



Public Service Commission

State of North Dakota

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June 25, 2015

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

Dear Mr. Leingang:

The Reclamation Division has completed its review of your May 19, 2015 response to our technical review of Revision 27 to Surface Coal Mining Permit NACT-0401. This revision modifies and updates the Consolidated Bonding Plan and the worst-case reclamation cost estimate for the Freedom Mine. The following items need to be addressed prior to approval of this revision and Revision 18 to Permit NACT-0201.

Section A-2 Assumptions for Worst Case Condition

1. Follow-up to Item No. 2: The removal costs of the West Antelope Creek Road Crossing's concrete structures (\$35,100) and the County Road 26 Overpass (\$160,500) appear too low and do not appear to include demolition and disposal costs. We do not believe there is any salvage costs associated with either structure. (FSE)

Section B-3 - Overburden Equipment Hours

2. OB-W16-02 contains 900,000 cy of material according to Section C-2 but only 680,000 cy are "obligated" in Section B-3. Also, the volumes of OB-W31-01, OB-N33-03, OB-W04-01, OB-W11-01 and OB-W06-01 do not match the volumes depicted on Section C-2. Please review and make the appropriate changes. (FSE)

Section B-5 – Revegetation Cost Summary

3. Follow-up to Item No. 16: As previously requested, Section B-5 assumes that only about 21 acres of trees (221,000 ft) will need to be planted in the worst case scenario. Please review and revise to more accurately determine the acreage of trees that will need to be

replaced if mining were to cease in 2019. Coteau responded indicating that no changes were necessary because a conservative row and tree spacing of 10 feet was used and concludes that this linear footage is equivalent to 50.8 acres of tree plantings. However, the approved permit states that the woodland and shelterbelt row spacing will be 4 feet. Therefore, only 21 acres of trees are planned ($221,000 \times 4 = 884,000 / 43,560 = 20.29$ acres). This appears to be a very low number given that approximately 13 acres of woodlands have already been affected in Permit NACT-0201 according to our calculation. Also, an additional 15 acres of shelterbelts are to be planted on a single tract of State Trust Land in Section 36 of NACT-0201. (GAW)

Section C-1 – Legal Description of Performance Bond

4. Follow-up to Item No. 17: Please update the date and other information as necessary in the following sentence “The above information is as of 09/09/13, and the acreage may vary without significantly changing the estimated reclamation costs”. (FSE)

Section C-2 – Mine Facilities Map

5. Follow-up to Item No. 18: As previously requested (based on the last approved permit revision), please update the *Mine Facilities Map*, to include the worst case pit in the SW¼ of Section 11 and the NW¼ of Section 14 of Permit NACT-9101. Also, include the worst case pit of the proposed truck/shovel pit(s) in the SW¼ of Section 4, T144N, R88W, of Permit NACT-0201 (based on Revision No. 18). The volumes and costs associated with these additional worst case pit areas should also be updated accordingly. (FSE)
6. Follow-up to Item No. 20: As previously requested, please update Section C-2 to include all sediment ponds, diversions and haul roads that will be in place by 2019, and provide the reclamation cost associated with each. The reclamation schedule in pending Revision 18 to Permit NACT-0201 shows that sediment pond P-W31-01 will not be reclaimed until 2021, but this pond is not included in Section B-3. Sump S-W31-01 is also not included in Section B-3, none of these water management features are shown on Section C-2, Mine Facilities Map. Please correct these errors and revise Sections C-3 and C-4, to show these areas affected by ponds as areas where SPGM will need to be respread in the worst-case scenario. (GAW/FSE)
7. New Item: Please delete P-W04-01 in MA3 and review the map legends and, if necessary, include the symbols for proposed and existing water structures (some ponds are depicted in different color). Also, some overburden piles and ponds listed in Section B-3 are not depicted in the maps (Sections C2, C-3 and C-4) and vice versa, e.g., OB-W08-02, OB-W05-01 and pond P-W08-02. Please make the appropriate corrections. Please show the volumes of all overburden piles, e.g. OB-W31-01 does not have a volume associated with it. (FSE)

Section C-3 – Topsoil Respread Map

8. New Item: The Topsoil Respread Map, Section C-3 incorrectly shows that topsoil is to be respread on the area included with Final Bond Release No. 3 to Permit NACT-8503. Please remove the bond release area from the Mine Facilities Map, Section C-2 as an area requiring topsoil respread. The Topsoil Respread Map also depicts different land uses than what is shown on the latest version of Revision No. 18 to Permit NACT-0201. For example, the map shows cropland topsoil respread in Sections 4 and 35 of NACT-0201 where native grassland is now planned. These land use errors are also listed incorrectly in the Tables in Section B-2. Please review and make the appropriate corrections.
(GAW)

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division