



Public Service Commission

State of North Dakota

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March 22, 2013

Mr. James Murray
Permitting Specialist
Knife River Corporation
1150 West Century Ave.
Bismarck, ND 58503

Dear Mr. Murray:

The Reclamation Division has completed a review of Knife River Corporation's January 29, 2013 response to the technical deficiencies identified in our November 14, 2012 letter regarding the application for Final Bond Release No. 6 to Permit KRGC-8101. The following items must be adequately addressed before the Reclamation Division recommends Commission action.

Attachment 6 – Ownership Map

1. Follow-up to Item No. 8: BNSF was added to the listing of Surface and Adjacent Owners of Record in Attachment 4 and was provided notification of the bond release. Please also depict BNSF as an adjacent surface owner on Attachment 6, Ownership Map. (ZAT)

Attachment 7 – Supporting Narrative

2. Please revise the Pond 27 discussion that begins at the bottom of page 3 of Attachment 7 and the Industrial and Commercial narrative that begins on page 5 to discuss compliance with NDAC 69-05.2-22-07(4)(j) that requires sufficient ground cover for erosion control. (GAW)
3. Please recalculate the absolute percent cover values listed Tables 1 and 2 of Attachment 7. It appears rock was included as cover in Table 1 but not in Table 2, and the sample adequacy values listed for each of these tables are not correct. The summary values listed in the table on page 7 of Attachment 7 will need to be revised to account for any changes. (GAW)
4. Follow-up to Items No 10 and 11: Please revise Exhibit 7.1 to clearly depict and identify the remaining SPGM stockpiles (identified as 05-61-2 and 05-60-1 on the annual map). (GAW/RLK)

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5. Follow-up to Item No. 11: Please revise Exhibit 7.1 to clearly identify the boundary between fish and wildlife habitat land and industrial commercial lands located in Section 3. (GAW)
6. Follow-up to Item No. 17: Please add to the discussion that pond #22 will serve an industrial purpose as a stormwater runoff control for the shop and office area. This distinction should be noted in the bond release to differentiate it from the permanent impoundments that are intended to be developed water resources. (RLK)
7. Follow-up to Items No. 18 and 19: Please prominently display Ponds 22 and 27 on Attachment 1 or on Exhibit 7.1. Outline or color the ponds so that they are easily identifiable on the map. As currently presented, the pond locations basically look like topographic contours. Also, please label the pond numbers on the map. (BEB/ZAT/RLK/GAW)
8. Follow-up to Item No 20: Please include a pond maintenance agreement for Pond 27 from GHMR since GMHR is now the surface owner of this pond. (GAW)
9. Follow-up to Item No. 21: Please include a statement in the narrative on page 3 that Pond 27 will provide runoff control for part of the industrial area as well as provide wildlife habitat. (RLK)
10. Follow-up to Item No. 27: Please depict and label the location of the Fox Hills transfer well on the Permit Area/Topo Map that is provided as Attachment 1 so that the specific, mapped location of this particular well, which is situated within the bond release tract, is on permanent record. (BEB/RLK)

Attachment 8 – Permit Area Map After Bond Release 6

11. To help clarify items on this map, please label or otherwise distinguish the two bond release tracts from actively permitted areas in the NE1/4 of Section 33. Without prior knowledge or having to reference some other map, it would be difficult, if not impossible for the general public or other reviewers to accurately distinguish which tracts in this quarter are bond released and which tracts will still be permitted following approval of Bond Release No. 6. (BEB)

We appreciate Knife River Corporation's response to our email request for a copy of Exhibit V-54 contained in Permit KRG-8101, as we were unable to locate a copy in our files. We are also requesting a copy of the zoning map referred to in the Bowman County zoning document provided in the exhibit. Please include a copy of the zoning map with your response to the items identified in our November 16, 2012 letter regarding Revision No. 35 to Permit KRG-8101. Please note that Revision No. 35 will need to be finalized and approved before Bond Release No. 6 to Permit-8101 can be recommended for Commission approval.

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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