



Public Service Commission

State of North Dakota

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January 22, 2015

Cherie Harms
President
Leonardite Products LLC
PO Box 548
Williston, ND 58802-0548

Dear Ms. Harms:

The Reclamation Division has reviewed the application for Revision No. 6 to Permit GRGR-0501 for the Stony Creek Mine dated December 15, 2014 and revised December 23, 2014. The revision proposes to delete 14.28 acres of land from the permit area in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 8 that have not been affected by surface coal mining and reclamation operations. This land is being proposed for deletion from the permit to facilitate construction of an oil well drill pad by an independent third party.

A partial inspection of the Stony Creek Mine on November 14, 2014 confirmed that the 14.28 acre parcel being proposed for deletion from the permit has not been affected by surface coal mining and reclamation operations. Most of Stony Creek Mine surface coal mining and reclamation operations are currently limited to the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 8. The current mining and associated disturbance boundary is located more than 700 feet to the southeast of the southeast corner of the proposed deletion parcel.

The following items must be adequately addressed prior to recommending Commission approval of Revision No. 6 to Permit GRGR-0501.

Section II Legal Requirements

1. Updates to the Surface and Subsurface Ownership Data permit subsection completed with your November 14, 2014 response to our Revision No. 5 technical review were also used to update the permit subsection with the Revision No. 6 application; however, corrections to that subsection were requested in our January 12, 2015 second technical review letter of the Revision No. 5 application. Please update the Surface and Subsurface

Ownership Data permit subsection for the Revision No. 6 application with same corrections completed to the subsection for your next Revision No. 5 response. (WTG)

Map B - Permit Location Map

2. Your December 23, 2014 revised application cover letter indicates that Map B was updated presumably with the 14.28 acre parcel proposed for deletion from the permit; however, it does not appear that we received an updated version of Map B with the application. Please submit an updated version of Map B. (WTG/BEB/FSE)

Map C - Property Map

3. Updates to Map C completed with your November 14, 2014 response to our Revision No. 5 technical review were also used to update Map C with the Revision No. 6 application; however, corrections to Map C were requested in our January 12, 2015 second technical review letter of the Revision No. 5 application. Please update Map C for the Revision No. 6 application with same corrections completed to Map C for your next Revision No. 5 response. (WTG)
4. Please revise Map C at your discretion to represent coal ownership consistently. As currently presented, coal ownership is represented with a parenthetic letter (C) on the map but with a parenthetic letter (M) in the legend. (FSE)

Map D - Mine Plan Map

5. Please make the following corrections to Map D:
 - a. Remove the haul road label and its leader for the former segment of haul road that is no longer in the permit. (WTG)
 - b. Edit the topsoil, subsoil, and spoil stockpile outlines and labels to accurately reflect that topsoil and subsoil were stockpiled south of the B Pit excavation but spoil was backfilled in the A Pits. It does not appear that there is adequate space within the permit boundary to develop a spoil stockpile south of the B Pits because of the current configuration of Pit B-1 topsoil and subsoil stockpiles depicted on Figure 1 of the November 14, 2014 inspection report. (WTG/FSE)

Please be aware that a prerenewal review will be conducted for Permit GRGR-0501 in late April 2015 to identify items in the permit that require updating prior to permit renewal. Our prerenewal review letter will request that you submit the renewal and associated revision applications by July 2, 2015. Your prompt response to this letter is therefore important to ensure that the Revision No. 6 application will be deemed acceptable for approval following Revision No. 5 approval, but no later than the April 8, 2015 Commission meeting.

Following revision approval you will need to submit State Form Number 19366 Collateral Bond Rider to Reduce Bond Area and Amount to remove the acres deleted from the bond area for Revision No. 6 as well as Revision No. 4 approved May 8, 2013. At that time, the First National

Cherie Harms
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Bank and Trust Company of Williston should be notified of the change to the permit area; however, the bond amount will remain the same.

Please contact us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Deutsch". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

James R. Deutsch
Director
Reclamation Division