



Public Service Commission

State of North Dakota

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June 23, 2011

Jeff P. Frohlich
Manager, Engineering and Environmental
Dakota Westmoreland Corporation
Beulah Mine
PO Box 39
Beulah, ND 58523-0039

Dear Mr. Frohlich:

The Reclamation Division has conducted a technical review of the applications for Revision No. 24 and Renewal No. 5 to Surface Coal Mining Permit KRSB-8603. The following items need to be addressed before the approval of these applications:

Section 1.1 - Application and Support Documents

1. Please update Section 1.1 to include the application for Renewal 5 and the attachment providing the renewal request narrative, bond narrative, and liability insurance narrative. Please also update Section 1.1 to include the application for Revision 24, the revision summary, the revision list of changes. (WTG)

Section 1.3 - Legal Description of Property

2. Please review the metes and bounds description that was revised to correct a previous error. Our review of the revised metes and bounds description indicates that it does not close by approximately 4 feet, and the total acreage inside the described area is 0.258 acres more than what is currently permitted. (MDB)
3. Please remove pages 1.3.4 through 1.3.8 because these areas are included in the metes and bounds on the previous pages. (MDB)

Section 1.4 - Business Entity Information

4. Please update the address for Martha Gunsch to list her address in care of Ronald Gunsch. (WTG)
5. Please revise the coal ownership and other mineral owners in Section 15 to list the ownership correctly. The coal ownership listed for Section 17 is correct; the incorrect coal ownership listed for Section 15 should be replaced with the identical coal ownership listed for Section 17. The two incorrect listings for Section 15 are as follows: (1) Priscilla Keogh is listed as a trustee, but the Robert A. Keogh Mineral Trust should be listed instead, and (2) the Faye L. Keogh Trust is listed, but the Faye Keogh Revocable Trust should be listed instead. (WTG)
6. Please revise Exhibit 1.4.1 - Surface and Coal Ownership Map, to depict the permit boundary as one contiguous area (including removing the "interior" permit boundary lines) rather than three separate areas depicting the permit boundary prior to Revision 22, and the acreage added with Revision 22. (WTG)
7. In response to an inquiry during the June 9, 2011 PSC inspection, you indicated DWC had recently renegotiated the lease with Casey Voigt for the NE¼ of Section 19 that required coal to be produced from the tract by June 25, 2011. Please update Exhibit 1.4.2 to include the new lease. (MDB,WTG)

Section 3.1 - General Mining Plan

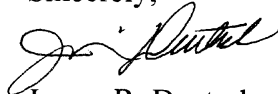
8. Please update Exhibit 3.1.2 - Pit Layout and Facilities Map, to correctly describe the pipeline crossing the permits as a crude oil pipeline rather than a gas pipeline, and please also correct the spelling for Tesoro in the legend. (WTG)

Section 3.5 - Backfilling and Grading

9. DWC is depicting significant postmine topographic changes beyond the coal removal boundary in the N½S½ and the S½NW¼ of Section 20 on Exhibit 3.5.3. Please justify why the postmine topography is being changed in these areas where coal will not be removed. NDAC 69-05.2-13-05 requires that disturbances be minimized on lands where coal is not removed. If proper justification cannot be provided, then the original premine topography must be retained on these areas. (GAW)

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division

cc: Mercer County Auditor