Dakota Westmoreland Corporation - *Beulah Mine*
A Subsidiary of WESTMORELAND COAL COMPANY

March 5, 2015

Mr. James R. Deutsch
Director, Reclamation Division
Public Service Commission
600 E Boulevard Ave, Dept 408
Bismarck, ND 58505-0480

Dear Mr. Deutsch:

Re: Revision No. 29
KRSB-8802

Dakota Westmoreland Corporation (DWC) began plans to develop a transload facility after losing the Coyote coal contract. With the loss of the Coyote contract, DWC looked for ways to utilize as much of the workforce and infrastructure as possible. The expansion of the Bakken and its need for rail service was the emphasis for DWC's permit application. Since this project started, several events occurred having a direct impact on the project. Several derailments, including the loss of life caused by a train carrying ND crude, changed the design parameters.

These changes increased the cost and volume of work substantially. DWC continued with the design and submitted our application in February of 2014. Since the submittal of this revision, the price of Bakken crude has fallen drastically. It is not feasible for DWC to undertake this project at this time. Therefore, DWC respectfully withdraws all data related to the transload facility provided in the Revision 29 submittal.

Pursuant to the PSC's letter of February 19, 2015, DWC hereby submits responses to the deficiencies that are not related to the transload facility, as listed in the PSC's technical review letter of September 26, 2014. The changes proposed with Revision 29 should only involve Sections 3.5, Backfilling and Grading and 3.7, Time Schedules. The changes that were submitted for Section 1.4, Business Entity Information (ownership and control) will be resubmitted with the revision for Renewal #5 in June 2015.

The response to the PSC's technical deficiency #32 is set forth below. A new list of revised information is included. Three sets of the revised narratives are enclosed. The proposed text changes associated with Revision 29 are highlighted yellow.

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Section 3.5 –Backfilling and Grading

32. Please revise the backfilling and grading plan to include a contingency plan for achieving the postmining topography of the final pit areas in Sections 19 and 24 if DWC's plans to construct the transloading rail facility do not materialize. The contingency plan should include specific dates when material from an alternative site will be used if construction of the transloading rail facility is delayed and identify the source of contingency backfill material. If the contingency plan will result in a change to the currently approved postmine topography, then a "Contingency Postmine Topography" map should also be included. The implementation of the contingency plan must begin by March 1, 2015 if construction of the transloading facility has not yet begun by that date. (GAW/WTG)

- DWC was able to work within the disturbance boundary and extended our highwall reduction into the road right-of-way in Section 19. These minor modifications allowed DWC to reclaim the void to within 100,000 cubic yards. This void will be maintained during the placement of SPGM as sediment control. Once vegetation is established, the sump will be removed. See exhibit 3.2.2 (39), Pond 70, for details.

In addition Pages 3.7.7 and 3.7.8 of Section 3.7, Backfilling and Grading, have been revised.

If you have any questions, please contact this office.

Sincerely,

Jeff P. Frohlich
Manager,
Engineering and Environmental

plg

Encl/

DAKOTA WESTMORELAND CORPORATION

Mine: Beulah Mine
Permit Number: KRSB-8802
Revision No.: 29
Submittal Date: February 10, 2014
Revised Date: March 5, 2015

Revision Narrative

Revision No. 29 was submitted to provide plans for a transload facility. Since the original submittal, circumstances have changed (see March 4 cover letter). However, Section 3.5, Backfilling and Grading and Section 3.7, Time Schedules were involved in this revision and require updating.

Listing of Revised Information

Volume	Section	Revised Information and Instructions
9	3.5	Replace page 3.5.4
9	3.7	Replace pages 3.7.7 and 3.7.8

Generally, mining will proceed in a southerly direction across the reserve area as shown on the Extended Mine Plan (Exhibit 3.1.1). The East Gray area utilized spoil material from all pits in that series for achieving the proposed grades during reclamation. The West Gray area absorbed its own box pit spoil during reclamation of that series and utilized the Alpha Box Pit spoil for reclamation of the final West Gray Pit. The Bravo Box Pit spoils were utilized during reclamation of the final Alpha Pit, while the Charlie Box Pit spoils were utilized during the reclamation of the final Bravo Pit. The Blue Pit area is being converted into an ash disposal pit for the Coyote Station.

Initially the final Orange and Charlie pits were expected to be in the N½ of Sections 25 and 30. These final pit areas are now recognized as being in the S½ of Sections 19 and the S½ of Sections 24. The final pit will be reclaimed utilizing the previous pit spoil piles as well as additional fill material created by the reduction of the final highwalls.

The following assumptions were made pertaining to the task of restoring this mined area.

- There were no known anomalous soils, drainage, or rock areas.
- All of the lands in the application area will be reclaimed to the same use which existed prior to mining, or alternate land use requested by the landowner.
- A swell factor of 15% was used in the earthwork calculations for Revision 21.
- Suitable plant growth material depth was assumed to be an average of 3.0 feet. It should be noted that topsoil depths may vary in the field.
- All topographical mapping, boring data, and isopach mapping were assumed to be reasonably accurate as received from various sources.
- All disturbed areas will be graded to the gentlest topography consistent with adjacent landscape elements and will follow the approximate original contour. All highwalls and spoil piles will be eliminated. Depressions will be used where approved for ponds or wet areas.

The final contour map reflects the approximate topography of the graded spoil so that it may be used as a guide during final grading operations. Table 3.4.3, SPGM Salvage and Respread Depth shows our design replacement depths. The most recent SPGM removal plan shows our current status for disturbed areas. SPGM respread depths are based on spoil analysis results. The spoil elevations may be adjusted to maintain positive flow patterns in the event SPGM replacement depths fluctuate.

DWC proposes that the replacement of SPGM will take place after the leveling has been completed for the entire Orange and Charlie pit areas. This would allow drainage patterns to be reestablished and problem areas to be identified prior to SPGM placement. This can be reviewed on a yearly basis.

2007 Schedule of Events

- Final leveling and reclamation through initial seeding of variance area (Hannover Pit)

2008 Schedule of Events

- Reclaim sediment basin, access road & corridor in SW¼ of Section 13
- Construct walkway in Section 14 in August – September

2009 Schedule of Events

- Topsoil removal in Section 13 in April
- Walk dragline and loading shovel from east to west
- Reclaim topsoil removal corridor in Section 13 (including seeding)
- Reclaim Dragline Walkway including seeding in Section 14

2010 Schedule of Events

- Backfill 2.5 MM yards of Orange/Charlie pit

2011 Schedule of Events

- Backfill 3 MM yards of Orange/Charlie pit

2012 Schedule of Events

- Backfill 3 MM yards of Orange/Charlie pit
- Topsoil and Subsoil replacement commences in Orange and Charlie

2013 Schedule of Events

- Backfill 1.0 MM yards of Orange/Charlie pit
- Topsoil replacement continues in Orange/Charlie pit final reclamation area
- Initial seeding of Orange/Charlie respread tracts from 2012
- Initial seeding of the S½ of Section 7

2014 Schedule of Events

- Topsoil replacement continues in Orange/Charlie pit final reclamation area
- Initial seeding of Orange/Charlie pit final reclamation areas respread in 2013
- Leave 500,000 void for pending transload project

2015 Schedule of Events

- Withdraw transload project due to economic reasons
- Complete leveling, leave 100,000 yd^3 void per PSC sediment control
- Completion of topsoil replacement by December 2015
- Continue seeding of Orange/Charlie pit final reclamation areas remaining
- Pond removal (see chart)

2016 Schedule of Events

- Reclaim sump upstream of Pond 70 respread and seed
- Place SPGM on access trails and drainage channels (left open until vegetation is established)
- Complete seeding by June 15
- Review vegetation success

2017 Schedule of Events

- Review vegetation success

2018 Schedule of Events

- Review vegetation success
- Complete reclamation of all ponds and haulroads

Pond Removal Schedule

The following table indicates ponds and stockpiles to be removed from the permit area and expected date of removal. The associated stockpiles are expected to be removed in 2015. The majority of the ponds are expected to be removed two years after the last seeding is completed in their drainage area, in accordance with NDAC 69-05.2-16-09(23). Pond 55 is expected to be removed in 2016 as there are no stockpiles in the pond drainage area. Pond 68 is expected to be removed in 2015 as the embankment of the pond is comprised of subsoil that will be respread in 2015.

Pond	Pond Location	Associated Stockpile(s)	Projected Removal
47	SE¼, §17, T143N, R87W	11-03-1, 11-04-2, 12-01-1	2017
55	NW¼, §20, T143N, R87W	NA	2016
56	NW¼, §20, T143N, R87W	11-06-2	2017
61	SE¼, §17, T143N, R87W	11-01-1 and 11-02-1	2017
62	SE¼, §17, T143N, R87W	11-03-1	2017
68	NW¼, §24, T143N, R87W	subsoil embankment	2015
70	SE¼, §24, T143N, R87W	NA	2017
71	NW¼, §24, T143N, R87W	NA	2017