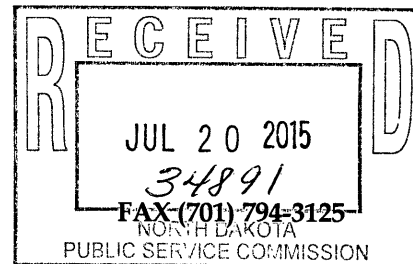


PHONE (701) 794-8734



AN ALLETE COMPANY
2360 35TH AVENUE SW CENTER, ND 58530-9499
MINING LIGNITE AT THE CENTER MINE SINCE 1970

July 20, 2015

Mr. Jim Deutsch, Director
Reclamation Division, NDPSC
Department 408
600 East Boulevard Avenue
Bismarck, ND 58505-0480

RE: Revision 38/Renewal 3 to Permit BNCR-9702

Dear Mr. Deutsch,

This submittal contains a response to your letter to us dated July 14, 2015. In this letter you listed technical deficiencies that must be addressed before the Revision 38 and Renewal 3 applications can be approved. Below is a listing of the deficiencies followed by our response:

Section 1.9 and Plate 1-2 Surface and Coal Ownership

1. Follow-up to item 3(a): Please correct the agency and address for USA at the end of Table 1.9-1. The correct agency and address for federal coal is listed in Permit BNCR-1101. (ZAB)

The address for USA that was included in the prior submittal was obtained from the lease database; it is where the lease and royalty payments are sent. The address was revised to match that which is included in BNCR-1101.

2. Follow-up to items 3(b), 3(e), and 3(g): It appears changes to these three items were not saved since BNI responded that Plate 1-2 had been updated as requested. Please address the following: (ZAB)
 - a. Coal ownership in Section 10 is listed as Walter Reinke in Table 1.9-1 but as Walter and Beatrice Reinke on the ownership map. Revise as appropriate.
 - b. Correct the spelling of Eleanor Boehm in the SW1/4SW1/4 of Section 2 on the ownership map.

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Response to the second technical review letter filed by the applicant
BNI Coal, Ltd.
Karene Hall

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BNI Coal, Ltd.
Karene Hall

- c. Revise the coal ownership in the SE1/4 of Section 30, T142N, R84W, on Plate 1-2 to be consistent with the coal ownership listed in Table 1.9-1.

We apologize that the corrected map was not included with the prior submittal. Items a through c have been addressed.

Appendix 1-2 Certified Copies of Leases and Assignment Documents, Article of Amendment to Articles of Incorporation

3. Follow-up to item No. 6(b): Please revise the 20 percent surface leased listings that total 80 percent on page 8-22 for Calvin Mosbrucker, Dean Mosbrucker, Brian Mosbrucker, and Lorie Makelke ownership for the N½NE¼ of Section 8, T141N, R84W. It appears that each of the four surface owners should be listed as 25 percent leased to total 100 percent. (WTG)

The percentage of ownership for the Mosbrucker's has been revised to reflect 25% each on page 8-22.

Plate 4.1-1 Pit Layout and Facilities Map

4. Follow-up to item No. 16: Plate 4.6-1 (Surface Water Management Plan) was updated in response to item No. 16 to remove Pond 28-4 and diversions D-28-4 and D-28-5 because they were never constructed and have been removed from the water management plan. Please update Plate 4.1-1 as well, to remove Pond 28-4 and diversions D-28-4 and D-28-5. (RLK)

The pond and two diversions listed above have been removed from Plate 4.1-1 as requested.

Section 4.9 Reclamation Schedule and Plate 4.9-1 Reclamation Variance Areas

5. Follow-up to item No. 18: The link to Plate 4.9-1 in the first paragraph on page 4.9-1 was changed to Plate 4.1-1 as requested; however, the link still opens Plate 4.9-1. Please correct the link. (ZAB)

The link has been redirected to Plate 4.1-1 as requested.

6. Follow-up to item No. 20: Please review the following statement on page 4.9-3 in the narrative for the year 2020: “*In other mine areas rough spoil grading will be completed into the 2018 mining block areas.*” It appears that the narrative should reference **2019** for rough spoil grading in the previous year’s mining block rather than 2018. Please review and revise as appropriate. (ZAB)

This change has been incorporated into Page 4.9-3 as requested.

7. Follow-up to item No. 26: This item was not addressed. Please revise the narrative for Variance Area 8 as follows: include a projected time line; indicate where BNI plans to get the 1,000,000 cubic yards of material needed to fill the ash pit; clarify where BNI is at

in the regulatory process by stating if or when a request was submitted; and, reference portions of the permit, such as Section 4.11, that contain additional information. (ZAB)

The narrative for Variance Area 8 has been revised to include the requested information listed above.

Section 4.13 Fish and Wildlife Resource Protections & Enhancement Plan & Fish and Wildlife Monitoring Plan

8. Follow-up to item No. 35: BNI has revised the second paragraph on page 4.13-1 to state that suitable habitat for the Northern Long Eared Bat does not exist within the wildlife monitoring area. Please clarify what is meant by this statement given that the entire state of North Dakota is included in the range of this species, and also that trees, abandoned building, bridges and underground mines are considered hibernacula. Please either revise the statement or provide correspondence from the USFWS that supports BNI's claim that no suitable habitat exist for the Northern Long-Eared Bat within the wildlife monitoring area. (GAW)

The third paragraph on page 1 of Section 4.13 has been revised/added to discuss the Northern Long-eared Bat.

9. Follow-up to item No. 35: A sentence in the sixth paragraph on page 4.13-1 states that there is no suitable undisturbed land for Sprague's pipit. This species has been identified on undisturbed native grassland in the wildlife monitoring area, and the approved monitoring plan depicts where monitoring is to continue for this species on undisturbed native grassland. Please revise this misleading or incorrect statement. Please also revise the sentence in the third paragraph on page 4.13-6 that reads as follows: "First native rangelands areas are broadly throughout the, both reclaimed and undisturbed during annual wildlife monitoring surveys." This sentence is unintelligible. Please revise it to provide clarity. (GAW)

The sixth paragraph on page 4.13-1 has been revised to clarify that there is no suitable habitat for the Greater Sage Grouse and that Sprague's Pipit has found suitable habitat on both reclaimed and undisturbed lands.

The sentence in the third paragraph on page 4.13-6 has been revised to clarify that the first way that survey efforts will be conducted will be by incidental sightings on native rangelands found throughout the monitoring area during annual wildlife surveys.

Plate 4.13-1 Wildlife Monitoring Map (Minewide)

10. Follow-up to item No. 36: Please revise Plate 4.13-1 to show that the Wildlife Monitoring Area includes a buffer zone at least one-half mile around the perimeter of all existing permit areas. A buffer zone around the permit area is required during baseline studies and a buffer zone must be included with the annual wildlife monitoring plan. The habitat types within this buffer zone must be shown on the Wildlife Monitoring Area map and important or habitats of unusually high value for fish and wildlife must be identified. (NDAC 69-05.1-08-15, NDAC 69-05.2-09-17, and NDAC 69-05.2-13-08) (GAW)

A ½ mile buffer boundary has been depicted on the wildlife map. The landuse for these areas are depicted in most places with the exception of the north and west of BNCR 9702. As time goes on and a minewide plan is developed landuses within these areas will be added.

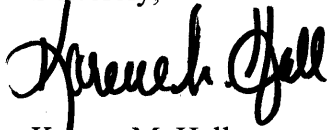
Additional Information:

*Appendix 4.6-4 was added to include design information for Catch Basin 5-1.
Plate 4.6-1 was also updated as a result of this addition.*

In response to an email received 7-16-15 regarding Revision number and revised date within Section 4.13 and 4.12. A revision number and revised date has been added/updated on Section 4.13, Plate 4.13-1, 4.12-3, 4.12.2, 4.12.1 and Plate 4.12-1.

Thank you for your consideration of this matter. If you have any questions regarding this submittal, please contact me at the Center office.

Sincerely,

A handwritten signature in black ink, appearing to read "Karene M. Hall". The signature is written in a cursive, flowing style.

Karene M. Hall
Permit Coordinator