

June 10, 2014

Mr. James R. Deutsch
Reclamation Director
ND State Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, North Dakota 58505

RE: Revision 35, Renewal \$5 Technical Review Responses for Permit NAFK-8705

Dear Mr. ~~Deutsch~~ *Jim:*

Falkirk submits the following responses to the technical review items listed in your June 3, 2014 letter required to be satisfactorily addressed before the Reclamation Division will recommend Commission approval of this revision/renewal.

Section 2.0 – Environmental Resources Information

- 1. Follow-up to Item No. 11 of our letter dated January 9th. Please revise the new language that has been added on page 10 of Section 2.4.3, Wildlife Monitoring Plan, to specifically state when and where Dakota Skipper ground surveys were conducted within this permit's wildlife monitoring plan area, and, as originally requested, please clarify if this permit or lands adjacent to this permit contains any suitable habitat for this species. (GAW)***

Please see the updated narrative in Section 2.4.3.

- 2. Please update Section 2.6.5a, Pre-Mining Watersheds PHC, and Section 2.6.5b, Post-Mining Watersheds PHC maps to identify the tracts that were bond released with Final Bond Releases 3, 4 and 5 to correspond with the stand-alone Post-Mining Hydrologic Assessment of the West Mine Area submitted with this application. (RLK)***

Please see updated Sections 2.6.5a and 2.6.5b.

Section 3.0 – Operations Plans

- 3. Please provide the information requested in item No. 15 of our January 9, 2014 pre-renewal review for Permit NAFK-8705. Even though no mining is planned in this permit until 2037, Section 3.1.3 should list 0 tons of production for each year of the permit term. (BAJ)***

Please see the updated production numbers in Section 3.1.3.

Section 4.0 – Reclamation Plans

4. Follow-up to item No. 28: Please review Section 4.1.3, Pre- and Post-Mining Land Use Acreage Comparison Table. Revising the following items will change the total bond released acreage in the Table to 608.6 acres, which is consistent with our records for this permit. NDAC 69-05.2-05-02(1) (ZAB)

a. Please record Bond Release No. 4 and 5 land use acreages in the same manner as previous bond releases. The acreage for BR 4 in Section 1 should be changed from 40.1 acres cropland to 37.4 acres cropland and 2.7 acres County roads/trails. The acreage for BR 5 in Section 20 should be added as 130.7 acres cropland and 6.9 acres County roads/trails, which will bring the Section 20 total cropland to 326.3 acres of cropland (BR 3 195.6 ac + BR 5 130.7 ac) and 19.9 acres County roads/trails (BR 3 13.0 ac + BR 5 6.9 ac).

Please see updated Section 4.1.3.

b. Please review acreages bond released in Section 31 with BR 2. It appears the 7 acres of roads and trails were recorded in the table twice, both in the Fish & Wildlife Habitat/grasslands and in County roads and trails. Please change the Section 31 value for Fish & Wildlife Habitat/grasslands to 140.4 acres. The 7.0 acres County roads and trails and the 46.0 acres Fish and Wildlife Habitat (Wetlands) recorded for Section 31 are correct.

Please see updated Section 4.1.3.

c. The table currently includes 81.1 acres in the NW¹/₄ of Section 5, T145N, R82W, that were bond released for an ash disposal facility August 4, 1987 from Permit NAFK-8104. The remaining acreage in NAFK-8104 was transferred to NAFK-8705 in 1989. The table also includes 169.3 acres of recreational land use in the E¹/₂ of Section 20, T146N, R82W, that were bond released May 5, 1987 from Permit NAFK-8005. As discussed by phone on April 3, 2014, this bond release information has historical reference value and should be retained within the permit, but the acreage should not be included in Section 4.1.3. We suggest revising the Post-Mining Land Use Map, Section 4.1.2, to include the permit from which the acreage was released, thus clarifying the acreage was not part of Permit NAFK-8705 and providing historical reference. The 81.1 industrial

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acres in Section 5 and the 169.3 recreational acres in Section 20 should be removed from Section 4.1.3, Pre- and Post-Mining Land Use Acreage Comparison Table so the table only reflects the total 608.6 acres bond released from Permit NAFK-8705.

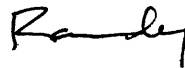
Please see updated Section 4.1.3 and the updated Post-Mining Land Use Map. Section 4.1.2. A label was added to the hatching for the two bond release tracts referenced above describing the Permit the land was bond released from.

Other:

As per telephone conversation between you and Randy Crooke on June 4, 2014, the Technical Review items for the West Mine Area Post-Mining Hydrologic Assessment Of Ground Water and Surface Water Resources at Falkirk Mine will be addressed and submitted with a subsequent revision.

Sincerely,

THE FALKIRK MINING COMPANY



D. Randall Crooke
Environmental Manager

DRC/tjv