



Public Service Commission

State of North Dakota

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July 20, 2012

Mr. D. Randall Crooke
Technical Group Manager
Falkirk Mining Company
P.O. Box 1087
Underwood, ND 58576-1087

Dear Mr. Crooke:

The Reclamation Division has conducted a completeness review of the application for Revision No. 34 to Permit NAFK-8705. The following items must be corrected prior to the revision application being deemed complete:

Section 1.1.1 - Application Forms

1. Please revise the description on the application form to include the proposed post-mining land use change to recreational being requested for the N1/2NW1/4 of Section 28, T146N, R82W as part of this revision. (JRD, RLK)

Section 1.1.2 - Revision Summary Pages

2. Please correct the legal description for the proposed post-mining land use change to read T146N, R82W rather than T146N, R81W. (WTG)

Section 1.2.4 - Newspaper Publication Notice

3. Although not required, we would suggest changing the heading of the notice to state "NOTICE OF FILING OF A REVISION TO AN APPROVED SURFACE COAL MINING PERMIT". (BEB)
4. Please update the first paragraph of the notice to state that the proposed post-mining land use change is located in T146N, R82W, not T146N, R81W as is currently written in the notice. (BEB, WTG)

5. Please revise the second-to-last paragraph of the public notice to eliminate the word “renewal” from the first sentence of that paragraph because this particular revision is not a renewal application. A similar change should also be made in the last sentence of the public notice. (BEB, GAW, WTG, RLK)
6. Please incorporate a newspaper publication reference map into the notice showing the existing permit boundary and the location of the area in which the post-mine land use change is being proposed. Also, please consider adding a paragraph referencing the map of the permit area, similar to the paragraph used in the Revision No. 32 and Renewal No. 4 publication notice (BEB, GAW, WTG)
7. The public notice lists the surface and coal owners for the entire permit area. Since this revision is considered significant due to the proposed land use change, you only need to provide the surface and coal ownership for those tracts that are affected by the proposed land use change. The remaining surface and coal ownership information can be deleted from the public notice if you so choose. If you retain the surface and coal ownership for the entire permit area in the public notice, then the following discrepancies will need to be addressed:
 - a) The name Wilmer J. Ehrichs appears in the Coal Ownership listing for Tract 9A. It appears that the person will no longer be listed in Section 1.5.1 – Permit Area Surface and Coal Interests and Section 1.5.3 – Surface and Coal Ownership Map. Please revise as appropriate.
 - b) Please correct Randal L. Ehrichs name to Randal G. Ehrichs in the Coal Ownership listing for Tract 9A.
 - c) Please include the middle initial for coal owner Janet L. Cornelius in the listings for Tracts 9 and 9A, to be consistent with Section 1.5.1 Permit Area Surface and Coal Interests.
 - d) Please review the legal land description for Tract 69. The Newspaper Publication Notice states T145N-R82W-Section 8, but Section 1.5.1 - Permit Area Surface and Coal Interests and Section 1.5.3 - Surface and Coal Ownership Map both indicate Tract 69 as being in Section 9. (ZAT, RLK, WTG, DKM)
8. As required by NDAC 69-05.2-10-01-(1)(c), please substitute the Public Service Commission address (600 East Boulevard Avenue, Department 408, Bismarck, North Dakota 58505-0480) for “Capitol Building” in the second paragraph of the last page of the notice. (WTG)

Section 2.2 – Ground Water Hydrology of the Underwood Coal Field

9. Successful operation of the French Drain in the NW1/4 of Section 28 will remove, and to some degree, return an unspecified volume of ground water from the local flow system for years to come, the results of which will likely be inconsequential to the larger hydrologic regime at Falkirk, particularly around the city of Underwood. Nonetheless,

the drain will have some effect on the recharge/discharge relationship in the area and based on the potentiometric surface contours provided in the permit, possibly the localized ground water hydraulic gradient in the post-mine setting. Considering that the proposed drain operation is primarily a ground water reclamation issue, the predicted hydrologic results of this proposal will need to be discussed in applicable portions of the ground water section of the permit. Please update the Probable Ground Water Hydrologic Consequences, Section 2.2.5, of the stand-alone Underwood Ground Water Hydrology document to discuss the drain operation and its likely effect on the local ground water hydrologic system. By the time revision approval is anticipated, it will have been approximately 2 years since this document has been updated and other portions of the document will undoubtedly require updating as well. This would be a good time for incorporating any other updates to the document, if Falkirk chooses. Please incorporate updates to the PHC of the Underwood Ground Water Hydrology document regarding the French Drain operation, and consider updating any other sections of the document that may require updating at this time with this revision. (BEB)

In addition, the following technical deficiencies were noted during the completeness review. They are provided for your information and you do not have to respond to them at this time but may do so if you so choose.

Section 1.5.1 - Permit Area Surface and Coal Interests

10. Tract 27: Coal ownership: Timothy J. Leidholm has both addresses crossed out. Other tracts show his address as 3635 Wolf Creek Rd., Coleharbor, ND 58531-9500. Please review and update as necessary. (ZAT)
11. Tract 42A: Please add Jim Haasis as Secretary under Corporate Officers. (ZAT)
12. Tract 34A: Please fix the link to Surface ownership consent document, deed 3371068. (ZAT)
13. Please fix the deed link for Tract 75. The land description is Township 146 N, Range 82W, W1/2NE1/4 of Section 33. The consent document, deed FKS121 link takes the reader to FKS021 for Section 20, T146N, R82W. (ZAT)

Section 1.5.2 - Adjacent Surface and Coal Ownership and Leasehold Information

14. Please review and correct if necessary the name for coal owner Red Crown Royalties, LLC; Township 145 N, Range 82W, Section 7, Lots 1 and 2. The Surface and Coal Ownership Map 1.5.3 lists this as Red Carpet Royalties, LLC. (ZAT)
15. Please review and correct as necessary the name for coal owner PXP Acquisition LLC; Township 145N, Range 83W, Section 12, NE1/4NE1/4. The Surface and Coal Ownership map 1.5.3 lists it as North Central Oil, PXP Acquisition, LLC. (ZAT)

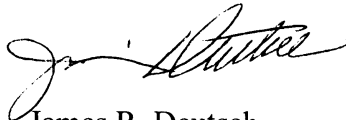
Mr. D. Randall Crooke

July 20, 2012

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If you have any questions, please contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Deutsch". The signature is fluid and cursive, with a large initial "J" and "D".

James R. Deutsch

Director

Reclamation Division