



Public Service Commission

State of North Dakota

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May 21, 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 application for Revision No. 30 to NACT-8503. This revision proposes to delete 35.083 acres that have not been disturbed by Coteau's mining activities. The following items must be addressed prior to revision approval.

General:

1. Coteau is proposing to delete 35.083 acres from Permit NACT-8503 with Revision 30 but it appears that mining related disturbance may have occurred west of the box culverts, according to aerial photography included with the 2004 annual mine map (See Figure 1 below). It appears a diversion channel was cut or otherwise modified to route West Antelope Creek to the box culverts and it is not clear if low flow passes through the box culverts or through the original channel of West Antelope Creek. NDAC 69-05.2-16-07(4) requires that natural stream channels be restored after being temporarily diverted. Therefore, if low flow is being diverted from the original stream channel, then the diversion should be retained in the permit. Please review and revise the deletion boundary if necessary or clarify/demonstrate that the area was not disturbed by mining activities. (GAW/FSE)
2. It appears that ground water monitoring wells MP85-P01 and MP85-P02 are located within the proposed deletion area at the northwest corner of the tract. At a minimum, please describe what effect, if any, deletion of this tract from the permit area and subsequent planned construction activities within the deletion area will have on these wells, which have been providing valuable Antelope Creek Aquifer ground water data for the past 30 years. (BEB)

3. Mohl Drilling, Inc. installed a deep production well into the Antelope Creek Aquifer within the proposed deletion area in August, 2012 as a potential supply or supplement to Coteau's nearby water loadout facility. Because installation and development of this well was a Coteau project in a mining permit area, please describe whether or not this well has or will be decommissioned, or alternatively, plans for transfer of this well from Coteau to DGC. NDAC 69-05.2-16-16 provides the performance standards for ownership transfer of exploratory and monitoring wells, and the transfer of water supply or production wells has historically been deemed to fall within these same performance requirements in previous bond release applications. Also, please discuss the amount of area that was affected by the installation of this well and address Coteau's plans for this well or validate whether or not this well has been properly decommissioned. (BEB)

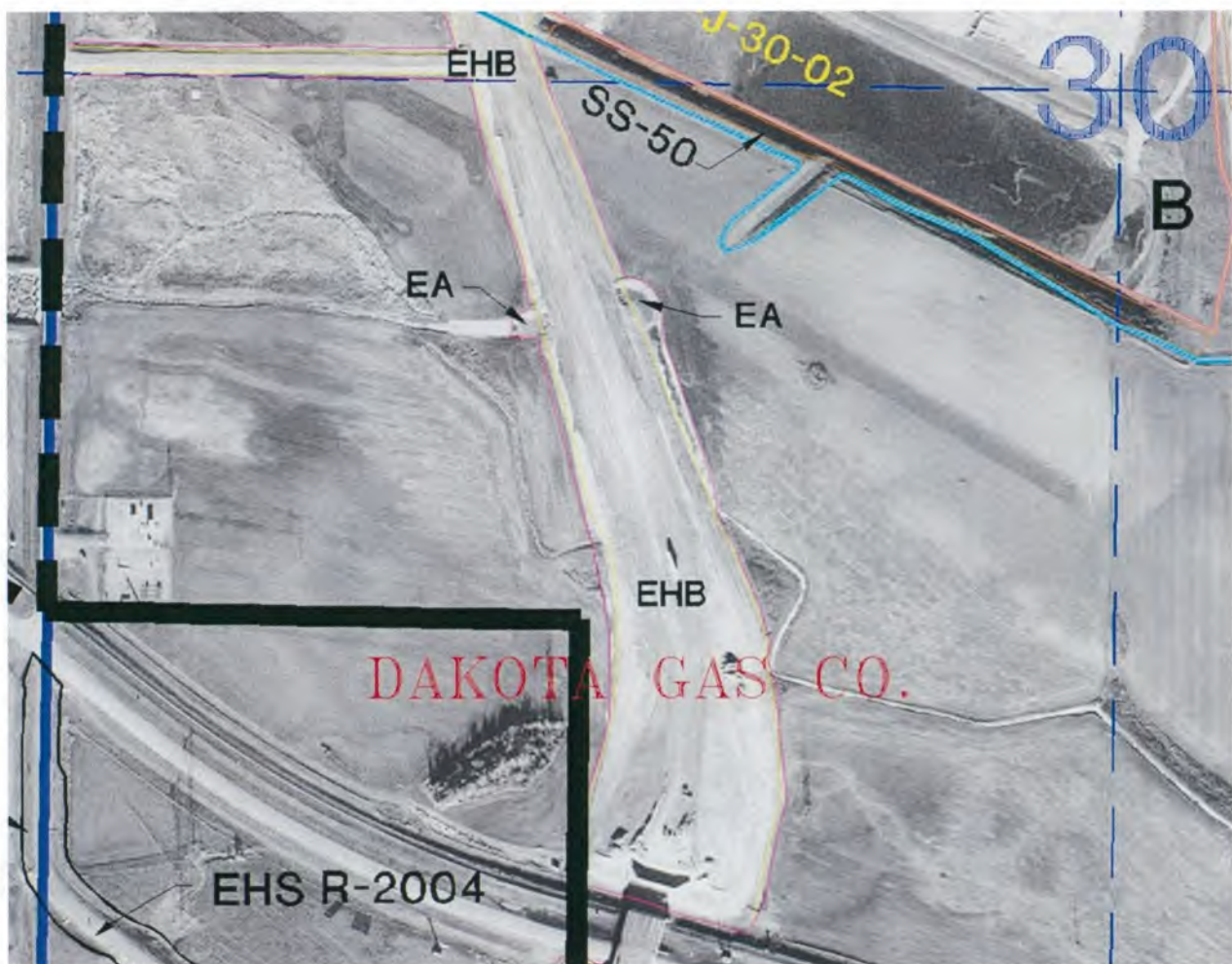


Figure 1

Mr. Troy Leingang

May 21, 2015

Page 3 of 3

Section 4.1.2 Post Mining Land Use Map

4. Please revise the Post Mining Land Use Map, Section 4.1.2, to identify the Revision 30 deletion area as was done with Revision 23. Also update the post-mine land uses of the deletion area and keep the bond release areas on the map. (GAW/WTG)
5. Please include Tract Numbers and boundaries on the Post Mining Land Use Map, Section 4.1.2, so that the information in Pre- and Post-Mining Land Use Acreage Comparison Table, Section 4.1.3, is able to be cross-referenced. (GAW)
6. The Post Mining Land Use Map, Section 4.1.2, depicts an area in the Revision 23 deletion tract that indicates the area was disturbed. The area is double cross hatched with the label "coal was not mined in this area thus most was not disturbed". Please review and revise to clarify that the disturbed land area within the deletion tract was not the result of mining activities. (We assume it was disturbed by DGC.) (GAW)

Section 4.1.3 Pre- and Post-Mining Land Use Acreage Comparison Summary

7. Please retain the "Total Acres" column in Table 4.1.3, *Pre- and Post-Mining Land Use Acreage Comparison Summary*, and revise so that the information is intelligible. Notes at the bottom of the table discuss bond releases and previous deletion areas and it is stated that this acreage is included in the table but removed from the total acreage calculations. Please revise so that the information in the table is comprehensible. (GAW/WTG)

If you have any questions, please contact this office.

Sincerely,



James R. Deutsch
Director
Reclamation Division