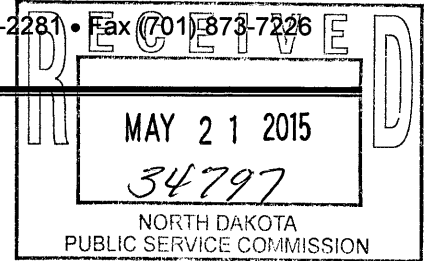


**THE COTEAU**  
**PROPERTIES COMPANY**  
A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

**FREEDOM MINE**  
204 County Road 15  
Beulah, North Dakota 58523-9475  
(701) 873-2281 • Fax (701) 873-7226



May 19, 2015

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 the revised Consolidated Bonding Plan, which is attached to Revision 27 to Permit NACT-0401. Responses below refer to deficiencies in your December 15, 2014 letter:

1. Sections A, B, and C were updated as necessary.
2. See revised page 5 of Section A-2. Disposal costs for the concrete box culverts are included, but demolition costs are expected to be nothing, as the culverts come in sections and are set together.
3. Miscellaneous expenses such as dewatering are calculated using 1% of reclamation costs. Please see page 4 of Policy Memo 16. Sediment is considered to be left in-place as part of the pond fill when the pond is reclaimed. This actually decreases the amount of the pond fill required in Section B-3. However, to be conservative, Coteau is using the entire pond volume in its calculations. Since the sediment is being left in-place, the volume of the material required to reclaim the pond site is less than what is shown. However, this extra material will be used in the uplands to create topography in the same manner that the sediment would be. No changes are necessary to Section A-2.
4. See revised page 3 of Section Section B-3. 3.6 million yards of overburden is included to grade the approved topography to the contingency topography. This material is all internal to the contingency plan area, and does not require any additional material. Costs for the worst case pit, as well as topsoil and subsoil respread, are already included under miscellaneous in Section B-3.
5. See revised Table 1 of Section B-2. Stockpiles TS-W14-02 and TS-W14-03 were added, but TS-W11-04 does not exist.
6. See the revised Mine Facilities Map of Section C-2, Topsoil Respread Map of Section C-3, and Subsoil Respread Map of Section C-4.

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7. It is assumed that by 2019, stockpiles SS-358, SS-318, and TS-333 will be respread and no longer exist, so no volumes were inserted for these stockpiles. However, the Mine Facilities Map of Section C-2, Topsoil Respread Map of Section C-3, and Subsoil Respread Map of Section C-4 were updated to remove stockpile TS-333. Stockpile SS-380 is already being utilized in the NW¼ Section 26 in MA1. Stockpile PTS-549 is also already being utilized in the S½ Section 34 in the EMA. No changes are necessary to Section B-2.
8. Maps and calculations were updated accordingly to more clearly depict this area.
9. A portion of stockpile OB-W31-01 is already included in Section B-3 to reclaim pond P-W32-02, but was not shown on the maps, which have been updated. See the revised Mine Facilities Map of Section C-2, Topsoil Respread Map of Section C-3, and Subsoil Respread Map of Section C-4. It is assumed that stockpile OB-W31-02 will be respread and no longer exist. SPGM disturbance associated with this pile is already included in Section B-3.
10. Overburden, subsoil, and topsoil volumes for pond P-W14-05 are already included in Section B-3. The overburden volume is listed on page 5 of Section B-3. Since the haul distance and quantity are greater than most, a truck/shovel fleet was used. However, it was not logical to change the entire layout of pages 1-2 of Section B-3 for this one pond, so it was not added. Pond P-N26-02 was added to page 1 of Section B-3, and Pond P-N26-01 was added to page 5 of Section B-3, and are already included in the topsoil and subsoil volumes. Future stockpile OB-N26-01 was added to pages 1 and 5 of Section B-3, and on the Mine Facilities Map of Section C-2, Topsoil Respread Map of Section C-3, and Subsoil Respread Map of Section C-4. Ponds P-W02-01 and P-W03-01 cannot be removed in 2018, as mining is slated until 2017 in the watersheds. Changes will be required to Revision 18 to Permit NACT-0201 to reflect the removal dates. Revision 18 is currently under review with the NDPSC.
11. See revised page 5 of Section B-3. The remaining yards will be hauled to pond P-N26-01.
12. Pond P-W08-01 will not be required by 2019, since pond P-W06-01 was constructed. Therefore, no volumes are needed. Pond P-W14-05 is already included in Section B-3 (see deficiency #10). Pond P-N26-01 was added to Section B-3 (see deficiency #10). Pond P-N14-02 does not exist, and never will since there is no Section 14 in Permit NACT-0401. If you are referring to Pond P-W14-02, it is already included on page 1 of Section B-3.
13. Coteau understands it can utilize a truck/shovel fleet for the longer haul distances. However, this would most likely not occur. Therefore, as a more realistic cost, we prefer to leave the projects as is, and accept the additional cost.
14. See revised page 1 of Section B-4.
15. See revised page 1 of Section B-5.
16. Coteau calculated the linear footage required by first finding the acreage disturbed. Using a 10 foot by 10 foot spacing of the trees, which is conservative for row width and also spacing between the trees, linear feet was determined. The following would be a back calculation of the conversion: 221,000 feet x 10 feet (5 feet on all sides of the tree)/43,560 square feet per acre = 50.8 acres.
17. See revised page 1 of Section C-1.

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18. Changes will be required to Revision 32 to Permit NACT-9101 for this error, as it was missed with the initial submittal. Revision 32 is currently under review with the NDPSC. Mining is not planned in this area until 2025 and beyond in the SW $\frac{1}{4}$  Section 11 and the NW $\frac{1}{4}$  Section 14. The worst case pit in Section 13 will be past the east-west dragline pits by 2019. An offset was left on the north end for topsoil and subsoil respread. However, no open pits will be in this area. The worst case pit in the SW $\frac{1}{4}$  Section 4, T144N, R88W in Permit NACT-0201 has been updated to show Coteau's most current mine plan through this area. See the revised Worst Case Pit Cross-Sections (Sheets 1-3) of Section C-5.
19. See the revised Worst Case Pit Cross-Sections (Sheets 1-3) of Section C-5. Calculations were also updated.
20. Pond P-W27-01 was not shown, as it is located within the spoils of the worst case pit where costs are already calculated. No other ponds, diversions, or haulroads are scheduled for construction, other than what is already shown on the map.

In addition, errors were noted in acreages, land use, and respread depths in Mine Area 3 of Permit NACT-0201. Calculations were updated to correspond with the maps. And, pit orientation changed slightly in Permit NACT-0401, and will be updated with the submittal of Revision 29 to this permit by May 29. Calculations were updated to reflect this change. Several stockpiles were rebalanced because of this.

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.)