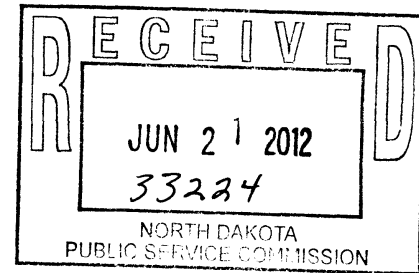


**NORTH AMERICAN**  
**COAL**  
CORPORATION  
**THE FALKIRK MINING COMPANY**



June 20, 2012

Mr. James R. Deutsch  
Reclamation Director  
ND State Public Service Commission  
600 East Boulevard, Dept. 408  
Bismarck, ND 58505

**RE: Mid-Term Review Responses to Permit NAFK-8705**

Dear Mr. Deutsch:

Falkirk submits the following responses to the mid-term review items to Permit NAFK-8705 as noted in your January 17, 2012 letter.

**1.0 - LEGAL, FINANCIAL, COMPLIANCE, AND RELATED INFORMATION**

- 1. Please update the Ownership and Control information (Section 1.3.1), the Current Permits and Permit Applications information (Section 1.3.3), and the Schedule of Violations information (Section 1.1.6) by providing a reference to the North American Coal stand-alone Consolidated Legal Information Report. (BEB)***

The Ownership and Control information (Section 1.3.1), the current Permits and Permit Applications information (Section 1.3.3), and the Schedule of Violations information (Section 1.1.6) have been updated to provide a reference to the North American Coal stand-alone Consolidated Legal Information Report.

- 2. If necessary, please update the surface interests listed in Subsections 1.5.1 and 1.5.2. Any changes should also be reflected on the ownership map in Subsection 1.5.3. NDAC 69-05.2-06-01(1)(a) and NDCC 38-14.1-14(c) and (d). (MSK & BEB)***

**Section 1.5 - Identification of Interests and Rights of Entry**

The introductory page, the Certificate of Authenticity, and the Tract Summary have been updated.

1 RC-12-386 Filed 06/21/2012 Pages: 11  
permit revision application  
Falkirk Mining Company  
Randy Crooke

**Section 1.5.1 - Permit Area Surface and Coal Interests**

Tract No.	Address change to surface and/or coal ownership	Corporate officers and/or registered agents change	Documentation added	Easement information updated	Leasehold status change	Note added	Ownership change to surface and/or coal	Tract added or tract description changed
1							X	
2	X		X					
3	X		X	X			X	
4			X					
5	X		X	X			X	
6	X		X	X				
7			X	X				
9-9A			X				X	
10		X						
11	X		X					
12			X					
13	X		X				X	
14	X				X		X	
15							X	
16			X					
17			X					
18-18A	X		X				X	
19	X		X				X	
20					X			
21			X					
22	X		X				X	
23	X		X				X	
24	X		X					
25	X		X					
27			X					
28	X	X	X					
29-29A		X						
30			X	X				
31							X	
32							X	
34								X
34A							X	X
39	X		X				X	
40-40A			X					
43					X			

Tract No.	Address change to surface and/or coal ownership	Corporate officers and/or registered agents change	Documentation added	Easement information updated	Leasehold status change	Note added	Ownership change to surface and/or coal	Tract added or tract description changed
44-44A					X		X	
45-45A		X			X		X	
46					X			
47					X			
50-50A						X		
53	X							
54			X					
55	X		X					
56			X					
57	X	X						
58			X				X	
60	X							
61-61A	X							
64	X		X					
68		X						
69		X						
70	X	X						
71	X	X						
72					X			
73			X					
75			X					
77					X	X	X	
78					X		X	
79					X		X	
80							X	

**Section 1.5.2 - Adjacent Surface and Coal Interests**

The surface and coal ownership was updated to reflect current ownership and leasehold information.

**Section 1.5.3 - Surface and Coal Ownership Map**

The surface and coal ownership map was updated to reflect the changes noted in the sections above.

## **2.0 - ENVIRONMENTAL RESOURCE INFORMATION**

- 3. Please update the Structure Contour Map, Overburden and Interburden Thickness Isopach Maps, and the Drillhole Location and Cross-Section Reference Map, (Sections 2.3.10 through 2.3.14) to depict and label the coal removal subareas that were mined from 2008 to the present. (BEB)***

Please see revised Sections 2.3.10 - Structural Contour Map - Top of Hagel Bed, 2.3.11 - Overburden Thickness Isopach Map, 2.3.12 - Interburden Thickness Isopach Map, and 2.3.13 - Drill Hole Location and Cross-Section Reference Map.

- 4. The map in Section 2.6.4, Surface Water Features and Monitoring Sites, shows Monitoring Sites 5, 6 and 7 as inactive, but recent surface monitoring reports indicate the monitoring sites are now active. Please review and update as appropriate. [NDAC 69-05.2-09-13] (RLK)***

Please see the updated Surface Water Features and Monitoring Sites Map, Section 2.6.4.

- 5. Please review and update the information in Section 2.6.8, Surface Water Monitoring Stations, to reflect the currently active monitoring sites and other information as appropriate. [NDAC 69-05.2-09-13] (RLK)***

Please see the updated Surface Water Monitoring Stations, Section 2.6.8.

## **3.0 - OPERATION PLANS**

- 6. Please update the status of the cable belt conveyor in the Cable Belt Conveyor subsection of the Mining Method Narrative in Section 3.1.2. If Falkirk has decided that the conveyor will not be used in the future, a removal and reclamation plan must be provided for the affected areas. (MSK)***

See revised Cable Belt Conveyor subsection in Section 3.1.2, which discusses when the cable belt will be evaluated for rebuild based upon mining progression in NAFK-8405.

- 7. If any changes have occurred, please update Subsection 3.1.4, List of Equipment, as required by NDCC 38-14.1-14(1)(l). (MSK)***

Please see updated Section 3.1.4, List of Equipment.

8. *Please update Section 3.1.5, Pit Layout and Facilities Map, to reflect all changes, including depicting the coal removal subareas that were mined from 2008 to present & the final location of the French Drain. Also update any other maps, plans, time schedules, etc. that may be affected by these changes. (MSK & BEB)*

Please see revised Section 3.1.5, Pit Layout and Facilities Map.

9. *Please show the permit boundary around the Ash Disposal Facility in Section 5 on the Pit Layout and Facilities Map, Section 3.1.5 if other changes are being made to this map. (GAW)*

Please see revised Section 3.1.5, Pit Layout and Facilities Map.

10. *Please update the Extended Mining Plan Map, Section 3.1.6, to depict and label the coal removal subareas for all permit areas that were mined from 2008 to present. (BEB)*

Please see revised Section 3.1.6, Extended Mining Plan Map.

11. *Please update the Transportation Facilities Map, Section 3.5.2, to note those portions of Haulroad Section A located within Sections 26, 35, and 36 that were recently reclaimed. (BEB)*

Section 3.5.2 has been updated to reflect the portions of Haulroad Section A that have been reclaimed from Station 204+12 to Station 327+95.

12. *The Surface Water Management plan contains details and descriptions for structures in subwatersheds that have been reclaimed but are not denoted as such in the subwatershed narrative. Please review and update the following items as appropriate:*

- A. Section 3.6.4.5, Water Management Plan for Subwatershed I-D2, pertaining to Pond P-W25-01;*
- B. Section 3.6.4.7, Water Management Plan for Subwatersheds I-G and I-H2, pertaining to Ponds P-W31-01 and P-W31-02, and Diversion D-W31-01;*
- C. Section 3.6.5.1, Water Management Plan for Subwatersheds II-A, pertaining to Ponds P-W35-03 and P-W35-04;*
- D. Section 3.6.5.5, Water Management Plan for Subwatersheds II-E, pertaining to Pond P-W35-02 and Diversion D-W35-05;*
- E. Section 3.6.5.6, Water Management Plan for Subwatersheds II-F, pertaining to Pond P-W35-01 and Diversion D-W35-06. (RLK)*

The above sections have been updated to reflect if the sedimentation ponds, pitwater ponds, and diversions have been reclaimed.

13. *The last couple of paragraphs in the Groundwater Management Plan of Section 3.6.11 describes Falkirk's plans to install a French Drain along portions of the Center Area final highwall. Please update this narrative to provide a past-tense account of the as-built design and operation of the drain. (BEB)*

Please see revised Section 3.6.11; in addition, pages 4 - 9, Bartlett-West French Drain Design, have been added to this section.

14. *Page 2 of Section 3.6.1, Surface Water Management, indicates that only Pond P-W29-03 is going to be reclaimed as a wetland; however, a wetland is planned at the location of Pond P-W33-03. Please review and clarify if this pond is going to be reclaimed as Wetland R-33-01. In addition, it appears that the areas associated with reclaimed Wetlands R-33-02 and R-28-04 are being used as water management features but they are not listed as water management features on the Total Water Management Plan Map, Section 3.6.3a. These areas have not been reclaimed and they are not shown on the Grading Sequence Map, Section 4.2.3, as areas where variances from contemporaneous reclamation requirements have been granted. It is not clear how Falkirk is complying with the contemporaneous reclamation requirements on these areas. Please review and update to provide clarification. (GAW)*

Page 2 of Section 3.6.1 has been updated to reflect that P-W33-03 will be reclaimed as Post-Mining Wetland R33-01. Wetland R-28-04 has been reclaimed and respread. Wetland R-33-02 does retain water because the basin has been regarded but it is not currently acting as or being used as a water management feature. The basin has not been respread due to the fact that the upper reaches of the watershed have not been completely reclaimed and there is an unreclaimed drainage flowing into and out of the regarded basin. Once the upper reaches of the watershed and the drainages are reclaimed, the wetland basin will be respread and reclaimed.

#### **4.0 - RECLAMATION PLANS**

15. *In Section 4.2.2, Reclamation Schedule, the Narrative for Area P states "In late winter of 2010, after the completion of mining in the final pit area, the entire variance area and surrounding area will be aerially surveyed and a final pit closure dirt balance will be done and included in a Revision to address the closure of this area, and a schedule for doing it, with actual survey data rather than projected volumes as are now available." Please submit the reclamation plan and schedule for Area P. (MSK)*

Please see revised Section 4.2.2, Reclamation Schedule, and 4.2.3, Grading Sequence Map.

16. *Please revise the post-mine land use narrative for Section 33 to explain how livestock water is going to be supplied for grazing the reclaimed native grassland in Section 33. NDAC 69-05.2-09-13 requires the necessary support activities be installed to implement the post-mine land use. The Reclamation Division encourages that a developed water resource (dugout) be constructed in this reclaimed native grassland even if a well is planned. (GAW)*

Please see updated Section 4.1.1, Post-Mining Land Use Narrative.

#### **SECTION 5.2.2 - POST-MINING WETLAND DESIGN**

17. *Please include a wetland design plan for Wetland R-31-03 in Section 5.2.2a and review the post-mining wetland design information for all of the reclaimed wetlands and update where necessary to include watershed size and expected runoff based on 50% annual yield information for each wetland as required in Section II-H-9 of the PSC Revegetation Success Standards document. In addition, the narrative in Section 5.2.2, Post-Mining Wetlands Design, should be updated to clarify Falkirk's process for including this information in the permit. (GAW)*

All reclaimed wetlands have been designed and constructed according to the current approved plan in the permit. Wetland R-31-03 was designed and constructed according to the approved Permit (see Section 5.2.2a, page 1, last paragraph).

#### **Other:**

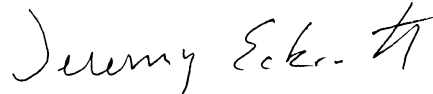
18. Added Letter of Intent from City of Underwood to Section 1.1.5, Approval Forms.
19. Added pages 156-177 to Section 1.2.4, Newspaper Publication Notice.
20. Inserted current Certificate of Liability Insurance (02/01/2012 - 02/01/2013), Section 1.2.5
21. Revised Section 2.6.5, Probable Hydrologic Consequences.
22. Revised Section 2.6.5b, Post-Mining PHC Map.
23. Please see the updated Surface Water Monitoring Plan, Section 2.6.7.
24. Added Certification Letter for Revision 34 to Section 3.6, Operations - Surface Water Management.

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25. Revised Section 3.6.3a, Total Water Management Plan Map.
26. Revised Section 3.6.7.6, Water Management Plan for Subwatershed IV-F, narrative.
27. Updated Section 3.6.7.6b, Design of Sedimentation Pond P-W28-02R.
28. Added Section 3.6.7.6c, Design of Sedimentation Pond P-W28-03.
29. Revised Section 4.1.2, Post-Mine Land Use Map.
30. Added Section 4.1.2b, Developed Water Resources Design and Details.
31. Revised Section 4.1.3, Pre- and Post-Mining Land Use Acreage Comparison Table.
32. Revised Section 4.2.6b, Post-Mining Topography Map.
33. Revised Section 4.2.7a, Pre-Mining Area Slope Map.
34. Revised Section 4.2.7b, Post-Mining Area Slope Map.

Sincerely,

**THE FALKIRK MINING COMPANY**



for D. Randall Crooke  
Environmental Manager