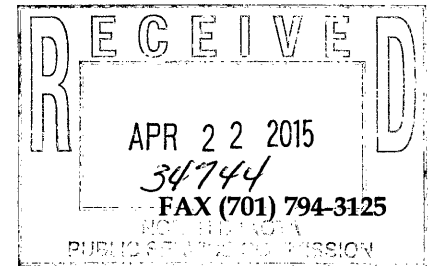


PHONE (701) 794-8734



AN ALLETE COMPANY

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

April 22, 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 April 20, 2015. In this letter you listed completeness deficiencies that must be addressed before the Revision 38 and Renewal 3 applications and Public Notice for BNCR-9702 can be deemed complete. Below is a listing of the deficiencies followed by our response:

Revision No. 38 Application Narrative

1. Please consider revising the narrative describing revision updates to be less specific and similar to previous revision narratives. Consider condensing the narrative as follows:
"The permit revision updates the legal and financial section, the operations, reclamation, surface water management, and post mining land use sections, the wildlife monitoring plan, and the worst case bond estimate." (ZAB)

The statement has been updated as suggested and has been added to the Revision 38 Application, eliminating the added narrative sheet.

Permit Renewal Application (SFN 10566), Acreage Attachment, and Renewal Request

2. Please submit a corrected permit renewal application (SFN 10566) and "Acreage in Permit BNCR-9702" attachment to correctly describe and list current acreage in Permit BNCR-9702. The permit renewal application and "Acreage in Permit BNCR-9702" attachment received April 2, 2015 describe and list the acreage in Permit BNCR-9702 prior to the

May 18, 2011 approval of Revision No. 30 that added 676.48 acres to the permit.
(WTG/ZAB/RLK)

The "Acres in Permit BNCR-9702" Table has been updated to include the acres added in Revision 30.

3. Please remove the statement "*The revision depicts coal sub-removal for the next five year term.*" from the first paragraph of the Renewal No. 3 request. (ZAB)

The statement has been removed as requested.

Newspaper Notice

4. As required by NDAC 69-05.2-05-02(1) and 69-05.2-10-01(1), please revise several sentences in the first two paragraphs on page 1 of the newspaper notice as follows:
(WTG/ZAB/BEB)
 - a. "*The area for which a permit renewal ~~revision~~ is sought includes approximately 7,018 acres ...*"
 - b. "*The permit revision ~~renewal~~ depicts the coal removal subarea ~~subremoval~~ for the next five year permit term.*"
 - c. "*... the backfilling and regrading ~~regarding~~ plan and the SPGM removal and replacement plan, ...*"
 - d. "*Written comments, objections, and requests for informal conferences ~~and~~ petitions should be filed with ~~sent to~~ the Public Service Commission, 600 East Boulevard, Dept. 408 Bismarck, ND 58505-0480 within 30 days after the last final date of publication of this notice."*

Items a. through d. have been revised as suggested.

5. Please add a statement to the newspaper notice indicating that Renewal No. 3 will extend the permit term another five years until August 2, 2020. (ZAB)

The above statement has been added to the description of the Publication Notice.

6. Updates with this revision application were also made to Section 3.3 - Groundwater, and this should also be mentioned in the public notice and the application narrative along with the other sections that were updated. (BEB)

The Groundwater Section has been added to the list of sections that are being revised on the Publication Notice and also in the appropriate box on the first page of the revision application.

7. Please consider revising the narrative describing revision updates to be less specific and similar to previous revision statements. Consider condensing the narrative as follows:
"The permit revision updates the legal and financial section, the operations, reclamation, surface water management, and post mining land use sections, the wildlife monitoring plan, and the worst case bond estimate." (ZAB)

The narrative describing the revision updates has been revised as suggested.

8. Please review the Section 21 coal ownership listed for the Assembly of God and correct as necessary because the notice and Plate 1-2 (Ownership Map) list Gen'l Council-Assembly of God, while Section 1.9 (Surface and Coal Ownership) lists Ass'bly of God Fin. Services. (WTG/RLK/ZAB)

The Publication Notice and Plate 1-2 have been revised to Assembly of God Fin. Services.

9. Please remove the line space between the SE $\frac{1}{4}$ (Section 28) and the succeeding line of Less NE $\frac{1}{4}$ SE $\frac{1}{4}$ at the top of page 2. (WTG/RLK/ZAB)

The line space has been removed as requested.

10. Please review Phyllis Vandenburg listed for coal ownership of the SE $\frac{1}{4}$ of Section 29, surface and coal ownership of the SW $\frac{1}{4}$ of Section 29, surface ownership of the N $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, and the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 32, and coal ownership of the NE $\frac{1}{4}$ of Section 32 and correct as necessary because Section 1.9 (Surface and Coal Ownership) and Plate 1-2 (Ownership Map) list Ila Vandenburg in place of Phyllis Vandenburg for surface or coal ownership of all the listed parcels. (WTG/RLK/ZAB)

All instances of Phyllis Vandenburg have been changed to Ila Vandenburg on the Publication Notice.

11. Please review Larry Dresser listed for coal ownership of the SW $\frac{1}{4}$ of Section 34 and correct as necessary because Section 1.9 (Surface and Coal Ownership) and Plate 1-2 (Ownership Map) list only Mary Dresser for coal ownership of the parcel. (WTG/ZAB/RLK)

Larry Dresser has been removed from the coal ownership for Section 34 on the Publication Notice.

12. Please review Tammy Snyder listed for coal ownership of the S $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 34 and correct as necessary because Section 1.9 (Surface and Coal Ownership) and Plate 1-2 (Ownership Map) list Tammy Korkowski in place of Tammy Snyder for coal ownership of the parcel. (WTG/RLK/ZAB)

Tammy Snyder has been changed to Tammy Korkowski on the Publication Notice.

13. Please review the coal ownership listed for the W $\frac{1}{2}$ and the SE $\frac{1}{4}$ of Section 5 and correct as necessary because although it agrees with coal ownership listed for the parcels on Plate 1-2 (Ownership Map), it differs considerably from ownership listed for the parcels in Section 1.9 (Surface and Coal Ownership). Six coal owners listed in Section 1.9 (Calvin Mosbrucker, Dean Mosbrucker, Brian Mosbrucker, Lorie Makelke, Nicole Wilson, and Colton Schmitz) are not present on Plate 1-2, while one coal owner listed on Plate 1-2 (Kenneth Mosbrucker) is not listed in Section 1.9. (WTG/RLK/ZAB)

In the past, the coal ownerships that were located in areas where the coal has been mined out have not been updated. Section 5 Ownerships have been updated on Plate 1-2 Ownership Map and the Publication Notice.

14. Please review the surface ownership listed for the NE¼ of Section 8 and correct as necessary because although it agrees with surface ownership listed for the parcel on Plate 1-2 (Ownership Map), it differs from ownership listed for the parcel in Section 1.9 (Surface and Coal Ownership). Two surface owners listed in Section 1.9 (Nicole Wilson and Colton Schmitz) are not present on Plate 1-2. (WTG/RLK/ZAB)

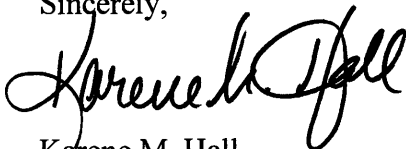
The Publication Notice and Plate 1-2 Ownership Map show the correct surface and coal ownerships. Nicole Wilson and Colton Schmitz are only coal owners in the NE¼ of Section 8. Section 1.9 has been updated to remove them as surface owners.

15. As required by NDAC 69-05.2-05-02(1) and 69-05.2-10-01(1)(b), please revise the newspaper notice map as follows: (WTG)
- a. Add route labels for Oliver County roads 38th AVE SW and 41st AVE SW.
 - b. Enlarge the township and range labels to ensure that they will be legible at the newspaper publication size.
 - c. Remove the buffer zone boundary and label for Minnkota Power Cooperative's Milton R. Young Station bottom ash inert waste landfill in the 67.95 acre bond released area of Section 3.
 - d. Expand the label for Minnkota Power Cooperative's Milton R. Young Station bottom ash inert waste landfill in the 67.95 acre bond released area of Section 3 to label it as a bond released area for inert waste disposal.
 - e. Depict and label the route for Hagel Creek within and adjacent the south BNCR-9702 permit area.

Items a. through e. have been updated as requested.

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

Sincerely,



Karene M. Hall
Permit Coordinator



APPLICATION FOR REVISION OF PERMIT TO ENGAGE IN SURFACE COAL MINING AND RECLAMATION OPERATIONS
PUBLIC SERVICE COMMISSION
RECLAMATION DIVISION
 SFN 10562 (1-2004)

April 21, 2015

| |
|-------------------------------|
| Date March 31, 2015 |
|-------------------------------|

| | | | |
|---|-----------------------------------|------------------------------|--------------------------|
| Name of Company, Corporation, Partnership, or Individual BNI Coal, Ltd. | Permit Number BNCR-9702 | Revision Number 38 | |
| Address 2360 35th Avenue SW | City Center | State ND | Zip Code 58530 |

The above named hereby makes application for the above Revision Number to: (include a brief description of the surface coal mining and reclamation operation being revised.)

update the Legal and Financial Section, the operations, reclamation, ground water, surface water management, and post mining land use sections, the wildlife monitoring plan, and the worst case bond estimate.

Attached to this Permit Revision Application are a narrative describing the proposed permit revision, reasons for requesting the revision, and appropriate maps, cross-sections, graphs, construction details, revised reclamation plans and other data which demonstrate compliance with Chapter 38-14.1 of the North Dakota Century Code, Article 69-05.2 of the North Dakota Administrative Code, and the permit conditions of the approved permit. If an incidental boundary revision involving an acreage adjustment is being requested as part of the permit revision application, the following information shall be included (attach a copy of a metes and bounds description):

| NAME OF MINE | ACRES | LOCATION | | | |
|--------------------|-------|----------|------|-------|--------|
| | | SEC. | TWP. | RANGE | COUNTY |
| | | | | | |
| ADDRESS | | | | | |
| | | | | | |
| | | | | | |
| TOTAL ACRES | | | | | |

Based upon the proposed changes and any incidental boundary revisions to the permit as stated herein, a new or adjusted bond, or its equivalent, duly executed in accordance with Section 38-14.1-16 of the North Dakota Century Code and Chapter 69-05.2-12 of the North Dakota Administrative Code will be delivered to the Public Service Commission prior to issuance of the surface coal mining and reclamation operations permit herein requested. A check for filing fees, pursuant to Section 38-14.1-13 of the North Dakota Century Code, in the amount of \$ _____, is included with the revision application.

| |
|---|
| Name of Official Authorized to Represent the Applicant Karene M. Hall |
|---|

I, the above named, certify that:

1. All information and documents required by Sections 38-14.1-13, 38-14.1-14, and 38-14.1-15 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code, are submitted as part of this permit application;
2. Information and documentation contained in the permit application affirmatively demonstrate that:
 - a. The permit revision application is accurate and complete and all the requirements of Chapter 38-14.1 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code have been complied with;
 - b. Reclamation as required by Chapter 38-14.1 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code can be accomplished under the reclamation plan contained in this permit revision application;

Renewal No. 3 Request

This renewal is being requested because this permit is where the active mining is being conducted and is due to expire.

The bond for this area is sufficient and will continue for the renewal period. Liability insurance is provided and will be renewed on a yearly basis throughout the renewal period.

ACRES IN PERMIT BNCR-9702

| | | | |
|--|---------------|-----------------|---------------|
| SECTION 21 | 634.86 acres | T 142 N, R 84 W | Oliver County |
| SECTION 27 | 637.92 | T 142 N, R 84 W | Oliver County |
| SECTION 28 | 637.19 | T 142 N, R 84 W | Oliver County |
| SECTION 29 | 318.48 | T 142 N, R 84 W | Oliver County |
| SECTION 34 | 638.50 | T 142 N, R 84 W | Oliver County |
| SECTION 33 | 639.06 | T 142 N, R 84 W | Oliver County |
| SECTION 32 | 637.59 | T 142 N, R 84 W | Oliver County |
| SECTION 31 | 159.52 | T 142 N, R 84 W | Oliver County |
| SECTION 3 | 570.21 | T 141 N, R 84 W | Oliver County |
| SECTION 4 | 640.77 | T 141 N, R 84 W | Oliver County |
| SECTION 5 | 640.63 | T 141 N, R 84 W | Oliver County |
| SECTION 6 | 321.88 | T 141 N, R 84 W | Oliver County |
| SECTION 7 | 79.73 | T 141 N, R 84 W | Oliver County |
| SECTION 8 | 159.28 | T 141 N, R 84 W | Oliver County |
| SECTION 9 | 182.54 | T 141 N, R 84 W | Oliver County |
| SECTION 10 | <u>120.37</u> | T 141 N, R 84 W | Oliver County |
| 7018.53 TOTAL acres in PERMIT BNCR-9702 | | | |