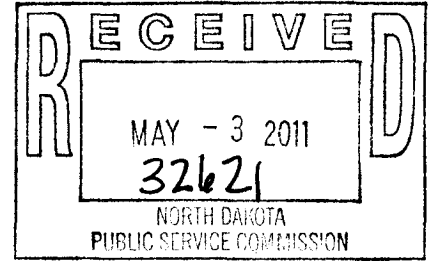


Dakota Westmoreland Corporation

Beulah Mine - P.O. Box 39 • Beulah, North Dakota 58523-0039

Phone: (701) 873-4333 • Fax: (701) 873-7784

May 3, 2011



Mr. James R. Deutsch
Director, Reclamation Division
Public Service Commission
600 E Boulevard Ave., Dept. 408
Bismarck, ND 58505-0480

FROM DIRECTOR - RECLAMATION DIV.

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Dear Mr. Deutsch:

Re: Revision No. 24 and Renewal No. 5
Permit KRSB-8603

The following information is submitted in response to the completeness review letter of April 13. Individual comments are set forth below followed by Dakota Westmoreland's response and a list of the revised information. Three CD copies of the permit are enclosed.

Renewal Application

1. Please revise the Renewal Request Narrative to state that the renewal will allow for the continuation of mining and reclamation activities until August 7, 2016 rather than "during the period commencing August 7, 2001". (GAW & BEB)
 - The renewal request narrative has been revised as requested.

Revision Application

2. Please revise the Revision Summary description to clarify that Revision 24 updates the permit to reflect changes for the next 5-year permit term rather than to reflect changes during the previous permit term. In addition, please include details regarding the changes being proposed with this revision rather than simply stating that changes to some of the main sections of the permit are being made in response to a pre-renewal review. The description should be specific regarding the changes proposed with Revision 24. (GAW)
 - The "brief" revision summary within the revision application form has been revised. The Revision Summary, as attached to the revision application form has been expanded per your recommendations.
3. As required by NDAC 69-05.2-11-02-1(c), please revise the Revision Summary description to state that the revision "... identifies the coal removal subarea that will be mined during the next 5-year permit term". (WTG & GAW)
 - The aforementioned language has been added to the Revision Summary.



Newspaper Advertisement Text

4. Please insert the word “Coal” in the second line of the advertisement title so that the title reads as follows: “Notice of Application for Revision and Renewal to a Surface Coal Mine Permit”. Please insert the word “Coal” in the first paragraph as well so that the ending of the first paragraph reads as follows: “... for Revision No. 24 and Renewal No. 5 to Surface Coal Mining Permit KRSB-8603”. (WTG)
 - The public advertisement has been revised as recommended.
5. As required by NDAC 69-05.2-11-02-1(c), please revise the revision updates in the third paragraph of the advertisement to state that Revision 24 “... identifies the coal removal subarea that will be mined during the next 5-year permit term”. (WTG & GAW)
 - The aforementioned language has been added to the public advertisement.
6. As required by NDAC 69-05.2-10-01-1(c), please add the Public Service Commission address (600 East Boulevard Avenue, Department 408, Bismarck, North Dakota 58505-0480) to the fifth paragraph of the advertisement. (WTG)
 - The Public Service Commission address has been added to the public advertisement.
7. A sentence in the fifth paragraph of the advertisement incorrectly states that land is proposed to be added to the permit with this revision. Please remove this incorrect statement from the advertisement. (GAW & MDB)
 - Thank you for catching this incorrect statement, it has been removed.
8. The advertisement lists Faye L. Keogh Trust as the surface owner in the S½ of Section 15, but it lists Faye Keogh Revocable Trust as the surface owner in the S½ of Section 17. Exhibit 1.4.1 - Surface and Coal Ownership Map, lists the surface owner as F. Keogh Trust and Keogh Trust. Please use the correct surface owner name consistently in the advertisement and the corresponding sections of the permit. (MDB)
 - Exhibit 1.4.1, narrative 1.4, and the public advertisement have been changed to reflect F. Keogh Revocable Trust in Sections 15 and 17.
9. It appears that the tab indentation for the Coal Owner(s) column in the advertisement has incorrectly repositioned the second and following names of coal owners into the Surface Owner(s) column for coal owners in the S½ of Section 17, the N½ of Section 17, and the N½ of Section 19. These incorrectly repositioned names are indented under the first surface owner name(s). It appears, however, that coal owners in the advertisement and coal owners listed on page 1.4.14 and on Exhibit 1.4.1 - Surface and Coal Ownership Map, would coincide if the tab indentation was corrected for the parcels listed above. Please review and correct as necessary. (WTG, GAW, & MDB)
 - The tab indentations for the columns have been corrected.

10. The Surface and Coal Ownership Map, Exhibit 1.4.1, shows that the Coyote Partners own the NW¼ of Section 15 and that Coyote Partners and DWC own the NE¼ of Section 15. However, the public notice indicates that both the Coyote Partners and DWC are the surface owners of all of the N½ of Section 15. Please review and correct as necessary. (GAW)

- The public advertisement has been changed to match exhibit 1.4.1.

Newspaper Advertisement Map

11. As required by NDAC 69-05.2-10-01-1(b)(1), please adjust the map scale (zoom out) sufficiently to depict and label the following additional information on the newspaper advertisement map that will allow local residents to readily identify the permit area: ND Highway 49; the Coyote Station power plant; the Knife River (currently labeled but the stream line weight should be increased to make it visible); Brush Creek (currently labeled but the stream line weight should be increased to make it visible); Coyote Creek; Rose Hill Cemetery; and direction and distance to Beulah on ND Highway 49 indicated with an arrow originating from a point near Rose Hill Cemetery. (WTG, MDB, GAW, & BEB)

- The public notice map has been updated as recommended.

12. As required by NDAC 69-05.2-10-01-1(b)(2), please specifically label “Permit KRSB-8603” within the permit boundary, improve the legibility of section numbers that are obscured by the permit boundary or the fill pattern, and enlarge the township, range, and county labels so that they will be legible in the publication. (BEB & GAW)

- The public notice map has been updated as recommended.

13. As required by NDAC 69-05.2-10-01-1(b)(3), please enlarge the north arrow so that it will be legible in the publication. (BEB & GAW)

- The public notice map has been updated as recommended.

Section 3.1 - General Mining Plan

14. Please update Exhibits 3.1.1, Extended Mine Plan and 5-Year Subareas, and 3.1.2, Pit Layout and Facilities Map, to identify the coal removal subarea that will be mined during the next 5-year permit term ending in August 2016. Mining is presently depicted only through 2015 on Exhibit 3.1.1.; however, portions of the coal removal subarea within the existing permit boundary that will be mined during the next 5-year permit term ending in August 2016 must be identified on the Extended Mine Plan and 5-Year Subareas Map. The coal removal subarea that will be mined during the next 5-year permit term ending in August 2016 must also be identified on Exhibit 3.1.2, but only within the permit boundary in Sections 20, 21, and 22. (It should be noted that the titles of Exhibits 3.1.1 and 3.1.2 are reversed since the extended mine plan areas are only depicted on Exhibit 3.1.2.) (MDB & GAW)

Mr. James R. Deutsch

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- Exhibits 3.1.1 and 3.1.2 have been updated to show coal removal subareas through August of 2016. Exhibit 3.1.2 coal removal subareas are identified outside of the permit to keep the mining pit sequence intact because individual pits are shown partially within the permit. Also, per telephone conversation with Mike Berg on April 15, DWC was instructed to disregard the last sentence of this deficiency.

Section 3.5 - Backfilling and Grading

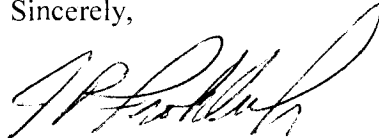
15. It appears that portions of the SE¼ of Section 20 and the SW¼ of Section 21 do not have post-mining topography developed for mining planned in 2015 and 2016. Please review and update Exhibits 3.5.3 – Post-Mining Topography, 3.5.4a – Pre-Mine Slope Contours, and 3.5.4b – Post-Mine Slope Contours, to reflect mining in these areas of the permit during the next permit term. (MDB & GAW)

- Post mining topography was developed for the mining planned in 2015 and 2016 within the permit boundary. Exhibits 3.5.3, 3.5.4a, and 3.5.4b have been updated.

Also, two small corrections have been made to Section 1.3, metes and bounds. The corrections are highlighted.

If you have any questions, please contact me at extension 3908.

Sincerely,



Jeff P. Frohlich

Manager

Engineering and Environmental

plg
Encl/