



Public Service Commission

State of North Dakota

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October 4, 2013

Mr. Edward Pettit
Environmental Manager
Knife River Corporation
1150 West Century Ave.
Bismarck, ND 58503

Dear Mr. Pettit:

The Reclamation Division has completed an initial review of Final Bond Release Application No. 2 for Permit KRGC-8404. The Reclamation Division plans to schedule the official final bond release inspection for the week of October 21st if the public notice and notification letters have been published and mailed, and field conditions allow for an evaluation of the reclamation work. Knife River Corporation may begin publishing the public notice and mail the notification letters after addressing the following:

Application Form

1. Please revise the first page of the bond release application, SFN 19813, to specifically identify all stages of release being requested with this application and the acreage associated with each stage of release. Our records indicate that all affected acreage in Permit KRGC-8404 was included in Bond Release Application No. 1 which was approved for backfilling, grading and SPGM respread (Phase I and II). (GAW/RLK)
2. Bond release application, SFN 19813, is dated July 29, 2013 but the application was not signed or submitted until September 23, 2013. Given that other changes are necessary on this form and that NDCC 38.14.1-17 requires an inspection within 30 days and a ruling within sixty days of filing, please consider revising the date on the first page of this application so that it is consistent with that listed on page 2 when it was signed. (GAW)

Attachment – Table of Contents

3. Attachment 5 is listed in the Table of Contents as being the *Letters of Notification State/Local Surface and Adjacent Landowners*, which is the information provided in Attachment 4, not Attachment 5. Attachment 5 contains an aerial photograph of the bond release tract. Please revise the Table of Contents as appropriate. (BEB)

Attachment 3 - Public Notice

4. Please revise the last sentence of the first paragraph to clarify the amount of the bond being sought for release as required by NDCC 38-14.1-17(1)(3). (GAW/RLK)
5. Please revise the first sentence of the second paragraph to clarify that this bond release application is requesting third stage (vegetation establishment) in addition to fourth stage or final bond release, (demonstration of revegetation success). (GAW/RLK)
6. The public notice should identify that Bond Release #1 to KRGC-8404 for backfilling and soil replacement (1st and 2nd stage) was approved on October 25, 2000. (BEB/RLK)
7. The third paragraph of the advertisement states that the entire tract has a cropland/hayland designation. The Postmining Land Use Map, Exhibit V-3, in the permit identifies a scoria pit area in the S1/2 of Section 33 as Fish and Wildlife Habitat, Grassland, and public road right-of-way is identified on the west side of the permit. The tract history attachment provides a detailed synopsis of the land use designations but please revise the public notice to correctly state all of the postmine land uses within the bond release tract. Please review and revise to clarify the approved postmine land uses of the permit area and make a distinction between reclaimed cropland and hayland since the whole area is not being managed the same. (GAW/BEB)
8. Please revise the map that is to be included with the public advertisement to show the rebuilt public road located between Sections 32 and 33 and Sections 28 and 29, and label this township road to help the public determine where this property is located. (GAW)
9. Please revise the map that is to be included with the public advertisement to clearly show US Highway No. 12. (GAW)

Attachment 4 – Letters of Notification

10. Since the example notification letter provides the same language as the public notice, the above-listed public notice deficiency pertains to the state/local surface and adjacent landowner notification letters as well. Please discuss Bond Release #1 in the notification letters. (BEB)
11. Please revise the third paragraph of the letter that is to be sent to surface owners, adjacent surface owners and government agencies to mention all of the approved postmine land uses associated with this bond release. The permit indicates that a township road was reclaimed along the west side of the permit and that the scoria pit is considered Fish and Wildlife Habitat. The first paragraph on page 2 of Attachment VII identifies the acreage of each land use. (GAW)
12. Please consider mailing a letter directly to Gerald Flatz at the address used in recent correspondence; 1347 Tetonia Drive, Boise, Idaho 83705. (RLK)
13. Please update the contact person for the state agency review letters as follows: State Historical Society, Mr. Merlan Paaverud; State Water Commission, Mr. Todd Sando; and North Dakota Department of Health, Mr. David Glatt, Environmental Health Section, 918 E. Divide Ave, Bismarck ND 58501. (RLK)

Attachment 7 – Supporting Narrative

14. The last sentence of the second paragraph of page 1 of Attachment VII references Exhibit 5.1 but Exhibit 5.1 is not included in the bond release application. Please include this exhibit in the application or reference the appropriate map that is included in the application. (GAW)
15. Tracts Rd 25 and Rd 29 are mentioned in verbiage below the table on page 1 but these tracts are not shown on Exhibit 7.1. Tract Rd 32 is shown on Exhibit 7.1 but it is not discussed on page 1 of Attachment VII. Please review and revise as appropriate. (GAW)
16. The last sentence on page 4 of Attachment VII references a letter from Allan Anderson that is supposed to be included at the end of this section but a copy of this letter is not included. Please include a copy of this letter and include another year of data demonstrating revegetation success of the access trail in the SW1/4 of Section 33. It is unlikely that the Reclamation Division will allow data from the NW1/4 of Section 33 to be used to demonstrate success of reclaimed land in the SW1/4 of Section 33. (GAW)
17. Knife River is using 2007 and 2010 cropland yield data to demonstrate revegetation success of reclaimed cropland in the NW1/4 of Section 33. However, a low area where water ponded on the cropland in the northwest corner of this tract was repaired in the fall of 2010. Please revise the application to show the location and size of the area disturbed to repair the low area and describe how the site was repaired. This discussion should include compliance with Policy Memorandum 20 to Mine Operators. Depending on the size of the area that was re-affected by the repairs, at least one year of yield data may be needed after year 2010 to demonstrate revegetation success to demonstrate reclamation success of the repair area. (GAW)

If you have any questions, please contact this office.

Sincerely,



for James R. Deutsch
Director
Reclamation Division