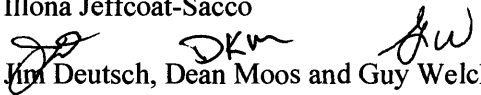


**PUBLIC SERVICE COMMISSION
Reclamation Division**

Memorandum

TO: Commissioners Kalk, Cramer and Fetch
Darrel Nitschke
Illona Jeffcoat-Sacco

FROM:  Jim Deutsch, Dean Moos and Guy Welch

DATE: July 5, 2012

SUBJECT: Application for Renewal No. 5 to Permit No. NACT-8601 held by the Coteau Properties Company, Case No. RC-12-128

On March 28, 2012, Coteau Properties Company filed the application for Renewal No. 5 to Permit No. NACT-8601 to continue to conduct mining operations within the existing permit area until July 28, 2017. Permit No. NACT-8601 covers portions of Sections 8, T145N, R87W, and Section 12, T145N, R88W, Mercer County, totaling 772.528 acres. The Reclamation Division has completed its review of this five-year permit renewal and respectfully recommends that it be approved.

Coal removal has been completed from this permit area but an equipment access road is being used to support mining operations that are occurring in another permit area. Revision No. 29 to Permit NACT-8601 was filed to update various sections of the permit for the next permit term. This revision is considered insignificant and is being approved at the same time as this renewal.

Coteau has submitted the affidavits of publication of the newspaper notice. We notified the appropriate agencies, affected landowners and the advisory committee members. We received no objections to this renewal application. Evidence of adequate performance bond and liability insurance are currently on file. Self and collateral bonds that total \$119,000,00.00 cover this and other permits at the Freedom Mine.

Attached for your consideration are the proposed motion and renewal approval form.

Caselib/120128