

**THE COTEAU**  
**PROPERTIES COMPANY**  
A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

FREEDOM MINE

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FEB 23 2011  
32468  
NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

February 21, 2011

Mr. James R. Deutsch  
Director Reclamation Division  
Public Service Commission  
600 East Boulevard Avenue  
Department 408  
Bismarck, ND 58505-0480

FROM DIRECTOR - RECLAMATION DIV.

Date: \_\_\_\_\_

Action: \_\_\_\_\_

Info. Only: \_\_\_\_\_

Info & File: \_\_\_\_\_

Dear Mr. Deutsch:

In accordance with North Dakota Public Service Commission (NDPSC) Memorandum No. 20, this is a request for a specific variance to the responsibility period for a small repair area in a hayland and cropland tract in Permit NACT-9101, comprising all permitted lands in Section 16, T145N, R86W, totaling 477.9 acres.

The Coteau Properties Company requests a variance to the responsibility period for approximately 2.5 acres of reclaimed hayland, which were redisturbed in the late fall of 2010 to repair a minor settling feature of approximately 0.4 acres, at the request of the landowner. The repair area is 0.005% of the entire tract, which is currently eligible for bond release. This does not exceed the 5.0% disturbance allowed for small repairs in the last five years of the liability period, as outlined in the NDPSC's Memorandum No. 20. Without the variance, bond release will be delayed on the surrounding reclamation tracts until 2020, ten years later than the anticipated bond release period.

Topsoil was removed from the settled area and piled on the edge of the disturbed area. Subsoil was then graded to allow drainage. No additional material was used, and no material was removed from the area. Immediately, topsoil was replaced, chiseled, and seeded to the seed mix listed for this hayland in Permit NACT-9101. The variance area will be hayed with the surrounding areas in 2011.

An email from Mr. Guy Welch on July 29, 2010 stated that the repaired feature in this tract must become established with vegetation prior to approving a final bond release application, but production data from this minor repair area would not be necessary, given the size of the feature in relation to the total acreage. Coteau plans to submit a bond release package for this tract during the growing season of 2011. Vegetation establishment will be evaluated at that time.

If you have any questions, please contact me.

Sincerely,

THE COTEAU PROPERTIES COMPANY



Jessica K. Unruh  
Environmental Specialist

JKU:lr  
Enc.