

COYOTE CREEK MINING COMPANY, L.L.C.

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

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DEC 26 2013

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NORTH DAKOTA
PUBLIC SERVICE COMMISSION

December 20, 2013

Mr. James R. Deutsch
Director Reclamation Division
Public Service Commission
600 East Boulevard Avenue
Department 408
Bismarck, ND 58505-0480

Dear Mr. Deutsch:

Enclosed are three DVD's containing Surface Coal Mining Permit Application NACC-1301. Responses below refer to deficiencies in your November 6, 2013 letter regarding technical review:

1. Section 2.4.2 was revised as requested.
2. There are no idle native grassland areas in the permit. Section 2.4.2 was revised.
3. Section 2.4.2 was revised as requested.
4. Sections 2.4.5 and 2.4.12 were revised as requested.
5. Section 2.4.5 was revised as requested.
6. The narrative was revised in Section 2.4.2. Methodology was expanded in Section 2.4.1 and 2.4.7.3 and new referenced were added to Section 2.4.12.
7. The cropland and native grassland discussions in Section 2.7.2 were expanded as requested.
8. Section 2.7.2 was revised as requested.
9. Section 2.7.2 was clarified regarding grazing and its impacts on western snowberry. Tracts in the study area that have been affected by past improper grazing management were listed in the native grassland habitat discussion, so a reference to them was added to the western snowberry habitat section. The publication date of Grant, et al., was corrected to 2009. Therefore, no changes were necessary to Section 2.7.5.
10. The Sprague's pipit results section of Section 2.7.2 was revised as requested.
11. The Sprague's pipit methods and results sections of Section 2.7.2 were revised as requested.
12. The sentence was deleted from Section 2.7.2.
13. Sheets 1 and 2 of Section 2.7.2.1 were revised as requested.
14. Section 2.7.3 was revised as requested. It now states that winter feeding will be done and artificial habitats will be constructed. Disturbance was minimized, the highest value habitat was avoided, and value of transitional habitats was expanded. So satisfy the requirement of NDAC 69-05.2-09-02(11), references to the map of Section 3.1.3 were added to document the location of transitional habitats that will enhance many wildlife species (stockpiles and sediment pond) and habitat protection (avoid north drain and

minimize footprint of the facility). The location of additional measures is not known at this time since they will be dynamic as different locations and methods are experimented with.

15. Section 2.7.4 was revised as requested.
16. Please provide the citation of rule or regulation requiring the use of WY Guideline for cost estimation demolition/disposal. Policy Memo 16, page 4 states "Costs for the dismantling and/or demolition of support facilities and structures will be determined unless they will remain as an approved industrial use." it does not state what guidance must be used to determine that amount nor does it include disposal costs. CCMC could have just as easily referenced the internet search showing \$4.00 a square foot for demolition/disposal. However it felt that value was too low and inadequate, therefore it assigned a value of \$300,000 to remove the structure. The wording concerning WY cost guidance has been removed from Section 3.1.1.8. In addition, since the permit application has been filed, CCMC has purchased the land on which the mine office will be located. Under ND solid waste rules disposal of these materials is allowable. CCMC out of good faith has added an additional \$50,000 for any additional dirt work which may be required to bury the materials above and beyond what is shown in Section 3.1.1.8.2.
17. Sections 3.1.1.8.1 through Section 3.1.1.8.5 have all been updated to account for this change.
18. Sections 3.1.1.8.1 through Section 3.1.1.8.8 have all been updated to account for these changes.
19. Section 3.2.1 has been updated as requested.
20. Sections 3.3.4 and 3.3.7 have been update to correct the discrepancies.
21. Based on a phone conversation with Mr. Welch on 12/12/12, Section 4.2.2 was revised to specify an option for a more diverse seed mix in the future.
22. Section 4.2.1 was revised as requested.
23. Additional details were added to Section 4.2.3, but detailed plans were not provided for the temporary planting. The cited regulation applies to reclamation and revegetation. The stated purpose of this temporary feature is to provide interim habitat before reclamation and revegetation occurs. Because of the compact design of the shop office facility, there are no obvious areas to plant trees. The site will be evaluated after construction is complete and the permit will be updated when a location is chosen.
24. The reference to Section 4.1.1 was removed from Section 4.2.3. The information typically found in Section 4.1.1 was moved to Section 4.2.3 in this permit.

Additional Changes

1. Land that Voigts own in Section 31 is subject to a contract for deed. This information was updated in Section 1.4.2, 1.5.1, 1.5.2, 1.5.3, 4.1.4.
2. Coyote is now the surface owner of the permitted portion of Section 30. Ownership information was updated in Section 1.5.1, 1.5.3, 2.4.4, 2.4.7.1, 2.4.7.2, 2.4.8.2, 2.4.10.2, 2.5.3, 2.5.4.1, 2.5.5.1, 4.1.3, and 4.1.4.

Mr. James Deutsch
December 20, 2013
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Sincerely,

COYOTE CREEK MINING COMPANY, L.L.C.

A handwritten signature in black ink, appearing to read 'Donn R. Steffen', with a long horizontal flourish extending to the right.

Donn R. Steffen
Engineering/Environmental Manager

SJF
Enc.