



Public Service Commission

State of North Dakota

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May 9, 2013

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

Dear Mr. Crooke:

The Reclamation Division has reviewed the April 12, 2013 technical review response of Falkirk Mining Company's application for Revision No. 30 to Surface Coal Mining Permit NAFK-8405 for the Falkirk Mine. The following items must be satisfactorily addressed before the Reclamation Division will recommend Commission action on this application:

Section 3.0 – Operations Plan - General

1. Follow-up to Item No. 8: As described in the Operations Narrative of Section 3.1.1, Falkirk now plans to not disturb a buffer area along the southern extent of the abandoned Figenskau Underground Mine adjacent to Highway 200. The AML Division of the Public Service Commission conducted a limited amount of exploratory drilling in 2007 on the north side of the highway along an area within the ROW that roughly approximates the western portion of the Figenskau Mine within the SW1/4 SE1/4 of Section 13 and did not intercept underground mining voids. However, areas along the highway adjacent to the Figenskau Mine in the SE1/4 SE1/4 of Section 13 and SE1/4 SW1/4 of Section 13 were not drilled to determine if mine workings from Figenskau extend beneath the highway or ROW in those locations. Because of the uncertainty of whether or not underground mining exists beneath the highway or ROW within portions of the S1/2 of Section 13, we request that you please add to the operations narrative describing a plan or protocol in the event underground workings are encountered during excavation of the box cut pit nearest the highway, particularly if the mined workings appear to trend toward the highway. Separately, it has been AML's experience that ground vibrations caused by heavy equipment operation near abandoned underground mines have a tendency to initiate or stimulate underground mine subsidence and we request that you provide a plan in the permit to minimize heavy equipment ground vibrations to the extent possible, and a plan of action in the event subsidence occurs within the ROW or under the highway during active mining and reclamation operations associated within the Figenskau Mine Area footprint. While we acknowledge that mining and subsequent reclamation of the larger portions of the abandoned Figenskau Mine will result in improved resource recovery and the elimination of hazards to public health and safety (NDAC 69-05.2-13-06), we are also aware that precautions are necessary to minimize or prevent

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hazards to Falkirk employees and to public safety due to potential unstable geologic conditions of adjacent areas of the historic underground mine that will not be re-mined and reclaimed by Falkirk. In summary, please address the issues of discovery of intact or collapsing mine workings trending toward the highway, precautions to be taken by Falkirk to minimize ground vibrations to the extent possible during mining operations, and a plan for addressing underground mine collapse or subsidence, should it occur, within the highway or ROW during active mining and reclamation operations. (BEB)

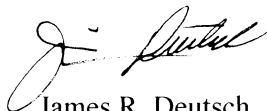
2. Follow-up to Item No. 22 – *Other* changes submitted by Falkirk: Please update the Transportation Facilities Map, Section 3.5.2, in addition to the Pit Layout and Facilities Map, Section 3.1.5, to show proposed access (ramps or haulroads) to the initial box cut pit of the Figenskau Mine Area. (BEB)
3. On the Total Water Management Plan Map, Section 3.6.1a, it appears that the permit boundary, section lines and labels as well as the township and range labels are plotted/drawn approximately three quarters of a mile north and a quarter mile west of where they should be in relation to other map features. Also, please extend the map to the north so that the entire permit area is shown on the map. Please review and revise as appropriate. (RLK)
4. Follow-up to Item No. 15: Pond P-E13-07 is listed with a construction date of 2013 and a watershed area of 33 acres. Pond P-E13-07 is not discussed in the surface water management plan narrative. If this is the structure described in Section 3.6.57 – Design of Sump S-E13-07, please use the same identification in Section 3.6.1d. Please review and revise as appropriate. (RLK)

Consolidated Bonding

5. As discussed during the May 1, 2013 meeting between Falkirk the Reclamation Division, please update the consolidated worst case bond estimate to more accurately represent a revised worst case situation that will occur on December 31, 2013 rather than the 4th quarter 2016 as currently approved. As discussed in the meeting, the revised worst case cost estimate that is part of Revision 30 should include pit/backfill conditions as of December 31, 2013 and at a minimum, reflect required soil respread conditions as of December 31, 2012. It is also our understanding that Falkirk will be re-evaluating/modifying the mine plan in the near future and the worst case bond estimate will need to be recalculated following the completion of the revised mine plan.

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division