



Public Service Commission

State of North Dakota

COMMISSIONERS

Kevin Cramer
Tony Clark
Brian P. Kalk

Executive Secretary
Darrell Nitschke

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
Web: www.nd.gov/psc
E-mail: ndpsc@nd.gov
Phone 701-328-2400
Toll Free 1-877-245-6685
Fax 701-328-2410
TDD 800-366-6888 or 711

October 15, 2010

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

Dear Mr. Friedlander:

The Reclamation Division has completed its review of Coteau's technical deficiency response and changes to the application for Revision No. 8 to Surface Coal Mining Permit NACT-0201 dated September 20, 2010. The following items must be adequately addressed before we recommend Commission approval of the revision:

1. Follow-up to Original Item No. 8. Please add a discussion to the narrative to indicate that fly ash will be used to stabilize the equipment pad. (MDB)
2. Follow-up to Original Item No. 17. In the Section 3.1.1.2 narrative, please add a discussion to justify the proposed modifications to the pre-mine topography with excess spoil beyond the disturbance boundary in the location of the overburden stockpile in the SE $\frac{1}{4}$ of Section 31. (MDB)
3. Follow-up to Original Item No. 17. If the post-mining drainage in the NW $\frac{1}{4}$ of Section 31 cannot be filled as stated in your deficiency response, please add some sinuosity to the drainage channel to make it appear more natural instead of a straight drainage that is nearly $\frac{1}{2}$ mile in length as currently proposed. (MDB)
4. Follow-up to Original Item No. 19. Please revise the Post-Mining Topography and Land Use Map, Section 4.1.2, to show the topographic changes that will be needed to create proposed post-mine wetlands that are outside of the mining disturbance boundary. For example, proposed post-mine Wetlands CW-W08-01 and CW-W31-04 are depicted as being approximately 8.2 and 10 acres in size, respectively, but no changes to the pre-mine topography are indicated. Portions of these and other proposed wetland basins

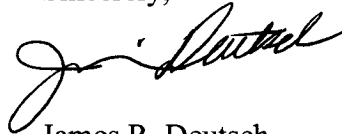
Mr. Joe Friedlander
October 15, 2010
Page 2 of 2

extend well into drainageway side slopes where a significant amount of material will need to be cut in areas otherwise minimally disturbed as part of the pool area for large sedimentation ponds. The approximate contour elevations of the wetland basins and adjoining areas needs to be shown to demonstrate that it is feasible to create these basins. We believe Coteau should try to minimize significant topographic changes in areas that will not be mined. (GAW)

We noted the minor improvement to the Pit Layout and Facilities Map to better delineate the areas that have been mined out by year in response to deficiency No. 13. However, it is still very difficult to see these delineations unless you zoom closely into an area. The next time this map is updated, we request that Coteau more clearly depict the mined out areas by increasing the font size for the year that a particular block was mined.

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division

cc: Mercer County Auditor