



Public Service Commission

State of North Dakota

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September 20, 2010

Mr. Jeff Frohlich
Manager, Engineering & Environment
Dakota Westmoreland Corporation
Beulah Mine
P.O. Box 39
Beulah, ND 58523-0039

Dear Mr. Frohlich:

The Reclamation Division has completed a technical review of Revision No. 26 to Permit KRSB-8802. This revision was submitted as a result of our pre-renewal review letter dated April 22, 2010. The following issues must be addressed prior to this office recommending approval of Revision No. 26 and Renewal No. 4 to the permit, which expires October 23, 2010. Please be advised that all active mining operations, including coal hauling, will need to cease within this permit if this revision is not approved by the expiration date.

Section 1.4 - Business Entity Information

1. Please correct the page numbering in this section. There are two pages numbered 1.4.1 and many pages numbered 1.4.2. Please correct. (SAS)
2. The coal ownership listing for the NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ and S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 13 do not agree with the Ownership Map in Exhibit 1.4.1. Please correct as necessary. (SAS)
3. The coal ownership listing for the SE $\frac{1}{4}$ of Section 14 does not agree with the Ownership Map in Exhibit 1.4.1. Please correct as necessary. (SAS)
4. There appears to be a column alignment error with the names of the coal and mineral owners for the S $\frac{1}{2}$ of Section 7 on page 15. Please correct as necessary (SAS)
5. It appears that the "Family Mineral Trust" in the surface and coal ownership listings for the NE $\frac{1}{4}$ of Section 11 is misaligned under the wrong columns. Please correct as necessary. (SAS)
6. The "Kristjanson, Esther Syrup" listing in the surface ownership column for the N $\frac{1}{2}$ of Section 17 appears to be misaligned. Please correct as necessary. (SAS)

7. The coal ownership of the NE¼ of Section 25 (Contiguous Area) does not agree with the Ownership Map. Please review and correct. (SAS)
8. The contiguous ownerships listed for Sections 5 and 6 are not needed since they lie more than ¼ mile outside the permit boundary. You may remove them. (SAS)
9. Please correct the mailing address for Rose M. Heth on the Names and Addresses of Apparent Surface and Subsurface Owners of Record table in Section 1.4.2. The certified letter that was mailed to this address was returned and the correct mailing address was emailed to us on September 8, 2010. (GAW)
10. JoAnn Wiest is listed on the Names and Addresses of Apparent Surface and Subsurface Owners of Record table (NW¼ of Section 18) in Section 1.4.2, but our notification letter was returned and DWC subsequently informed us via email that her interest has been sold to Leland Erickson. Please correct as necessary. (GAW)
11. Certified mail receipt cards indicated address changes for Abbey Family Partnership and E. Wayne Boland. Please review and correct Section 1.4 as necessary. (GAW)

Exhibit 1.4.1 - Surface and Mineral Ownership Map

12. Please change the name of Northwestern Corporation to Northwestern Energy where the Coyote Partners are listed in the Legend to agree with the changes made in the ownership listings. (SAS)

Exhibit 3.1.1 - Extended Mine Plan and 5 Year Subareas

13. The Legend indicates that the extended mine plan boundary is outlined on this exhibit; however, it is not depicted on this map. Please depict the extended mine plan boundary on this map. (SAS)

Also, please be reminded that the performance bond must be increased to at least \$10,382,986.00 prior to permit renewal as indicated in our letter dated September 1, 2010.

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division

cc: Mercer County Auditor
Oliver County Auditor