

Jangula, Esther A.

From: Deutsch, James R.
Sent: Friday, June 15, 2012 7:56 AM
To: Jangula, Esther A.; Gunnerson, Bill T.
Subject: FW: Updated Violations Report to Address Proposed PSC Coteau Permit Revision and Renewal Approval
Attachments: image001.jpg; 2012 June 0003.pdf; ATT00001.txt

Esther - please login Joe's message and save it and the pdf document to the folder for Rev. 30 to Permit NACT-9101. Thanks!

-----Original Message-----

From: Friedlander, Joe [<mailto:Joe.Friedlander@nacoal.com>]
Sent: Thursday, June 14, 2012 11:38 PM
To: Moos, Dean K.; Deutsch, James R.
Cc: Steffen, Donn; Ryan, Lisa; Trouart, Joel; Coleman, Belinda; Neumann, John
Subject: Updated Violations Report to Address Proposed PSC Coteau Permit Revision and Renewal Approval

Dear Mr. Moos & Mr. Deutsch,

Attached is the updated Violations Report for The North American Coal Corporation, in response to your June 11 request, to address an upcoming PSC approval of The Coteau Properties Company Permit NACT-9101 Revision 30 and Renewal Number 4 applications.

We're providing you here all the latest new information currently available to allow for timely processing of Coteau's permit revision and renewal applications. There are no updates or other changes to the other two parts of the Legal Information package currently on file at your office (Ownership and Control and Permits).

With your acceptance of the attached we will submit complete updated Legal Information disks to you, our North Dakota mining operations, and county auditors next week. Please let me know if this is acceptable and we will start preparing the disks immediately.

Thank you for your consideration.

Sincerely,

Mr. Joseph Friedlander
Director of Environmental and Regulatory Affairs The North American Coal Corporation
5340 Legacy Drive
Building 1, Suite 300
Plano, TX 75024-3141
Direct: 972/448-5458
Cell: 469/563-7014

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SCHEDULE OF VIOLATIONS FOR THE NORTH AMERICAN COAL CORPORATION AND ITS AFFILIATES AS OF JUNE 13, 2012

Report for the three-year prior period

| Violation Identification | Permit Identification | Date of Issuance | Issuing Regulatory Agency | Description of Violation | Location | Type of Administrative or Judicial Proceedings | Current Status of Proceedings & Notice (and final resolution) | Actions Taken to Abate the Violation |
|--------------------------|-----------------------|------------------|---------------------------|--------------------------|----------|--|---|--------------------------------------|
|--------------------------|-----------------------|------------------|---------------------------|--------------------------|----------|--|---|--------------------------------------|

Name of Mine Operator: *Caddo Creek Resources Company, L.L.C., a Nevada limited liability company (a wholly-owned subsidiary of The North American Coal Corporation)*
P.O. Box 449
Hallsville, Texas 75650
5340 Legacy Dr., Bldg. 1, Ste. 300
Plano, Texas 75024-3141
Telephone No. (972) 448-5400

Employer I.D.: *27-0789229*

Name of Permittee Receiving Violation: *Marshall Mine, L.L.C.*
3200 University Avenue
Marshall, Texas 75670

Mine: *Marshall Mine*
Harrison County, Marshall, Texas

MSHA I.D.: *41-04864*

RCT - Railroad Commission of Texas
TCEQ - Texas Commission on Environmental Quality

No NOV's issued to Caddo Creek Resources Company, L.L.C., as Operator in the past 3 years.

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| <p>Name of Mine Operator: <i>Camino Real Fuels, L.L.C., a Nevada limited liability company (a wholly-owned subsidiary of The North American Coal Corporation)</i> <i>5340 Legacy Dr., Bldg. 1, Ste. 300</i> <i>Plano, Texas 75024-3141</i> <i>Telephone No. (972) 448-5400</i></p> <p>Employer I.D.: <i>26-1242961</i></p> <p>Name of Permittee Receiving Violation: <i>Dos Republicas Coal Partnership, a Texas partnership</i> <i>5150 N. Loop 1604 W</i> <i>San Antonio, Texas 78249-1325</i></p> <p>Mine: <i>Eagle Pass Mine</i> <i>Maverick County, Eagle Pass, Texas</i></p> <p>MSHA I.D.: <i>MSHA 41-03739; Issued 9/1/92 - has been temporarily idle</i></p> <p align="center">RCT - Railroad Commission of Texas TCEQ - Texas Commission on Environmental Quality</p> | | | | | | | | |
| 108A | 42A | 5/17/2012 | RCT | Liability Insurance document did not contain specific endorsement language required by regulation | RCT | Penalty Assessment Pending | Terminated 6/6/2012 | Updated endorsement to contain specific endorsement language required by regulation |

No NOV's issued to Camino Real Fuels, L.L.C., as Operator in the past 3 years.

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| <p>Name of Permittee/ Operator Receiving Violation: <i>The Coteau Properties Company, an Ohio corporation (a wholly-owned subsidiary of The North American Coal Corporation)</i> Employer I.D.: <i>204 County Road 15 Beulah, North Dakota 58523 Telephone No. (701) 873-2281</i></p> <p>Mine: <i>Freedom Mine Beulah, North Dakota 58523</i> MSHA I.D.: <i>MSHA 32-00595; Issued 01/16/78</i></p> | | | | | | | | |
| | | | NDPSC - North Dakota Public Service Commission | | | | | |
| 1003 | NACT-0401 | 07/08/10 | NDPSC | Failure to have an energy dissipator at the outlet of a water discharge pipe located outside the permit area | NDPSC | Penalty Assessed at \$1,000 | NOV terminated 7/22/10. | Placed an energy dissipator at the outlet of the discharge pipe and moved it inside the permit area. |

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| <p>Name of Mine Operator: <i>Demery Resources Company, L.L.C., a Nevada limited liability company (a wholly-owned subsidiary of The North American Coal Corporation)</i> 839 Five Forks Road Saline, Louisiana 71070 Telephone No. (318) 875-5000</p> <p>Employer I.D.: <i>26-4801405</i></p> <p>Name of Permittee Receiving Violation: <i>Five Forks Mining, LLC, a Delaware limited liability company</i> 201 Red River Mine Road Coushatta, Louisiana 71019</p> <p>Mine: <i>Five Forks Mine</i> Natchitoches Parish, Louisiana</p> <p>MSHA I.D.: <i>MSHA 16-01499; Issued 12/29/09</i></p> | | | | | | | | |
| | | | LOC - Louisiana Office of Conservation | | | | | |
| 10-01-01 | DOP-7 | 7/9/2010 | LOC | Conducted development and reclamation operations outside of lands specifically designated on the maps submitted under Section 2111 of the Regulations | LOC | No penalty assessed | Terminated 07/23/10 | All corrective actions were completed within the time for abatement |

No NOV's issued to Demery Resources Company, L.L.C., as Operator in the past 3 years.

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Name of Permittee/Operator Receiving Violation: Employer I.D.: *The Falkirk Mining Company, an Ohio corporation (a wholly-owned subsidiary of The North American Coal Corporation)
2801 First Street, Southwest
P.O. Box 1087
Underwood, North Dakota 58576-1087
Telephone No. (701) 442-5751
34-1150894*

Mine: *Falkirk Mine
Underwood, North Dakota 58576*
MSHA I.D.: *MSHA 32-00491; Issued
07/31/75*

NDPSC - North Dakota Public Service Commission

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Name of Permittee/ Operator Receiving Violation Employer I.D.: *Liberty Fuels Company, L.L.C., a Nevada limited liability company (a wholly-owned subsidiary of The North American Coal Corporation)*
86 Willie Glass Road
Bailey Mississippi 39320
Telephone No. (601) 737-7000
Employer I.D.: *26-3815854*

Mine: *Liberty Mine*
Kemper County, Dekalb, Mississippi 39328
MSHA I.D.: *MSHA 22-00803; Issued 12/08/10*

MDEQ - Department of Environmental Quality in Mississippi

No NOV's issued to Liberty Fuels Company, L.L.C. in the past 3 years.

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| <p>Name of Permittee/Operator Receiving Violation: <i>Mississippi Lignite Mining Company, a joint venture organized under Texas law (a subsidiary of The North American Coal Corporation)</i></p> <p>Employer I.D.: <i>75-2724822</i></p> <p>Mine: <i>Red Hills Mine</i></p> <p>MSHA I.D.: <i>MSHA 22-00690; Issued 08/26/97</i></p> | | | | | | | | |
| <p align="center">MDEQ - Department of Environmental Quality in Mississippi</p> | | | | | | | | |
| 2011-MS-01(TV2) | MS-002 Renewal 1 | 06/01/11 | MDEQ | Failure to construct appropriate sediment control measures; operating within stream buffer zone without specific written approval of MDEQ | MDEQ | Penalty Assessed at \$4,400 | Terminated 06/20/11 | Grading, seeding, mulching, installation of BMP's; buffer zone sign installation |

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Name of Permittee/ Operator Receiving Violation: *Otter Creek Mining Company, L.L.C., a Nevada limited liability company (a wholly-owned subsidiary of The North American Coal Corporation)*
Employer I.D.: *26-2756612*
2000 Schafer Street, Suite D
Bismarck, North Dakota 58501-1204
Telephone No. (701) 258-2200

Mine: *Otter Creek Mine*
Oliver County, Center, North Dakota
MSHA I.D.: *Pending*

NDPSC - North Dakota Public Service Commission

No NOV's issued in the past 3 years.

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Former Permittee/ Operator Receiving Violation: *Red River Mining Company (formerly a Texas joint venture and subsidiary of The North American Coal Corporation) ceased to exist on December 31, 2011*
Employer I.D.: *5340 Legacy Dr., Bldg. 1, Ste. 300*
Plano, Texas 75024-3141

Employer I.D.: 72-1129219

Surface Mining and Reclamation Permit LSM-1A was transferred by Red River Mining Company to CLECO Power L.L.C. and Southwestern Electric Power Company as of December 29, 2009. Red River Mining Company ceased operating the Oxbow Mine as of December 29, 2009. The Oxbow Mine is now operated by Dolet Hills Lignite Company, L.L.C.

Mine: *Oxbow Lignite Surface Mine*
Coushatta, Louisiana 71019

MSHA I.D.: *MSHA 18-01164; Issued 06/28/88*

LOC - Louisiana Office of Conservation

No NOV's issued in the past 3 years.

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| <p>Name of Permittee/Operator Receiving Violation: <i>The Sabine Mining Company, a Nevada corporation (a wholly-owned subsidiary of The North American Coal Corporation)</i> Employer I.D.: <i>6501 Farm Road 968 West Hallsville, Texas 75650-7413 Telephone No. (903) 660-4200</i> <i>31-1005293</i></p> <p>Mine: <i>South Hallsville No. 1 Mine Hallsville, Texas 75650</i> MSHA I.D.: <i>MSHA 41-03101; Issued 11/02/81</i></p> <p style="text-align: center;">RCT - Railroad Commission of Texas TCEQ - Texas Commission on Environmental Quality</p> | | | | | | | | |
| 300T | No. 55 | 1/19/2012 | RCT | The permittee caused siltation in a stream channel for which it is not authorized to conduct surface coal mining operations. | RCT | Penalty Assessed at \$1,100 | Terminated 2/13/2012 | Sediment removed from stream channel. |
| 302T | No. 33H | 5/17/2012 | RCT | Liability Insurance document did not contain specific endorsement language required by regulation | RCT | Penalty Assessment Pending | Terminated 6/6/2012 | Updated endorsement to contain specific endorsement language required by regulation |
| 303T | No. 55 | 5/17/2012 | RCT | Liability Insurance document did not contain specific endorsement language required by regulation | RCT | Penalty Assessment Pending | Terminated 6/6/2012 | Updated endorsement to contain specific endorsement language required by regulation |
| 304T | No. 33H | 6/12/2012 | RCT | Soil stockpile location incorrectly depicted on bonding map | RCT | In process | Submitted materials under review | New map and bond calculation information submitted |

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Former Mine Operator: *The North American Coal Corporation, a Delaware corporation*
5340 Legacy Dr., Bldg. 1, Ste. 300
Plano, Texas 75024-3141
Telephone No. (972)448-5400

Employer I.D.: *34-1554846*

The North American Coal Corporation ceased operating the San Miguel Mine as of December 31, 2010. As of January 1, 2011, Kiewit Mining Group Inc. is the operator of the San Miguel Mine.

Name of Permittee Receiving Violation: *San Miguel Electric Cooperative, Inc.*
P.O. Box 280
Jourdanton, Texas 78026
Telephone No. (830) 784-3411

Mine: *San Miguel Mine*
Atascosa County, Christine, Texas 78012

Permittee's MSHA I.D.: *MSHA 4102840; Issued 1/1/79*

RCT - Railroad Commission of Texas
TCEQ - Texas Commission on Environmental Quality

No NOV's issued to The North American Coal Corporation, as the previous Operator in the past 3 years.