



Public Service Commission

State of North Dakota

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July 19, 2010

Ms. Cherie Harms
Leonardite Products, LLC
P.O. Box 548
Williston, ND 58802-0548

Dear Ms. Harms:

The Reclamation Division has completed its completeness review of the applications for Revision No. 3 and Renewal No. 1 for Surface Coal Mining Permit GRGR-0501. The following items must be addressed prior to deeming the applications complete and beginning publication of the newspaper notice. Please address the following:

Newspaper Notice

1. Please include in the title that this is an application "...For Revision and Renewal...". (SAS/MDB)
2. Please correct the zip code in the first line from "58502" to the correct code of "58802". (SAS)
3. The second line of the notice should be corrected to read "...for a revision and a renewal...". (SAS/MDB)
4. Please correct the phrase in the first line of the second paragraph from "...is location in Section 8 T154Nm, R100W..." to read "...is located in Section 8, T154N, R100W...". (SAS/MDB)
5. Prior to the sentence in the second paragraph dealing with the renewal, the following statement should be added: "The revision to this permit updates the surface and subsurface ownerships, environmental resource information, the sequence and timing of the mining, reclamation plans, and worst case bonding." (SAS)
6. At the end of the sentence dealing with the renewal please add "...for the next 5-year permit term." (SAS)

7. Please provide the address of the Public Service Commission in the last paragraph of the notice where written comments may be sent. (MDB/SAS)

Newspaper Map

8. Please make the following changes to the newspaper publication map:
 - a) Please depict the permit boundary such that it is easily distinguished (heavy solid or dashed line) from the section and quarter lines, roads, etc. In addition, please label the permit boundary.
 - b) The surface and subsurface ownership listings can be removed.
 - c) Please label the roads on the north and west sides of the permit area.
 - d) Please show current boundary of City Landfill such that it is distinguished from the permit boundary.
 - e) Please include a directional arrow pointing towards Williston and the distance to town.

We have attached an example of what the map should look like; however, it does not include the directional arrow and distance to Williston, a title block, or the north arrow. In addition, the landfill boundary is approximate. (MDB/SAS)

Section IV – Environmental Resources

9. Follow up to pre-renewal item no. 4. Reply states the table was updated and the reference to GeoResources was removed; however, the table was not included in the information supplied. Please submit the updated table. (MDB)

With regard to the two questions you posed in your July 2 letter, our response to each is provided below.

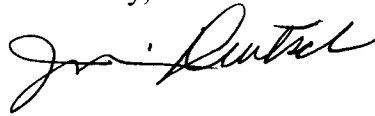
Mineral Owners: Under North Dakota's reclamation rules, leonardite is considered the same as coal; therefore, you must provide the listing of all coal (including leonardite) owners with ¼ mile of the permit boundary. We would appreciate receiving a copy of the Bureau of Land Management's decision that they do not consider leonardite to be coal. As you indicate, under this scenario the Federal government would not be considered the owner of the leonardite adjacent to the permit area. We do not know if the surface owners are also owners of the leonardite or if other subsurface owners have rights to the leonardite.

Contemporaneous Reclamation Waiver: Waivers from both the 180-day backfilling requirement, NDAC 69-05.2-21-01(2), and the 3-year seeding requirement, NDCC 38-14.1-24(14) can be requested by the permittee. These requests are generally made in the permit or revision application and are part of the reclamation schedule. The request must identify the specific waiver being requested (180-day backfilling requirement or 3-year seeding requirement), the area for which is being requested, the reasons and justification for the waiver, and the reclamation schedule for the waiver area. Approvals of variances are documented as part of the finding for the permit or revision award form.

Ms. Cherie Harms
July 19, 2010
Page 3 of 4

If you have any questions, please contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Deutsch". The signature is fluid and cursive, with a large initial "J" and "D".

James R. Deutsch
Director
Reclamation Division

Example of Public Notification Map

