



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

February 25, 2011

Mr. Allen D. Klein, Director
Western Regional Coordinating Center
Office of Surface Mining
1999 Broadway, Suite 3320
Denver, CO 80202-3050

Dear Mr. Klein:

South Heart Coal LLC has filed an application for Surface Coal Mining Permit No. SHSH-1001 to permit 4,581.4 acres of land for a new mine, South Heart Lignite Mine, located near South Heart, ND in Stark County. The Reclamation Division deemed the application complete on January 10, 2011, and is in the process of conducting a technical review of the application. The proposed permit area includes tracts that contain unleased federal coal (the surface of these tracts are privately owned). No mining of the federal coal is proposed, but the pit layout and facilities map shows surface disturbances on these lands. Enclosed is a compact disk containing an electronic copy of Permit SHSH-1001.

Our Cooperative Agreement (Article V, Section B.7) gives the Commission the authority to issue permits allowing surface disturbances on land containing unleased federal coal after consultation with BLM through OSM. This consultation is to ensure that actions taken by the Commission do not result in substantial and adverse effects to the federal mineral estate. We are requesting a determination from BLM whether the disturbances proposed by South Heart Coal LLC will have substantial or adverse effects on the federal coal tracts.

If you or BLM have any questions on this matter, please contact me.

Sincerely,

James R. Deutsch
Director
Reclamation Division

cc: Phillip Perlewitz, BLM w/enclosure
Jeff Fleischman, OSM-w/enclosure
Gene Hay, OSM
Richard Southwick, South Heart Coal LLC

m/South Heart/1001/corr/2011/fed_consult_ltr_2-25-11