



Public Service Commission

State of North Dakota

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September 8, 2010

Mr. David J. Nilson
Reclamation and Permit Compliance Administrator
Basin Cooperative Services
Leland Olds Station
3901 Hwy 200A
Stanton, ND 58571

Dear Mr. Nilson:

The Reclamation Division has reviewed Basin's response to our initial review letter and completed a further technical review of Bond Release Application No. 3 to CCGH-8003. The following items must be addressed before we can recommend Commission approval.

Attachment VI – Vegetation Data and Summary Statistics

1. On page 9, prior to the vegetation sampling discussion, please include a short narrative on the management practices used on the cropland and hayland control areas. This discussion should also indicate where they are located in the field and which attachment in the bond release application shows their location. (SAS)
2. Original deficiency # 12: This deficiency dealt with the statement concerning Tract 1 where the narrative indicates (now on page 10) that Bond Release #1 was granted on 238.28 acres for SPGM respreading. According to the Reclamation Division records, this bond release was only for completion of backfilling and grading. Please revise the sentence accordingly. (SAS)
3. The calculations to show that the yield standard has been met for the cropland have not been included in Tables 31-33 nor has the unadjusted yield standard for the reclaimed cropland been included anywhere except to say on page 9 that it was located within the permit. It appears a straight comparison has been made between the undisturbed area and the reclaimed cropland area which is not correct since the undisturbed Temvik soil is a control area, not a reference area. In addition, the lbs/ac values have been divided by

their respective test weights when they should have been divided by 60 or 32 lb/ac for spring wheat or oats, respectively. The calculations must be corrected in Tables 31-33 and the new values placed in Table 1. In addition, the yield standard calculations need to be included and may be done so in a table that could be added below Table 33 in the following manner: (SAS)

Year of Data	Crop	Control Unadjusted Yield (bu/ac)	Control Actual Yield (bu/ac)	Climatic Correction Factor	Reclaimed Unadjusted Yield (bu/ac)	Reclaimed Adjusted Standard (bu/ac)	Reclaimed Actual Yield (bu/ac)	Standard Met
2006	Sp. Wht.	31.45	1.94	0.061	28.1	1.73	2.56	YES
2007	Oats	66.83	48.7	0.729	59.7	43.50	58.5	YES
2009	Sp. Wht.	31.45	44.9	1.428	28.1	40.12	55.1	YES

Also, a short explanation should be made for the likely cause of the extremely low yields in 2006. These yields are much lower than the county average.

4. Although it only changes the sample adequacy value very slightly, it should be noted that one of the t values used in calculating the sample adequacy for the reclaimed data in Table 31 is incorrect. This should be changed here and on the data cd to avoid any questions in the future. The correct value for 24 df is 1.318 and not 1.345. (SAS)
5. The formula in Tables 34-41 for calculating the climatic correction factor for the hayland data uses the wrong value in the denominator. The actual yield of the control area should be divided by the yield standard for the control area (which the permit has stated is 1.2 t/ac or 2400 lbs/ac). This changes all of the reclaimed adjusted yield values in these tables. Please adjust the equation appropriately and recalculate the yearly reclaimed adjusted yield values within each table. (SAS)
6. Although it only changes the sample adequacy value very slightly, it should be noted that one of the t values used in calculating the sample adequacy for the hayland data on the cd was incorrect for at least two tracts. The 2006 correct value for 19 df is 1.328 and not 1.341 for the reclaimed data for Tract 3. The 2006 correct value for 14 df is 1.345 and not 1.341 for the reclaimed data for Tract 4. If other changes are made on the cd then these corrections should also be made. (SAS)
7. Follow-up to Original Item No. 13. Please include copies of any correspondence from Oliver County indicating that the public road between Sections 9 & 16 and 10 & 15 has been built to their satisfaction. We understand that you have requested concurrence from the County and that you had not received it prior to responding to our initial review letter. (SAS/MDB/GAW)

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8. Original Item No. 28: The legend of Attachment IX mistakenly indicates that there is a variance area associated with the 2000 seeding. Please remove the wording "Variance Area = 15.94 AC" from the legend. (GAW)

If you have any questions, please contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Deutsch". The signature is fluid and cursive, with a large initial "J" and "D".

James R. Deutsch
Director
Reclamation Division