



Public Service Commission

State of North Dakota

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March 6, 2014

Mr. Troy Leingang
Environmental Manager
Coteau Properties Company
204 County Rd. 15
Beulah, ND 58523

Dear Mr. Leingang:

The Reclamation Division has completed an initial review of Final Bond Release Application No. 3 to Permit NACT-8503. This application requests final bond release on 11.18 acres of Industrial land located in the SE1/4 of the SE1/4 of Section 24, T145N, R88W, Mercer County. Pursuant NDCC 38-14.1-17(4), we are delaying the required bond release inspection until weather conditions will allow for an effective field evaluation. The newspaper notices and the letters to the landowners and agencies should not be published or mailed until the bond release inspection has been scheduled.

Items 1 through 10 must be addressed prior to publishing the public advertisement and mailing the landowner and agencies letters. Items 11 through 15 are more technical in nature but may be addressed at this time if Coteau so chooses.

Application Form (SFN 19813)

1. The application description states that "all coal removal related activities have been completed" but the first sentence of the third paragraph on page 1 of Attachment VIIa states that coal removal activities were not conducted within the bond release area. The 2006 annual map identifies the east end of this tract as "affected" and as an area where topsoil must be respread. Please clarify the mining related disturbance within the tract and specifically state how many acres were actually disturbed by mining activities. (GAW)

Attachment III – Legal Advertisement

2. The last sentence of the first paragraph of the public notice states that the purpose of this bond release is to release Coteau of all liabilities associated with the inert waste disposal site, which has become the responsibility of the Dakota Gasification Company. Please revise to clarify when Coteau was responsible for the inert waste site and actually held Special Use Permit 069. (GAW)

Mr. Troy Leingang

March 6, 2014

Page 2 of 3

3. As required in part by NDCC 38-14.1-17(1)(a)(4), please expand the first paragraph of Attachment III to briefly describe the following items: the bond release tract acres that were disturbed for the landfill, landfill closure and conversion of the closed landfill site to a six acre parking lot. If no mining related reclamation work was performed, then state that was the case. (WTG/GAW)
4. Please revise the map that is to be included with the public advertisement to depict the boundary of Permit NACT-8503 more prominently, similar to the boundary of Permit NACT-8102. Please also increase the font size of the township and range labels and consider placing this label at the township and range boundaries rather than with each section number. As currently shown the township and range numbers will not be legible. (GAW)

Attachment IV - Letters Sent by Coteau

5. NDCC 38-14.1-17(1)(b) requires notification of adjoining property owners of the permittee's intention to seek release of performance bond. The bond release application should therefore include a surface ownership attachment to document surface ownership of the bond release tract and adjoining property. Please use your discretion in documenting surface ownership by either inserting a separate surface ownership attachment or labeling surface ownership of the bond release tract and adjoining property on Attachments V or VI that would preclude rearranging the current attachment order. Please also reference the attachment number assigned to document surface ownership of the bond release tract and adjoining property on page 1 of Attachment IVa and in the second paragraph of Attachment VIIa. (WTG/GAW/RLK)

Attachment IVa – Letters Sent by Coteau to Surface Owners

6. As required in part by NDCC 38-14.1-17(1)(a)(4) and as further explained in Policy Memorandum No. 9 to Mine Operators, please expand the first paragraph of the draft Attachment IVa notification letter to briefly describe the following items: the bond release tract acres that were disturbed for the landfill; landfill closure; and conversion of the closed landfill site to a six acre parking lot. Please also correct the use of "form" in the third paragraph. (WTG)
7. The letter to be sent to the surface owner references a map; however, it was not included with the letter. Please include a copy of this map. (GAW)

Attachment IVb - Letters Sent by Coteau to Government Agencies

8. Please revise the first sentence of the draft Attachment IVb notification letter by removing the incorrect reference to surface owner as follows: "~~Because you are a surface owner, This letter is to inform you that The Coteau Properties Company has filed an application for final bond release on 11.18 acres ...~~". At your discretion, you could begin the letter with a reference to the requirement of NDCC 38-14.1-17(1)(b), but the reference might be redundant because state law is referenced in the third paragraph. Please also correct the use of "form" in the third paragraph. (WTG/FSE)
9. As required in part by NDCC 38-14.1-17(1)(a)(4) and as further explained by Policy Memorandum No. 9 to Mine Operators, please expand the first paragraph of the Attachment IVb notification letter to briefly describe the following items: the bond release tract acres that were

disturbed for the landfill, landfill closure, and conversion of the closed landfill site to a six acre parking lot. (WTG)

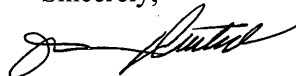
10. The letter to be sent to government agencies references a map; however, it was not included with the letter. Please include a copy of this map. (GAW)

Attachment VIIa - General Information

11. Please remove the reference to ownership of **Tracts 15 and 16** in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 24 in the second paragraph of Attachment VIIa because the tract numbers refer specifically to surface and coal ownership tracts identified in the permit that do not appear to be referenced anywhere else in the bond release application. A preferred rewording of the sentence is as follows: "*The surface owner of the bond release tract Tracts 15 and 16 in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 24, T145N, R88W is DGC.*" (WTG/RLK/BEB)
12. Please consider revising the first sentence of the third paragraph of Attachment VIIa to clarify coal removal in the bond release tract as follows: "*Coal removal activities were not **completed conducted** within the bond release area.*" As currently presented, the reader could reasonably infer that coal may have been removed from some portion of the bond release tract. (WTG)
13. The second paragraph on page 1 of Attachment VIIA, General Information, states that a copy of Special Use Permit 069 is attached; presumably meaning in Attachment VIII, Other Approvals, but a copy of Special Use Permit 069 is not included. Special Use Permit 0369 is included in Attachment VIII but is not mentioned. Please clarify the relationship of Special Use Permits 069 and 0369 and accurately indicate which is in Attachment VIII. (GAW)
14. Please provide a volume estimate for the topsoil material stockpiled in the bond release area that will be available for respread on the temporary parking area when it is no longer needed. The solid waste management permit for the site requires SPGM to be replaced when the parking area materials are removed and the soil cover is reestablished. The volume of soil available for this purpose should be stated in the bond release application. (RLK)
15. Please provide additional information on a map included with the bond release application to delineate the topsoil berm/stockpile and any other stockpiles on the site. Also identify the drainage features such as the sediment control sumps for the parking lot and the culverts to convey water out of the bond release tract. It would also be helpful to show the landfill cell boundary and or the coal removal line in relation to the bond release tract on a map included with the application. (RLK)

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division