

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Coteau Properties Company
Bond Release No. 1, Permit NACT-9501
Approval

Case No. RC-11-621

RELEASE OF BOND
FOR SURFACE COAL MINING AND RECLAMATION OPERATIONS

April 25, 2012

Based on the application for **Bond Release Number 1 for Surface Coal Mining Permit NACT-9501**, received September 16, 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 now been filed and have been made part of the Application for Release of Bond. The last date of publication was November 3, 2011.
2. On October 13th, 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. 1 for Surface Coal Mining Permit No. NACT-9501 is hereby granted to The Coteau Properties Company effective May 29, 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 the attached metes and bounds descriptions and as follows:

**A portion of the NW¼ of Section 5, T145N, R87W, Mercer
County, releasing all reclamation liabilities on 39.72 acres.**

The decision to release all of the bond on this acreage is made for the following reasons:

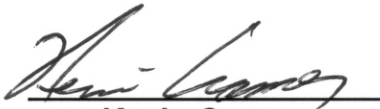
The Coteau Properties Company has met the requirements of applicable reclamation laws and rules administered by the Commission for successfully

reclaiming 2.3 acres of hayland. The bond release area contains 37.42 acres of undisturbed land. This reclaimed land is subject to the 1979 reclamation law and yield data has been submitted demonstrating revegetation success. The reclaimed hayland produced equal to or greater than the approved standard for at least two growing seasons after year six of the revegetation responsibility period. Data was also provided showing that the ground cover on the disturbed areas is sufficient for erosion control.

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



Kevin Cramer
Commissioner



Tony Clark
Chairman



Brian P. Kalk
Commissioner