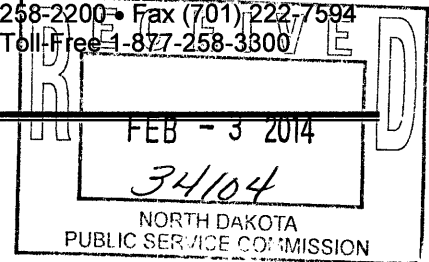


COYOTE CREEK MINING COMPANY, L.L.C.

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

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January 31, 2014

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-1302. Responses below refer to deficiencies in your November 27, 2013 letter regarding completeness review:

1. Requested changes were made to Attachment 1 of Section 1.1.1.
2. Requested changes were made to the application form in Section 1.1.1.
3. Requested changes were made to Section 1.2.4.
4. Requested changes were made to Section 1.2.4 and 1.2.4.1.
5. Requested changes were made to Section 1.2.4.
6. Requested changes were made to Section 1.2.4.
7. Requested changes were made to Section 1.2.4.
8. Requested changes were made to Section 1.2.4.
9. Requested changes were made to Section 1.2.4.
10. The reference to County Road 25 was deleted from item #1 in Section 1.2.4.
11. Requested changes were made to Section 1.2.4.
12. Section 1.2.6.1 was updated.
13. The easements for existing Mercer County highway rights-of-way have been added to Tracts 0057, 0059, 0060, and 0066 in Section 1.5.1. There are no other easements of record for Mercer County highway rights-of-way within the permitted area.
14. Section 1.2.4 was revised as requested. This will satisfy the newspaper and permit information requirements.
15. Updated Section 1.2.4.1 as requested, except for subsection c. Since this a private road, we do not feel it is necessary for it to be labeled. Additionally, this isn't a name used by the public, so doesn't help to make the notice more informative. Similar changes were also made to Sections 1.2.6.1, 3.1.1.6, and 3.1.2.
16. Updated Section 1.2.4.1 as requested
17. Section 1.2.6 was updated to clarify the cut across road between County Roads 25 and 13 is affected by mining; however, this is a private road. Section 3.2.1 was not updated at this time. It is unknown if the landowners will want the road replaced.
18. A conditional use permit has not yet been acquired. No changes were made.

19. Letters and preference statement forms were added to Section 1.4.2. The completed preference statements and certified mail documents were added to Section 4.1.4. They were dated 12/13/13, so 30 days has now passed.
20. The Ratification of Surface and Coal Lease Agreement for Lease No. 02537 has been scanned and linked to the Tracts covered by this lease in Section 1.5.1.
21. Requested changes were made to Section 1.5.1.
22. As noted on the Tract sheets and the surface and coal ownership map, negotiations are in progress to obtain coal leases for all State interests in Tracts scheduled for coal removal. No changes were made.
23. Sections 1.5.1 and 1.5.3 were revised to state that Tract 43 will be used for surface disturbance only. Because there will be no coal removal from Tract 43, the mine plan and post mine topography were revised, which resulted in changes to Sections 2.2.4, 2.2.4.2, 2.2.4.3, 3.1.1.3, 3.1.1.3, 3.1.4, 3.1.5, 3.1.6, 3.1.7, 3.1.8, 3.3.2, 4.2.3, 4.1.2, 4.1.3, 4.4.2.1, 4.4.2.2, 4.5.2.1.
24. The hyperlink in Section 1.5.1 has been removed from Claire and Donald Schwalbe's interest in Tract 0045 and the lease status changed to None-Unleased.
25. As noted on the Tract sheets and the surface and coal ownership map, negotiations are in progress to obtain coal leases for all State interests in Tracts scheduled for coal removal.
26. As noted on the Tract sheets and the surface and coal ownership map, negotiations are in progress to obtain coal leases for all State interests in Tracts scheduled for coal removal.
27. Refer to item #13.
28. Requested changes were made to Section 1.5.2.
29. A link to Section 2.2.5 was added.
30. The legend of Section 2.2.2 was clarified.
31. Requested changes were made to Section 2.2.4.
32. Narrative was added to Section 2.2.1 and the section was renamed to reflect the addition. Additionally, statistics were added to Sections 2.2.3.2 and 2.2.3.3. Section 2.2.3.5 was reformatted slightly and renamed to make it clearer. Blank rows were removed from Section 2.2.3.6. The table of contents for Section 2.2 was updated.
33. Stream flow data was still being collected at the time of submittal. Since then, monitoring has ended for the season, so results were added to Section 2.2.3.4. Additionally, the sites where flow data will be measured at and the equipment used was corrected in Sections 2.2.5 and 2.2.5.2.
34. Requested changes were made to Section 2.3.2.2 and a link was added to the Section 2.3 table of contents. Data for certified springs was also added to Section 2.3.2.3.
35. Requested changes were made to Section 2.4.2.
36. Requested changes were made to Section 2.4.11.3a, b, and c.
37. Requested changes were made to Section 2.4.12.1 and 2.4.12.2.
38. Requested changes were made to Section 2.4.13.3 and 2.4.13.4.
39. Requested changes were made to Section 2.7.2.
40. Requested changes were made to Section 2.7.3.
41. Updated Sections 3.1.1 and Sections 3.1.1.3 as requested. Changes were also made to Section 3.1.4.
42. Updated Section 3.1.1.2 as requested.
43. Updated Section 3.2.4 as requested.
44. Links to Sections 3.1.1.8.1 through 3.1.1.8.5 were added.
45. Updated Section 3.1.1.8 as requested.
46. Updated Sections 3.1.1, 3.1.3 and 3.3.2 as requested.

47. Links to Sections 4.4 and 4.5 were added to the Section 4.0 table of contents.
48. Sections 3.1.1.1 and 4.1.1 were revised as requested.
49. Section 4.1.1 was revised to explain that federal coal is planned to be mined in the future.
50. Preference statements were added to Section 4.1.4. Unruhs requested a land use change, so Section 4.1.2, 4.1.3, 4.2.3, and 4.5.2.1 were revised to reflect this.
51. Sections 2.4.7.1 and 4.3.1 were revised as requested. Section 2.4.2 was also revised regarding potential reference area locations.
52. The link for Section 4.3.1 was repaired.

Additional items for technical review

1. Response to this item will be delayed until technical review, as per Mr. Gunnerson's request, dated 1/9/2014.
2. Updated Sections 3.1.1.8 and 3.1.1.8.1 as requested.
3. Updated Section 3.1.4 as requested.

Using the technical deficiency list from Permit NACC-1301 as a guide, the following changes were also made to NACC-1302:

1. Section 2.4.1, 2.4.7.4, 2.4.14 was revised to include more detail on native grassland sampling methods.
2. Section 2.4.2 was revised to expand the discussion regarding snowberry presence.
3. The nomenclature source was added to Sections 2.4.5 and 2.4.14.
4. Several changes were made to Sections 2.7.2, 2.7.2.1, 2.7.3 and 2.7.4 per NACC-1301 deficiencies.
5. Section 3.1.1.8, and Sections 3.1.1.8.1 through Section 3.1.1.8.8 have been updated to include changes noted in Permit NACC-1301 as well as correction of several errors.
6. Section 3.3.7 updated construction date per NACC-1301 deficiency.
7. Section 3.1.1.2 updated construction date per NACC-1301 deficiency.
8. Section 3.2.1 updated to clarify extension and upgrade of County Road 25 Per NACC-1301 deficiency.
9. Sections 4.2.1 and 4.2.2 were revised per NACC-1301 deficiencies.

The following additional changes were made:

1. Updated Section 1.3.5 Other Licenses and Permits to include submission of NDPDES Permit NDR10-0000 and NDPDES Discharge Permit.
2. There is no longer an active NOAA station near Beulah. Section 2.2.5.1 was revised.
3. Site 32ME2350 has been cleared for disturbance. Section 2.8.1, 2.8.2, and 2.8.5 were updated.
4. To be more consistent in permit organization, details on tree plantings were moved from Section 4.1.1, which for all other land uses only contains a general overview or reclamation plans, to Section 4.2.3, which is the tree and shrub section.
5. Section 4.1.3 was revised to address post mine wetland and stockpond reclamation plans.
6. A table was added to the bottom of Section 4.4.2.2 to clarify wetland reclamation plans.

Mr. James Deutsch

January 31, 2014

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Sincerely,

COYOTE CREEK MINING COMPANY, L.L.C.

A handwritten signature in cursive script, reading "Sarah Flath". The signature is written in black ink and is positioned above the printed name and title.

Sarah Flath

Senior Environmental Specialist

SJF

Enc.