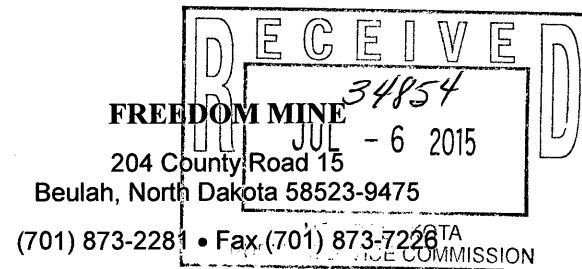


# THE COTEAU PROPERTIES COMPANY

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION



July 6, 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 revised Revision 18 to Permit NACT-0201. Responses below refer to deficiencies in your May 20, 2015 letter:

1. See revised page 21 of Section 2.2.4.
2. See the revised Ephemeral Drainage Profiles drawing of Section 2.2.8.4. When this drawing was adjusted during the first round of technical deficiencies, the profile was inadvertently placed on the wrong starting elevation.
3. See new page 7 of Section 3.3.3, and the revised Post-Mining Ephemeral Drainageways Map of Section 2.2.8.3.
4. See revised page 2 of Section 2.2.8. The paragraph added references Section 2.2.4 of the permit for clarification of post-mining ephemeral drainageways replacing pre-mining segments of intermittent streams.
5. See revised pages 2 and 66 of Section 2.4.2.
6. See revised page 68 of Section 2.4.2.
7. See revised page 14 of Section 2.4.2. As is consistent with the rest of the permit, all drainage and pothole wetlands are classified as seasonal and reclaimed as such.
8. See revised page 68 of Section 2.4.2.
9. See revised pages 1-2 of Section 2.4.10. Section 4.1.3 shows 251 acres of wetlands pre-mining, and Section 2.4.10 shows 251 acres of seasonal and semi-permanent wetlands, showing a balance. Section 2.4.10 now includes the wetlands associated with intermittent streams, but these acreages were not included in Section 4.1.3. Please see Section 4.4.1 for an explanation of how wetlands associated with intermittent streams will be reestablished in the landscape.
10. See revised page 3 of Section 2.4.7, revised page 3 of Section 2.4.8, and revised pages 1-2 of Section 4.1.3.

11. See revised pages 1-2 of Section 2.4.10. As previously described on page 1 of Section 2.4.1, the area of this permit just to the west of the office complex was re-evaluated in 2013 to reflect any changes in use. Some of the changes incorporated included adjustments to wetland acreage. This can now be seen in Section 2.4.10. Tract 49 as mentioned in the deficiency was simply an error in the table that was corrected in this revision. The seasonal wetlands on this tract did not change with the revision; the table was just updated to reflect the actual acreage. 12.1 acres of seasonal wetlands were never recorded on this tract.
12. See revised page 3 of Section 2.5.6.2 and the revised Deep Lift Soil Survey Map of Section 2.5.11. Tract 109 was the only new tract that fell within the calculation boundary. Please note that this tract falls outside the deep lift boundary. While investigating the deep lift details, it was noted that the permit boundary had not been updated on the map.
13. See revised page 21 of Section 2.5.3.1, revised page 1 of Section 2.5.3.2, and the revised Soil Survey and Prime Farmland Map of Section 2.5.10.
14. See the revised Projected Soil Respread Depth Map of Section 2.5.12.
15. Information from the wildlife surveys conducted on acreage being added to the permit was previously included in Section 2.7.2. The survey completed specifically for this permit area addition by Greystone included a majority of Section 11. The remainder of this area was surveyed by Woodward-Clyde Consultants in 1974. No unique or high value fish and wildlife habitat was noted within the newly added acreage. Distance to potential piping plover habitat is referenced on page 25 of Section 2.7.2.
16. See revised page 1 of Section 2.7.3. No significant wildlife are expected to be killed directly due to mining operations. Occasional vehicle strikes to individual wildlife may occur, but these instances are not anticipated to affect the species.
17. See revised page 2 of Section 2.7.3.
18. See revised page 3 Section 2.7.3.
19. See revised pages 2-7 of Section 2.7.3.
20. See revised pages 4-5 of Section 2.7.3.
21. See revised pages 4-5 of Section 2.7.3.
22. See revised pages 4-5 of Section 2.7.3. A Protection and Enhancement Plan for the northern long-eared bat will also be included in the Consolidated Wildlife Habitat and Management Plan, which will be submitted as part of Revision 29/Renewal 2 to Permit NACT-0401. Specific habitat surveys for the northern long-eared bat conducted in 2015 are noted on pages 4-5 of Section 2.7.3.
23. All federal coal tracts are included in the habitat and species surveys for threatened and endangered species, as currently referenced on page 2 of Section 2.7.3. The Environmental Assessment that is being completed for OSM has been reviewed by them, and the information regarding threatened and endangered species included in that document was deemed adequate for federal review.
24. Results from 2014 Sprague's pipit surveys will be included in the 2014-2015 Wildlife Monitoring Report, which will be submitted in 2016. All updated survey transect maps will also be included in that report.

25. See revised pages 1-3 of Section 2.7.4.
26. See revised pages 34-35 of Section 2.8.5. The correspondence letter from the SHPO does list the site in the reference line as 32ME238, found on page 36 of Section 2.8.5.
27. See revised page 7 of Section 3.1.1.2.
28. See revised page 7 of Section 3.1.1.3.
29. See revised page 9 of Section 3.1.1.3.
30. See revised pages 7 and 9 of Section 3.1.1.3.
31. See the revised Pit Layout and Facilities Map of Section 3.1.3 and the revised Extended Mining Plan Map of Section 3.1.4.
32. See new page 26 of Section 1.4.2.
33. See the revised Pit Layout and Facilities Map of Section 3.1.3, the revised Extended Mining Plan Map of Section 3.1.4, and revised page 2 of Section 3.1.1.9.
34. See the revised Post-Mining Area Slope Map of Section 3.1.5, the revised Pre-Mining Area Slope Map of Section 3.1.7, and the revised Post-Mining Topography and Land Use Map of Section 4.1.2.
35. See the revised Pit Layout and Facilities Map of Section 3.1.3, the revised Surface Water Management Plan Map of Section 3.3.2, and revised page 1 of Section 3.3.4.
36. See revised page 1 of Section 3.3.38.
37. Coteau believes that Sections 2.5.5, 2.5.6, 2.5.6.1, 2.5.6.2, and 4.1.1 already adequately address the reclamation plan for restoring pre-mining land use capabilities. In addition, past reclamation success has shown that reclamation practices do restore pre-mining land use capabilities. We will continue to reclaim land uses to meet or exceed their pre-mining conditions. Average SPGM respreads techniques provide an adequate and uniform soil bed for cropland and native grasslands. We have reviewed areas that NRCS considers "farmlands of statewide importance," and feel our reclamation adequately restores the pre-mining capabilities of these farmlands.
38. See revised page 2 of Section 4.1.1, the revised Contingency Closure Plan Map of Section 4.1.6, and revised pages 1-2 of Section 4.1.7. To state that the contingency plan is delinquent by 355.1 acres of cropland is misinterpreting the data in the table. As mining continues through the permit area, Coteau plans to reclaim an additional 355.1 acres of cropland (now 345.4 due to unassociated changes) above and beyond what existed in a pre-mining state. Therefore, this is truly not a loss of acreage as suggested, but rather a smaller gain that was originally planned with the proposed post-mining topography. With the addition of the 85 acres of cropland, there is now a gain of 5.1 acres of cropland over the pre-mining condition.
39. 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.
40. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2, revised pages 1-2 of Section 4.1.3, and revised pages 1-2 of Section 4.5.2.1.
41. This property was purchased by Coteau. See revised Tracts 43 and 44 in Sections 1.5.1 and 1.5.3.

42. The trees in the SW $\frac{1}{4}$  Section 36 have been removed to reflect the wishes of the ND Department of Trust Lands. Please see the response to deficiency 56 for an explanation of Section 4.1.3 information regarding the tree plantings for the tract. The ND Department of Trust Lands also explicitly requested native grassland as the land use for the tract, and that request will be fulfilled.
43. See new Section 4.2.3.1.
44. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2. The tame pastureland in Section 5 was requested by the landowner in their preference statement, so it has been moved next to the water source for this tract so it can be properly managed with the native grassland.
45. See revised pages 1-2 of Section 4.1.3, the revised Post-Mining Topography and Land Use Map of Section 4.1.2, and revised pages 1-2 of Section 4.5.2.1.
46. 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.
47. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2.
48. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2. The cropland proposed in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 14 has not been revised, as the slopes within the rest of Section 14 are not considerably more favorable for farming, and leaving the cropland in the current location creates a contiguous tract with cropland located in Section 11.
49. See the revised Post-Mining Topography Development Map of Section 3.1.9.
50. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2. The grassed waterway in the SE $\frac{1}{4}$  Section 33 is no longer needed, as the land use was changed to native grassland in this area.
51. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2 and new Section 4.2.3.1.
52. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2.
53. All ponds that could potentially impact native woodlands are on the future ponds layer of the Post-Mining Topography and Land Use Map of Section 4.1.2. Coteau evaluates each of these areas in more detail as ponds are designed and included in the permit, and part of that evaluation is the impact to woodlands. Coteau does its best to minimize impact to these areas. Therefore, each of these areas will be further evaluated when designed, and the appropriate areas of the permit will be adjusted at that time to reflect actual number of acres impacted.
54. 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.

55. See the revised Post-Mining Area Slope Map of Section 3.1.5, the revised Post-Mining Topography Development Map of Section 3.1.9, and the revised Post-Mining Topography and Land Use Map of Section 4.1.2.
56. See the revised Post-Mining Topography Map of Section 4.1.2. Coteau is not replacing woodland plantings with shrub plantings. The shrub plantings that replace western snowberry acres are all depicted as hatched ovals. Replacement woodland plantings are hatched differently, and depicted in multiple shapes to reflect topography. The value listed in the woodland column in Section 4.1.3 for Section 14 (Tracts 64 and 65, not 65A) was incorrect, and has been updated to reflect disturbed and replacement woodland acres. The values listed in the same area of the table for Section 36 reflect the acres of woodlands present prior to mining for historical purposes. The Post-Mining Topography Map of Section 4.1.2 has six plantings, each 2.5 acres in size, in the NW, NE, and SE quarters in Section 36 to reflect changes requested in the ND Department of Trust Lands preference statement.
57. Please see the response to deficiency number 56.
58. See revised pages 1-2 of Section 4.1.3. Both reclaimed and undisturbed acres are included in this table, so this address some of the concerns. However, upon evaluation, it appears that the wetland acreage was not reflected properly in the table.
59. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2, revised pages 1-2 of Section 4.1.3, and revised pages 1-2 of Section 4.1.7.
60. See the revised Post-Mining Topography and Land Use Map of Section 4.1.2. The wetland located in the northeast portion of Tracts 109 and 110 will not be disturbed by mining activities.
61. An easement for this roadway was given to Mercer County when they upgraded and paved this previously graveled roadway. Any changes the county decided are necessary to make to this roadway throughout the period of the permit will be updated at the time changes are made.
62. Original deficiency item number 132 requested tract information be retained in Section 4.1.3, and Coteau fulfilled that request by adding tract numbers back into the table. The table was originally reformatted with this revision to reflect changes discussed extensively by both PSC staff and Coteau personnel to allow for a more meaningful comparison of land both pre- and post- mining by landowner and section. As a whole, tracts and acres associated with land uses within those tracts are evaluated by landowner to provide a balance both pre- and post-mining. As land ownership changes throughout the mining process, the table will be updated accordingly. The table allows for both a meaningful comparison of larger tracts, and also a tract by tract comparison as it related to other tables by listing the tract numbers beside the section numbers. Coteau believes that this format better suits the purpose of the table without losing the ability to evaluate specific items in other corresponding tables, so no changes were made.

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63. See revised pages 1-2 of Section 4.1.3.
64. See revised pages 1-2 of Section 4.1.3.
65. Both the Post-Mining Topography and Land Use Map of Section 4.1.2 and Section 4.1.3 are correct. No changes were made.
66. See revised page 2 of Section 3.1.8.
67. See revised page 1 of Section 4.3.1.
68. See revised page 1 of Section 4.2.2.
69. See new Section 2.9.2 and revised page 3 of Section 2.8.1.
70. See revised Section 2.7.3. Changes resulting from OSM's letter dated December 29, 2014 will also be made to the Consolidated Wildlife and Habitat Monitoring Plan, which will be submitted as part of Revision 29/Renewal 2 to Permit NACT-0401.

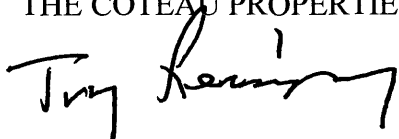
In addition, the following changes were made:

1. Pages 19-22 of Section 1.1.2 were updated with all revised/added sections.
2. In Section 1.5.1, various additional changes have been made to tracts 3, 4, 7, 9, 16, 17, 20, 32, 55, 61, 94, 105, and 107. These changes were also made on the Surface and Coal Ownership Map of Section 1.5.3.
3. Page 1 of Section 3.3.4 was updated to reflect changes required by the worst case bond. Reclamation of ponds P-W02-01 and P-W03-01 was moved out to 2023.
4. Page 6 of Section 3.3.23 has been added to address a revised permanent pool elevation for Pond P-W04-01 that was approved in the spring of 2015.

If you have any questions, please contact me.

Sincerely,

THE COTEAU PROPERTIES COMPANY



Troy J. Leingang  
Environmental Manager

AJH/LDR  
Enc.

cc: Shana Brost, Mercer County Auditor (w/enc.)