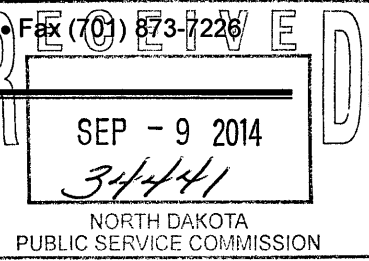


THE COTEAU
PROPERTIES COMPANY
A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

FREEDOM MINE

204 County Road 15
Beulah, North Dakota 58523-9475

(701) 873-2281



September 9, 2014

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 revised Revision 18 to Permit NACT-0201. Responses below refer to deficiencies in your July 16, 2014 letter:

1. See revised page 48 of Section 1.1.1.
2. In an email dated June 5, 2014, Mr. Deutsch approved the description of revision as it was originally submitted. However, we have made a few of the suggested changes. See revised page 48 of Section 1.1.1, and revised page 19 of Section 1.1.2
3. See revised page 19 Section 1.1.2.
4. See revised page 1 of Section 1.2.3.
5. See revised page 1 of Section 1.2.5.10.
6. See revised page 104 of Section 1.2.5.10.
7. See revised page 111 of Section 1.2.5.10.
8. In an email dated June 5, 2014, Mr. Deutsch approved the description of revision as it was originally submitted. However, we have made a few of the suggested changes on page 1 of Section 1.2.5.10.
9. See revised page 134 of Section 1.2.5.10.
10. See the revised Newspaper Publication Notice Map – Revision 18 of Section 1.2.5.11.
11. See the revised Newspaper Publication Notice Map – Revision 18 of Section 1.2.5.11.
12. See the Proposed Section Line and Road Closures and Setback Waivers Map of Section 1.2.7.1.
13. See new pages 37-40 of Section 1.2.9.
14. Letters will be sent to Rudolf Sasse, Darvin and Janet Schlender, and the Leon Walz Life Estate at the time of newspaper publication.
15. See the revised Surface and Coal Ownership Map of Section 1.5.3.
16. See the revised Surface and Coal Ownership Map of Section 1.5.3.
17. See the revised Surface and Coal Ownership Map of Section 1.5.3.

18. See the Ephemeral Drainage Profiles of new Section 2.2.9.
19. See revised pages 1-2 of Section 3.1.8. In a conversation with the PSC, it was determined that in the event Coteau would not return to mining in this area, the topography would be revised to decrease the slopes in the areas to be reclaimed as cropland so they would have less than a 10% slope.
20. See revised page 2 of Section 3.3.3 and revised page 1 of Section 3.3.5.
21. See revised page 1 of Section 4.1.1 which addresses the components that contribute to restoration of pre-mining capabilities on reclaimed land. However, a comparison of each quarter section has not been included. NDCC 38.14.1-24(2) states that the permittee must demonstrate that affected land be returned to a condition capable of supporting the uses that it was capable of supporting prior to any mining, or to higher or better uses as approved by the commission. Overall, Coteau strives to return at least the same number of acres of cropland and a similar balance of native grassland on reclaimed lands. It is not only important to keep a balance of agricultural land utilized for producing cash crops, but also important to keep a balance of agricultural land utilized for livestock production, as it is an important diversification component to many of our landowners' and producers' portfolios, and is important to the ecological system as a whole.

On some Coteau owned tracts, pre-mining cropland acres may be better suited to be reclaimed in a different portion of the permit post-mining. This decision is almost nearly always determined by slope steepness. With all factors taken into consideration during the development of the post-mining topography and steepness of individual tracts, including but not limited to pre- and post-mining watersheds, landowner preference, and minimum cost to the end user, sometimes major changes to the slope in certain areas are the best alternative. In cases where dramatic topographic changes are necessary, it is the slope of the land, increased or reduced slope, determining its best use, not the soil depth or texture. Even in areas with steep reclaimed slopes, most of these areas are still less steep than they were prior to mining. This approach has been an acceptable practice for many years, and has not only accomplished flexibility for our operations to continue at low costs, but provides an opportunity to take full advantage of a diversified landscape.

Also, see the revised Post-Mining Topography and Land Use Map of Section 4.1.2, and revised pages 1-2 of Section 4.1.3. Approximately 100 acres of cropland in Section 35 was converted to native grassland and transferred to Section 4. Since most of the slopes are not best suited for reclaimed cropland in Section 4, some slight topography changes were made to make this area more amenable to cropland.

Mr. James R. Deutsch
September 9, 2014
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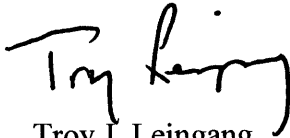
In addition, the following changes were made:

1. The printable table of contents was revised to add new Section 2.2.9.
2. Tract 81A was revised on page 103 of Section 1.2.5.10, and in Sections 1.5.1 and 1.5.3.
3. Sections 1.2.5.10, 1.5, 1.5.1, and 1.5.3 were revised due to the Keller land acquisition (Tracts 57, 60, 66, and 67).
4. Sections 2.2.4.1, 2.2.4.2, 2.2.4.3, 2.2.6, 3.1.5, 3.1.9, and 4.1.2 were revised to update the post-mining topography in Mine Area 1.
5. Sections 2.2.6, 2.5.10, 3.1.1.6, 3.1.3, 3.1.4, 3.1.5, 3.1.7, 3.1.9, 3.3.2, 4.1.2, and 4.1.3 were revised due to the Keller land acquisition.
6. Sections 3.3.32 and 3.3.32.1 were revised to redesign pond P-W27-02.
7. Sections 2.2.5 and 2.2.6 were revised to add the center line of the drainage profiles in new Section 2.2.9.

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.)