment.
3.	Please clarify the line for the previous bond release boundary shown on Attachment I. It appears that there may be two parcels shown, or that there may be an extraneous line on the east boundary of the area. Soil probing for SPGM respread depths has been completed in the previous bond release area. A solid line type of the boundary would be helpful to the Reclamation Division in establishing the boundary for soil probing that remains to be completed. An AutoCAD drawing file, if available, showing the previous bond release boundaries for backfilling grading and soil resspreading, or adding the boundary lines to Attachment VIII, are the Division's preferences to changing the boundary line type on Attachment 1. (WTG)
Response:	A correction has been made to clarify the east boundary line for the previous bond release. An AutoCAD drawing file is not available. However, to aid in soil probing operations the boundary of this previous bond release area was added to Attachments V and VIII. Attachment V is an aerial photo and Attachment VIII has the topography and the soil replacement depths.
Attachment II – Metes and Bounds Description	
4.	The cover letter and the application form indicate the bond release acreage is 1,018.54 acres, although the total acreage of the four tracts on the application form actually totals 1,018.55 acres. There is a discrepancy between the acreages of Tracts 1 and 4 on the application form and the metes and bounds description in Attachment II. In addition, Tract 3 is listed in the <i>Bond Release Tracts and Bond Calculations</i> table that follows the application form as having 66.33 acres, but the application form and metes and bounds description in Attachment II indicates that this tract has 66.34 acres. The total acreage of all the tracts on the last page of the metes and bounds description (Attachment II) is listed as 1,018.53 acres. Please review and update as necessary to insure that the acreage values are consistent and accurate throughout the bond release application. (BEB)

Response:	The metes and bounds description was reviewed for each tract and minor changes were done to match the acreage of record which is 1018.54 acres. Consequently, Attachment II was revised and the acreages for each of the tracts were changed on the Application form to add up to 1018.54 acres. This required a recalculation of the per acre bond cost for each tract
5.	Please revise the public advertisement to indicate that a county road has been reconstructed along the south side of Tract 2 and through Tract 4. (GAW)
Response:	This has been added to the public notices (Attachments III and IV). Changes to proceed with the public notice were done earlier in order to get that process going. All public notices in the revised application were sent to Mr. Deutsch on June 14 th .
6.	Please add a narrative to the tract descriptions stating that the native grassland land use includes developed water resources and woodlands. An example of this would be in Tract 1 the last sentence could read "The post-mining land use is native grasslands, which includes reclaimed woodlands and developed water resources." (MDB)
Response:	Where appropriate, this sentence was added to clarify that reclaimed woodlands and/or developed water resources were part of the post mining land use.
7.	Six different people are listed as surface owners of the adjacent area in the SW¼ of Section 3, T143N, R84W in the permit (last updated with Rev.17), but only one of these individuals (Louise Vernon) is included on the adjacent land ownership notification list provided with the bond release application and was notified of the bond release application. Please review and correct if necessary. (SAS)
Response:	The heirs of Louise Vernon were added to the Adjacent Landowner List. Notifications to Surface Owners, Adjacent Landowners, and State and Federal Agencies will be sent out following approval of the Public Notice by the PSC.
8.	Please review the adjacent land ownership listed in Attachment IV for consistency with what is shown on Attachment I (map) and what is listed in the permit for the S½ of Section 10 and Section 15, and make any necessary corrections to the bond release application. The permit and Attachment I show consistent land ownership in Sections 10 and 15, but ownership listed in Attachment IV of the bond release application differs in the following parcels (permit and Attachment I versus Attachment IV): the SW¼ of the SE¼ of Section 10 (Anthony Berger versus B.C.S.); the N½ of the SE¼ of Section 10 (Anthony Berger versus B.C.S.); the NE¼ of Section 15 (Anthony Berger versus B.C.S.); the N½ of the SE¼ of Section 15 (Anthony Berger versus B.C.S.); and, the SW¼ of Section 15 (Anthony Berger versus B.C.S.). (WTG/SAS/GAW)
Response:	A portion of the SW4 of Section 10 and the NW4 of Section 15 is located east of the Permit Boundary were sold to Anthony Berger. He is now listed as an Adjacent Landowner in this permit application. Ownership in the SE4 of Section 10 and the SW4 of Section 15 is not pertinent as it is not located adjacent to the Permit Boundary and was deleted from the Adjacent Landowner List. All adjacent landowners of record will be notified.
9.	The ND Forest Service person to be notified should be Larry Kotchman rather than Tom Berg. Please change accordingly. (SAS)
Response:	This change was made.

10.	Because of the proximity of the City of Stanton, the Mayor of Stanton should also be notified of the pending bond release. (SAS)
Response:	The Mayor of Stanton was added.
11.	The Mining and Reclamation History narrative for Tract 2 on the bottom of page 13 states that revegetation operations were completed in June of 2000, but it appears that revegetation was completed in 1996 with woodland plantings. Please correct as necessary. (GAW)
Response:	The last area seeded was the short segment of the main haulroad from the north section line of Section 9 to Pond 144-84-9-3H. The 10 th full year responsibility period was completed in June of 2010. Woodland reclamation was completed prior to this work.
12.	Under "Previous Bond Releases" on pages 9 and 13, it states that 238.28 acres had partial release for backfilling, grading, and soil respreading. Our records indicate that 238.28 acres were approved in Bond Release No. 1 for backfilling and grading only . Bond release No. 2 was granted for completion of soil respreading on 270.58 acres in Section 9. Please revise the statement to reflect the additional acreage in Bond Release No. 2. (SAS)
Response:	This has been changed.
13.	Please include a discussion about the county road that was reclaimed between Sections 9 and 16 and Sections 10 and 15. Also include correspondence from the county indicating that the road has been built to their satisfaction or reference where this information is found in the permit. (WTG/MDB)
Response:	A letter was sent to the Oliver County Commissioners on June 11, 2110. I have also spoke to Commissioner Kent Albers regarding their response. BCS's letter is included in the Appendix following Attachment VI. The Commissioners will also be notified via Public Notice requirements and consequently will have an opportunity to approve, disapprove or make comments regarding road reclamation. These notifications and communications could be adequate to alert them to any concerns they might have. If they elect not to comment, we can assume they have no issues with the road.
14.	Please include a narrative that discusses who collected the data that is being used to demonstrate revegetation success and discuss the vegetation sampling methods being used. It should also be stated that the unadjusted standard for each landowner is based on the pre-mine land use and corresponding soils with the following exceptions: a) 12.8 acres in the N½ of Section 9 located in Permit BCGH-8204; b) Cahoon's 2.09 acres of native grassland included with Tract 1; and c) the pre-mine cropland soils used to develop the hayland standard for Tract 3. In the woodland narrative, please include a discussion about combining the woodland sampling data between surface owners and the sampling methodology. (GAW)
Response:	Information concerning this request has been added at the end of the introductory information and prior to the description and required information for each Tract (see the revised Attachment VI).
15.	In the "Summary Analysis of Reclamation Success" narrative on page 19 of Attachment VI, please discuss the revegetation success requirements for the reclaimed native grassland in Tract 3. This narrative should reference the letter from Wayne Cahoon in which he agrees to allow his property to be combined with Basin Property for the purposes of demonstrating revegetation success. Tables 1 and 2 should be footnoted or otherwise marked to clarify why native grassland is not listed in Tract 3. (GAW)

Response:	A discussion concerning sampling on Cahoon's 2.09 acres of rangeland was added. Reference to his letter acknowledging our request to sample his reclaimed rangeland in conjunction with reclaimed rangeland on BCS property is included. This letter is located in the Appendix following Attachment VI.
16.	The reclaimed and adjusted yield standards for the cropland in Tract 4 in Table 1 of Attachment VI are different than the values listed in Tables 31, 32 and 33. We understand via telephone communications that the values in Table 1 are incorrect due to a row spacing distance error. Please make the necessary corrections. (GAW/SAS)
Response:	Table 1 was changed to reflect the values shown on Tables 31, 32 and 33. When originally prepared, a 6 inch drill spacing was used in the calculation. This was incorrect as a 7 inch drill spacing was used. Consequently, the results were changed in Tables 31, 32 and 33 but not on Table 1 prior to submittal. This error was corrected.
17.	It appears that noxious weeds and annual brome species have been included in the total cover values listed in Table 2 of Attachment VI. NDAC 69-05.2-22-07 requires that all species used in determining ground cover must be perennial species not detrimental to the approved post-mining land use. Please recalculate the reclaimed ground cover values excluding these species to demonstrate revegetation success. (GAW)
Response:	The significance of the weed component is very minor and would not affect the results. It changed cover values slightly (.1 - .2 percent). Consequently, several data files and Tables in the application and on the attached CD were changed.
18.	Table 1 has a combined (average) hayland adjusted standard yield for Tract 4 (Sections 10 and 15) but separate unadjusted yield standards were developed for Sections 10 and 15 (Tables 37 - 40). In addition, the hayland tracts in Sections 10 and 15 were sampled separately as shown in Tables 37 - 40. The sampling data for both tracts is combined in 2007 in file REC_AREAS_ALL_YIELD_07_BondPackage.xls, sheet and a mean value for the two tracts is listed in Table 1. The excel sheet with the 2008 data is labeled as being only for Section 15. This is very confusing since it appears the data in HAYLAND_DATA excel files are being used to demonstrate revegetation success. Please clarify the methodology being used to demonstrate revegetation success for the hayland in the Summary of Reclamation Success section of Tract 4 and clarify which sampling data is being used to demonstrate revegetation success. Also it appears that a simple average of the standard and actual yield from the two hayland tracts was used to develop a single standard and yield. A weighted standard and yield based on sub-tract acreage may be more appropriate due to acreage differences. (GAW/SAS)
Response:	All hayland data were revised to accommodate the use of the Hayland Control Area to adjust the yield standard. This changed the adjusted yield standard and reclaimed hayland yield in Tract 3 (Cahoon Property) did not meet the standard. Consequently, 2006 hayland data were included in this application. The premine hayland acreage in Sections 10 and 15 was combined to determine the yield standard for Tract 4. However, data for individual fields were included separately for informational purposes.
19.	The adjusted standard values listed in Table 1, Yield Summary for the Hayland in Tracts 3 and 4, do not match the values listed in Tables 35, 36, 38, and 39. Please review and correct as necessary. (GAW)

Response:	As a result of changes described in the above Item 18, these values were changed. Tables 34 through 41 were revised. These changes also required revisions to Table 1 - Yield Summary .
20.	<p>Please explain why county yields are being used to calculate the yearly climatic correction factor when:</p> <ul style="list-style-type: none"> a) A hayland control area has been approved for these haylands, b) Yield data was collected from the hayland control area for both years, c) This control area is shown on several of the attachments, and d) Section 5.12.4 of the permit clearly indicates that the control area will be used to develop the yield standard. <p>Please adjust the data calculations using the approved hayland control area data (preliminary calculations suggest two years of data would not meet the standard although statistics were not run to determine if the values are statistically different). If this is not done, then <u>a revision to the permit needs to be submitted and approved to change the approved methodology prior to the approval of this bond release application</u> for proving hayland reclamation success and remove any and all references to the hayland control area in the bond release application. (SAS)</p>
Response:	This was an error. Changes were made that revised the adjusted yield standards based on using the Hayland Control Area to correct for climatic variation. A response to this deficiency is related to our responses to Items 18 and 19.
21.	According to the data presented on the cd, the t value used for the combined BCS hayland areas for 2007 is incorrect. It is based on 14 degrees of freedom rather than 29 when the two fields are combined. Please correct the t value as needed. Sample adequacy is still met when corrected. (SAS)
Response:	The t value was corrected.
22.	Several of the values on Table 1 for Tract 4 (Cropland) are footnoted (¹⁻⁴) but the footnotes are not defined or explained. Please provide a definition or explanation of footnotes 1-4 for Table 1 or remove the footnotes. (SAS)
Response:	The print range was not set correctly to include the footnotes. This has been corrected and a revise Table 1 has been included with this correspondence.
23.	Please include a statement within the Tract 4 discussion on "Reclaimed Cropland and Hayland" on page 22 regarding the cropland control area that is being used (Temvik silt loam, unadjusted standard of 31.45 bu/ac wheat). (SAS)
Response:	This was added on page 22.
24.	The woodland diversity standard values listed in Table 3, Woodland Summary Data, are different than the values listed in the Reclaimed Native Woodland Data sampling tables at the end of Attachment VI. The sampling data tables indicates that 4 species must each comprise 10% of the density standard but Table 3 indicates that the standard is 5 species for the tall shrub plantings and 6 species for the mixed deciduous woodlands. Please review these tables and correct as necessary. It appears that the standards were derived using an incorrect value as to the number of species planted. (GAW)
Response:	Table 3 was modified and the woodland data sampling tables at the end of Attachment VI were modified.

25.	Please include the landowner pond maintenance agreements for each permanent pond (developed water resources) or reference where they are located in the permit. (MDB)
Response:	There is one permanent pond (Pond 9-3H) located in the N1/2 of section 9 (Tract 1). It is owned by Basin Cooperative Services. A maintenance agreement has been prepared and signed. It is included in Attachment XI.
26.	Please include a copy of the State Water Commission's water use permit for Pond 9-3H as it hold more than 12.5 acre-feet of water or reference where this approval is located in the permit. (MDB)
Response:	A copy of the State Water Commissions Permit (Permit 5358) is included in Attachment XI.
27.	Please include or reference in the permit the calculations demonstrating the permanent ponds (developed water resources) are adequate for their intended purpose per NDCC 38-14.1-24(7)(a). (MDB)
Response:	Pond 143-84-9-3H was approved as a permanent pond in Revision 15. Storm routing information and yield data are available in Appendix O of Permit CCGH-8003. Additional information concerning is use is provided in Appendix VI.
Attachment IX – Seeding Dates, Vegetation Sample Locations and Variance Areas	
28.	The legend of Attachment IX mistakenly indicates that there is a variance area associated with the 2000 seeding. Please correct this error. (GAW)
Response:	This has been changed.
29.	Please show the hayland yield sample locations on Attachment IX. (GAW/SAS)
Response:	Transects are shown on Attachment IX. Yield sample locations were randomly placed along these transect.