



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

Montana State Office
5001 Southgate Drive

Billings, Montana 59101-4669

www.blm.gov/mt

October 8, 2014

In Reply Refer To:

3480(921.AA)

Mr. James R. Deutsch, Director
Reclamation Division
North Dakota Public Service Commission (NDPSC)
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

Dear Mr. Deutsch:

Thank you for giving the Bureau of Land Management (BLM), Montana State Office the opportunity to review the revised narrative and maps concerning the permit application for Coyote Creek Mining Company (CCMC) Permit No. NACC-1302. BLM initially expressed concerns in a September 11, 2014 letter addressed to Elaine Ramsey, Manager, Office of Surface Mining Reclamation and Enforcement (OSMRE).

Two concerns were discussed in the letter in regard to the Permit No. NACC-1302. The first concern was that there was no discussion as to *how* the Federal coal will be protected as the mining operations approach the boundary lines adjoining the Federal coal. The second concern involved a coal ownership discrepancy in T.142N., R.89W., Section 2.

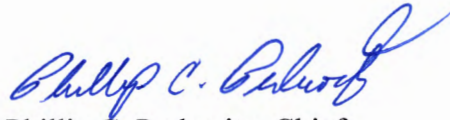
In regard to the first concern, one of the responsibilities that BLM has is to protect and conserve the Federal coal resource. This requires BLM to ensure there will be no loss of coal or any degradation of the Federal coal-bearing or mineral-bearing formations. BLM's interest lies in the protection of any exposed Federal coal along the highwall. BLM understands that in Section 3.1.1.3, the narrative explains that CCMC is planning to apply for a Federal coal lease in the future. However, because there is currently no federal coal lease for these Federal coal tracts, BLM must review the permit application from the perspective of the protection and conservation of the Federal coal resource.

CCMC has not sufficiently addressed "how" they plan to protect and conserve the Federal coal resource. The current permit application suggests that the exposed highwall along the Federal tracts may be exposed for some time, leaving it susceptible to exposure and potential degradation of the Federal coal resource. The revised Pit Layout and Facilities Map, Section 3.1.3 illustrates the mining disturbance limit, but there is no narrative in Section 3.1.1 to explain how CCMC plans to protect any exposed Federal coal from oxidation or other damage (e.g., spontaneous combustion) along the highwalls from the adjacent mining operations. An example of such language may be the inclusion of a clause or a sentence indicating that the proposed final

highwall adjacent to Federal coal will have a sufficient slope from the top of the cut to the bottom of the Upper Beulah coal seam, protecting the Federal coal resource from waste, damage or degradation. Prevention of spontaneous combustion needs to be discussed as well.

The second concern regarding coal ownership for T.142N., R.89W., Section 2 has been resolved.

If we can be of further assistance, please contact Anne Allen at 406-896-5082.



Phillip C. Perlewitz, Chief
Branch of Solid Minerals

Cc: Elaine Ramsey, Manager
Field Operations Branch
Office of Surface Mining
Reclamation and Enforcement
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