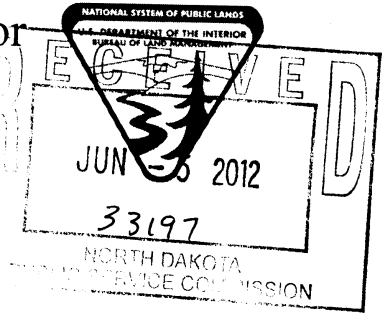




United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Montana State Office
5001 Southgate Drive
Billings, Montana 59101-4669
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In Reply Refer To:
3482(921.AA)

May 31, 2012

James R. Deutsch, Director
Reclamation Division
North Dakota Public Service Commission
600 E. Boulevard Ave., Dept. 408
Bismarck, North Dakota 58505-0480

Dear Mr. Deutsch,

Thank you for giving the Bureau of Land Management (BLM) an opportunity to determine whether disturbances proposed by South Heart Coal LLC (SHC) will have substantial or adverse effects on the federal coal tracts. We have reviewed SHC's revised application for Surface Coal Mining Permit No. SHSH-1001 to permit 4,481.4 acres of land for a new mine in Stark County, North Dakota.

In our March 3, 2011 letter, the BLM determined a discussion needed to be included in the permit application regarding the protection of the unleased federal coal that lies adjacent to proposed mining operations in T139N, R98W, Sections 14, 20, 28, and 34. It was not discussed in the permit application how the operator will prevent the federal coal bearing formations from being wasted, damaged, or degraded when the proposed mining operations approach the boundary lines adjoining federal coal. The current mining plan of operations cannot hinder the future mining of federal coal.

The BLM's review of Revision 3 (March 2012) determined this discussion was adequately addressed. Thanks once again for giving the BLM an opportunity to comment.

If you have any questions, please call Anne Allen at 406-896-5082.

Sincerely,

Phillip C. Perlewitz, Chief
Branch of Solid Minerals

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