

PUBLIC SERVICE COMMISSION

Reclamation Division

Memorandum

TO: Commissioners Kalk, Christmann and Fedorchak
Darrell Nitschke, Executive Secretary
Illona Jeffcoat-Sacco and Ryan Norrell

FROM: *GW DM JD*
Guy Welch, Dean Moos and Jim Deutsch

DATE: September 20, 2013

SUBJECT: Application for Revision No. 40 to Permit NACT-9501 held by the Coteau Properties Company, Case No. RC-13-775

On August 29, 2013 Coteau Properties Company filed Revision No. 40 to Surface Coal Mining Permit NACT-9501 to delete 39.98 acres of land from the permit that have not been affected by surface coal mining and reclamation operations. This land is being deleted from the permit because coal removal has been completed in this permit area and the area proposed to be deleted as undisturbed is not needed during the reclamation phase. We understand that Coteau's lease for the property expires October 3rd and that there are no mining related reasons to negotiate a new lease for this property. E. Wayne and Margo L. Eisenbeis are the surface owners of this property.

The 39.98 acre parcel being deleted from the permit is described by metes and bounds in the approval form and can generally be described as the E1/2 of the E1/2 of the SW1/4 of Section 34, T146N, R88W. Figure 1 below shows the deletion area in relation to sedimentation pond P-H34-01. This pond and the adjacent access road are the closest mining related activities that occurred near the property. Coteau has requested approval to remove this pond this fall and when this is done all disturbed areas adjacent to this tract will have been reclaimed.

Reclamation Division staff inspected the acreage proposed for deletion on September 6, 2013 to verify that the parcel has not been disturbed by mining or reclamation related activities. A fence separates the SE1/4 of Section 34 from the SW1/4 of Section 34 and all mining disturbance clearly occurred east of the fence in the SE1/4 of Section 34 (in the area being retained in the permit).

This revision application was considered an insignificant revision application but requires Commission approval because of the acreage deletion. No monetary bond adjustment is necessary as a result of this revision but Coteau has submitted Self and Collateral Bond Riders to Reduce Bond Area and Amount to remove the deleted acreage from the bond area. These bond riders also reduce the bond area for recent final bond releases in the consolidation bond area at the Freedom Mine.

Attached for your consideration is the proposed motion for the September 25th Commission meeting and the revision approval form.

Figure 1: Revision 40 deletion area is outlined in red and cross hatched

