

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Coteau Properties Company
Bond Release No. 5, Permit NACT-9101
Approval

Case No. RC-11-599

RELEASE OF BOND
FOR SURFACE COAL MINING AND RECLAMATION OPERATIONS

August 29, 2012

Based on the application for **Bond Release Number 5 for Surface Coal Mining Permit NACT-9101**, received August 31, 2011 and all information and documentation contained therein, the North Dakota Public Service Commission finds that:

1. Attached to the application for release of bond were copies of all letters sent by the Permittee as required by NDCC §38.14.1-17(1)(b). Affidavits of publication for the advertisement required by NDCC §38.14.1-17(1)(a) have been filed and have been made part of the application for release of bond. The last date of publication was October 20, 2011.
2. On September 29, 2011, the Commission conducted an inspection and evaluation of the reclamation work involved in this bond release as required by NDCC §38.14.1-17(3). The surface owners, agents, or lessees were given notice of the bond release inspection and had the opportunity to participate with the Commission in conducting the inspection of the bond release areas at the Freedom Mine.

In accordance with NDCC §38.14.1-17, Bond Release No. 5 for Surface Coal Mining Permit NACT-9101 is hereby granted to the Coteau Properties Company effective October 1, 2012, unless a formal hearing is requested. No monetary release is being requested since the current bond amount is based on the worst-case reclamation condition in a consolidated bond area that includes this permit and others at the Freedom Mine. The area is described by metes and bounds descriptions and is generally as follows:

A portion of Sections 16, 17 and 18, T145N, R86W, Mercer County, releasing all reclamation liabilities on 1000.951 acres.

The decision to release all remaining bond on this acreage is made for the following reason:

The Coteau Properties Company has met the requirements of the reclamation law and rules administered by the Commission for successfully reclaiming 237.2 acres of cropland, 313.2 acres of hayland, 145.7 acres of native grassland, 2.9 acres of wetland, 1.5 acres of developed water resource, 6.9 acres of roads and right-of-ways, 31.2 acres of re-disturbed orphan spoil and 4.7 acres of conservation tree plantings. The bond release area also includes 257.7 acres of land that were not affected by Coteau's mining activities. The vegetation success standards and all other applicable performance standards have been met to the satisfaction of the Commission. The acreage included in this bond release is subject to the 1979 reclamation law.

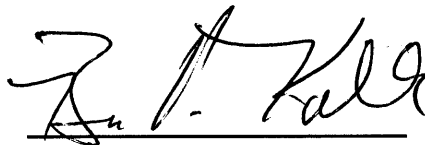
IMPORTANT – PLEASE READ

1. If bond release has been approved, actual release of bond shall not occur until the effective date of this decision. If a formal hearing is requested on this bond release decision by a person with a valid legal interest or by the head of any state or local government agency with appropriate jurisdiction, the actual release of bond may not occur until after a final decision is issued following the formal hearing. A request for formal hearing by any such person must be filed with the Public Service Commission within 30 days of this bond release decision.
2. If bond release has been disapproved or if you are unsatisfied with the amount of bond approved for release, you have the right to request a formal hearing regarding this decision by filing an application for a hearing with the Public Service Commission within 30 days of the date of this decision.

PUBLIC SERVICE COMMISSION



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Commissioner



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Chairman



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