



PERMITTING & RECLAMATION DEPARTMENT
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January 5, 2015

Mr. James R. Deutsch, Director
Reclamation Division
North Dakota Public Service Commission
600 E. Boulevard Ave.
Bismarck, ND 58505

RE: ND Permit ACPG-9701 Revision 7 Round 4 Technical Deficiency Comment (dated 12/26/2014) Response.

Dear Mr. Deutsch:

Please find enclosed two CDs providing American Colloid Company (ACC) Permit ACPG-9701 Revision 7 Round 4 Technical Review Comment Response to the Reclamation Division's December 26, 2014 Round 4 technical review comments. Revision No. 7 to ACPG-9701 proposes to add 149.28 acres to the permit through addition of the Tompkins Mine Area.

The Reclamation Division requires that the following items be addressed or corrected before the Reclamation Division will recommend Commission approval:

Section 1.5 – Identification of Interests and Right of Entry

1. New item: As indicated by Bruce Beechies' email correspondence on December 5, 2014, please add to the permit a copy of the written notification to Mr. Edwin Tompkins for an extension to the surface and mineral lease agreement, a copy of the certified mail receipt, and a signed note from an ACC company official certifying the lease extension thereby allowing ACC to continue to have the right to mine the Tompkins Mine Area as required by NDAC 69-05.2-06-03(1). (BEB)

Updated lease information has been added to *Section 1.5.1(k) Tract V Tompkins Lease* as requested.

2. New item: Section 1.5.1 (Permit Area Surface/Subsurface Interests) under the Tompkins Mining Area heading, depicts the Tract V legal description for the Tompkins Mine Area to be SE1/4 Section 35, T130N, R99W and needs to be changed to SE1/4 Section 35, T131N, R99W. (BEB)

Section 1.5.1 has been corrected as requested.

Section 4.0 – Reclamation Plans

3. The hyperlink to Section 4.1.7(b)(1), Variance to Reclamation Schedule (Tompkins Area), does not work in either the Electronic Permit Master TOC or the Detailed_Rev_7_TOC. Please repair

the link. We found that when the link is embedded in permit narrative that it does function as intended. (BEB/ZAB)

The Electronic Master Permit TOC was updated to reflect the revised submittal date; the pathway link to Section 4.1.7(b)(1) through this document was fixed (Section 4.1 TOC); and the link in the Detailed Revision 7 TOC was fixed as requested.

4. Follow-up to item No. 8: Please add a 3 year variance symbol for Pit B-4 in Section 4.1.7(a)(1) Variance to Reclamation Schedule (Perkins) and to Section 4.2.2(b) Reclamation Schedule (Perkins). The seeding date for Pit B-4 was revised to 05/16 with this submission. Since Leonardite hauling was completed from this pit in 07/12, the 3 year requirement of NDCC 38-14.1-24(14) will not be met on this tract. Also, please provide the necessary justification for the reclamation delay on this tract. (ZAB)

The 3-year variance symbol and justification has been added for Pit B-4 in Section 4.1.7(a)(1) and Section 4.2.2(b) as requested.

5. Follow-up to item No. 8: Please remove the diamond symbols from the 180 day variance column for Pits B-3, B-4, and B-5 in Section 4.1.7(a)(1), Variance to Reclamation Schedule (Perkins). The diamond symbol is not described in the legend and appears to be a copy and paste error. (ZAB)

Section 4.1.7(a)(1) has been revised as requested.

6. According to correspondence in Section 4.1.7(a)(2), Pits A-1 through A-4 and Pit B-3 have approved 180 day and 3 year variances and Pit B-2 has an approved 3 year variance. Currently in Section 4.1.7(a)(1), Variance to Reclamation Schedule (Perkins), the only pit with a # symbol is Pit B-3 in the 180 day variance column. Please replace the black rectangle and circle symbols with the # symbol in the 180 day and 3 Year variance columns for Pits A-1 through A-4 and Pit B-3 to be consistent with your legend. We also suggest changing the legend description for the # symbol *from* "Previously approved variance" *to* something more specific such as "Variance approved in 2009". This is needed to distinguish and clarify the variances that have been previously approved and those being requested with Revision 7. (ZAB)

Section 4.1.7(a)(1) has been updated to reflect correspondence in Section 4.1.7(a)(2), which has been updated to include the approved 2012 variance. Section 4.1.7(a)(1) has also been updated to reflect that all new variance requests will be approved with approval of Revision 7.

7. Follow-up to item No. 8: Section 4.2.2(c) Reclamation Schedule for Tompkins has been updated to reflect mining beginning in 2015. Please update the narrative for Pit S1 in Section 4.1.5(c) so the dates are consistent between the reclamation schedule and narrative. (ZAB)

Section 4.1.5(c) has been updated as requested.

Additional modifications were made to Sections 4.1.7(a)(1), 4.2.2(b), 4.1.7(b)(1), and 4.2.2(c) to reflect variance approval information and other document clarification based on email correspondence with ZAB on 12/30/2014.

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Section 4.2.4 – Reclamation Costs (Bonding Calculations)

8. Follow-up to item No. 12: Various sections of the permit were updated to indicate that mining in Tompkins area will begin in 2015 (originally indicated mining would begin in 2014). However, it appears that the worst case bond estimate (Section 4.2.4) was not updated to reflect this revised mining and reclamation schedule. It now appears that the worst case scenario will occur 2016 (Rev. 7 currently indicated that the worst case will occur in 2015). Please clearly identify when the worst case scenario will occur and account for all remaining disturbance and outstanding reclamation for all pit areas (including any remaining reclamation activities in the Perkins area) in the worst case bond calculations so that information is consistent with the other sections of the permit (e.g., Sections 3.1.3, 3.1.5, and 4.1.7). (FSE)

Sections 3.1.5(b) and 4.2.9(b) were corrected to reflect appropriate numbers.

The bond estimate (Section 4.2.4) has been updated and reflects in excess of 500,000 cy of material for worst case scenario, moving the operation from a small mine (<500,000 cy) to a large mine category. The table format has been updated to reflect the additionally required information. Section 4.2.4(a) Production Costs has been added to show how the production cost numbers utilized in Section 4.2.4 were calculated.

If you have any questions, please contact me at 605-892-7178 or melody.smith@colloid.com.

Sincerely,



Melody Smith

Environmental Specialist

American Colloid Company

A Mineral Technologies Company