



Public Service Commission

State of North Dakota

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January 26, 2011

Ms. Garnet E. Schatz
2510 N 8th St. #103
Bismarck, ND 58503

Dear Ms. Schatz:

We received your letter dated January 19th requesting a formal hearing on South Heart Coal, LLC's application for Surface Coal Mining Permit No. SHSH-1001. This is to let you know that at this stage of the permit application review process set out in the reclamation law, interested persons can request an 'informal conference' on the application, rather than a formal hearing. A formal hearing can be requested after a decision on the informal conference or after the Commission makes a decision on the application. Unless I hear back from you, we will consider you January 19th letter a request for an informal conference on the South Heart Coal permit application.

Also, this is to let you know that an informal conference on the application will not be scheduled until the public comment period ends on this application. The public comment period ends in mid March. Considering the newspaper notices that we must publish for an informal conference, it is unlikely that the conference will be held until mid April at the earliest. You will be sent a copy of the informal conference notice once it is scheduled.

Enclosed is a copy of North Dakota's reclamation law for your information. Your review of the law may give you a better understanding of the permit application process and the mining and reclamation requirements. Additional details are provided in Commission rules under North Dakota Administrative Code Article 69-05.2. If you are interested, these rules can be found at the following website:

<http://www.legis.nd.gov/information/acdata/html/69-05.2.html>

If you have any questions, please let me know.

Sincerely,

Jim Deutsch
Director
Reclamation Division

Enclosure