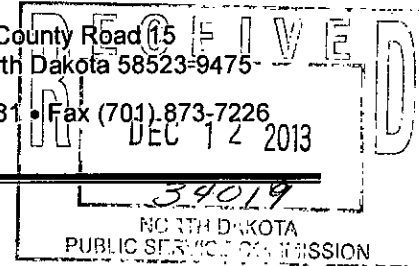


THE COTEAU
PROPERTIES COMPANY
A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

FREEDOM MINE

204 County Road 15
Beulah, North Dakota 58523-9475

(701) 873-2281 • Fax (701) 873-7226



December 11, 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 Revision 16 to Permit NACT-0201. This revision updates the permit for renewal #2. Also enclosed are the original revision and renewal application forms, and the proposed newspaper publication.

Responses below refer to deficiencies in your October 17, 2013 letter:

1. See the revised Proposed Section Line and Road Closures and Setback Waivers Map of Section 1.2.7.1. The road closure document was added to Section 1.2.9, pages 34-36.
2. See the revised Proposed Section Line and Road Closures and Setback Waivers Map of Section 1.2.7.1.
3. See the new Consolidated Legal Information Report dated November 12, 2013. This was sent to you from our Dallas office.
4. See revised pages 1-4 of Section 1.3.5.
5. See revised Sections 1.5.1, 1.5.2, and 1.5.3.
6. See revised Section 1.5.1.
7. See revised Section 1.5.1.
8. These links do work. You need to double click on them.
9. Coteau is planning on addressing any pre-mining land use changes for the area north of the transmission line just west of Antelope Valley Station in an upcoming revision to this permit in the spring of 2014. Any pre-mining land use changes to areas south of the transmission line would need to be identified at a later date when the weather is more conducive to such studies. Coteau plans to identify any pre-mining land use changes in the remainder of the permit area in the summer of 2014, and include them in a later revision.
10. These changes were made in Revision 12, but somehow were not mentioned in the deficiency responses. No further changes are necessary.

11. See revised page 2 of Section 3.1.1.1.
12. See revised page 3 of Section 3.1.1.2.
13. The hyperlinks are now working.
14. See revised page 2 of Section 3.1.1.3. Currently, there is no need for a variance in the SW $\frac{1}{4}$ Section 25 or the E $\frac{1}{2}$ Section 26. At this time, reclamation progress is through the areas that were mined in 2011. We do not foresee a need to ask for a variance in 2014 as it pertains to these areas. The "Variance from 180 Day Rough Backfilling and Grading" is still required. We have added a second dragline to the area, but the variance is needed because of the pre-benching activities ahead of the draglines. Each dragline pit still takes approximately two months to finish. Therefore, the need for two to four spoil peaks ahead of the backfill to begin respreading of pre-bench material would typically be longer than 180 days for rough backfilling and grading activities. We still require the stated variance as written.
15. See revised page 1 of Section 3.1.1.4.
16. See revised pages 1-2 of Section 3.1.1.5.
17. The Extended Mining Plan Map of Section 3.1.4 was updated to show the current mining plan. Further updates will be done in an upcoming revision to this permit in the spring of 2014.
18. See the revised Pit Layout and Facilities Map of Section 3.1.3 and the revised Surface Water Management Plan Map of Section 3.3.2.
19. See the revised Pit Layout and Facilities Map of Section 3.1.3.
20. See revised page 4 of Section 3.1.1.2, revised pages 5-6 of Section 3.1.1.3, and the revised Pit Layout and Facilities Map of Section 3.1.3.
21. The Extended Mining Plan Map of Section 3.1.4 was updated to show the current mining plan. Further updates will be done in an upcoming revision to this permit in the spring of 2014.
22. See revised page 2 of Section 4.1.1.
23. See revised pages 3-4 of Section 4.1.1.
24. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2, and revised pages 1 and 3 of Section 4.1.3.
25. A balance of pre- and post- mining land uses was maintained on all Coteau-owned lands in this permit, so pre-mining tame pastureland acres on this tract were replaced as native grassland acres on another tract, in accordance with language in Section 4.1.1. This previously approved tract of cropland has comparable topography to other post-mining cropland in this permit, and is considerably less steep than many of the pre-mining cropland tracts. Erosion control methods, including the seeding of grassed waterways, specific placement of erosion control fabric, and/or cover crop seeding to provide soil stabilization, will be implemented where Coteau's staff deems necessary. No changes are necessary.

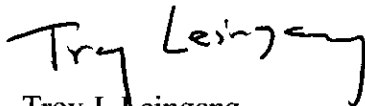
Mr. James R. Deutsch
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26. Pre-mining paved roads, improved gravel roads, and unimproved trails are identified in Section 2.4.3, but not classified as a different land use in Section 4.1.2. Pre-mining roadways are described in detail in Section 3.1.1.6. The road mentioned in this deficiency is described as an unnamed gravel road that ends near a farmstead that has been abandoned, where residential access is no longer required. For this reason, Coteau does not see a need to replace this roadway. However, Coteau does intend to provide access along road right-of-ways along section lines as outlined in Section 3.2.1. Since extensive changes will be made to the Pre- and Post-Mining Land Use Maps in Coteau's upcoming revision in the spring of 2014, Coteau will identify pre- and post- mining roadways and update land use classifications in Sections 2.4.3, 4.1.2, and 4.1.3 at that time.
27. This topic is already discussed on page 5 of Section 4.1.1 in the paragraph labeled "other concerns."
28. See revised page 1 of Section 3.1.1, and revised page 3 of Section 4.1.1. Reasonable steps will be taken to avoid the specific areas mentioned in the deficiency, but the close proximity to the coal cropline may not allow for this.
29. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2.
30. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2.
31. See revised page 1 of Section 4.2.2.
32. See revised page 2 of Section 4.2.2.
33. See revised page 4 of Section 4.4.3.
34. See revised page 1 of Section 4.5.2.1. The page is still labeled as Revision 14, as that was when it was last revised and approved.

If you have any questions, please contact me.

Sincerely,

THE COTEAU PROPERTIES COMPANY



Troy J. Leingang
Environmental Manager

LDR
Enc.

cc: Shana Brost, Mercer County Auditor (w/enc.)