



Public Service Commission

State of North Dakota

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July 6, 2015

Jay M. Volk, Ph. D
Environmental Manager
BNI Coal, Ltd.
2360 35th Ave. SW
Center, ND 58530-9499

Dear Mr. Volk:

The Reclamation Division has conducted a technical review of BNI Coal's application of Revision No. 13 for Renewal No. 4 to Permit BNCR-9401 at the Center Mine. The following items must be satisfactorily addressed before the Reclamation Division will recommend Commission approval of these applications at the August 12th Commission meeting. We would appreciate a response to this letter by July 15th in the event that additional follow-up to items is necessary. The current term for Permit BNCR-9401 expires August 15, 2015. Please note that most items are in follow-up to numbered items in our February 23, 2015 pre-renewal review letter, although there are some new items that will require only minor changes to the revision application.

Section 1.9 Surface and Coal Ownership

1. Please fix the link to [Appendix 1-2] in the 2nd paragraph in Section 1.9 on page 1-15. (ZAB)

Plate 1.9-1 Surface and Coal Ownership

2. Follow-up to item No. 7: Please revise the permit area fill color on Plate 1.9-1 to correspond to the permit boundary (magenta fill color within the permit area and yellow fill color outside of the permit area). (WTG/RLK/FSE/ZAB)
3. Follow-up to item No. 7: Please remove the unlabeled line in the NE1/4 of Section 5 on Plate 1.9-1. Although not required, please consider labeling the surface and coal ownership in Section 5 with one label in each quarter section. (ZAB)
4. Follow-up to item No. 7: Please remove the labels located in Section 31 on Plate 1.9-1. The label lines point to tracts in the SW1/4 of Section 32 that are already labeled. (ZAB)
5. Follow-up to item 8a: Please label Section 31 (T142N, R83W) on the plate's left side. (WTG)

Section 1.12 Other Licenses and Permits

6. Please review the discussion for Minnkota Power Cooperative's inert waste landfill permit IT-205 in Section 3 on page 1-24. We suggest replacing the last sentence with narrative that indicates the ash cell in Section 3 was not needed and the area will be reclaimed. (ZAB)
7. Please review the second sentence in the narrative for MPC's water discharge permit NDR05-0012 because the text appears to be a copy paste error from the permit above. Remove NDPDES permit ND-0000370 from the narrative or revise as appropriate. (ZAB)
8. Although BNI is not required to do so, please consider updating the butterfly ponds (former SP-030) narrative in Section 1.12 to indicate that the former ponds were reclaimed in 2014. (WTG)
9. In Section 1.12, please consider removing the expiration dates from the Minnkota permits in subsection 3. The air pollution permit expired in May and several other permits are due to expire this fall. Removing the phrase, "and expires on..." from the solid waste, water discharge and air pollution permits would eliminate questions on the status of these permits. (ZAB)

Section 1.14- Appendix 1.14-1 Proof of Liability Insurance

10. Please remove the copy of the St. Paul Fire and Marine Insurance Company Surety Bond No. 400JH6482, effective August 16, 1995, from Section 1.14. Surety bonds are not normally included in the permit document and this surety bond is no longer current. (ZAB)

Appendices

11. In Appendix 1.5, please change the *Revision 13- Permit Renewal* bookmark to *Revision 13*. (ZAB)

Section 3.4 – Surface Water

12. Please consider updating the first paragraph of the Area Surface Water Resources narrative in Section 3.4.1. A statement is made that there are two reservoirs in the general area (Nelson Lake and Square Butte Creek watershed dam No. 4). However, the Square Butte Creek watershed reservoir is SCS Dam No. 5, not No. 4, and the Hagel Creek watershed reservoir is SCS Dam No. 4. Since both reservoirs are equidistant from the permit area, please update the narrative to describe and correctly identify both reservoirs. (BEB)

Section 3.5 Pre-Mining Land Use

13. Follow-up to item No. 25: Please fix the link to [Plate 3.5-1A] that was added after Table 3.5-1. (ZAB)

Plate 4.1-1 Pit Layout and Facilities Map

14. Follow-up to Item No. 32: Please show the haul road extending from Hagel Creek to the east permit boundary at the north end of the permit area on the Pit Layout and Facilities Map. The facility had been shown on the now removed Plate 4.2-1. (RLK)

Section 4.4 – Blasting Plan

15. Follow-up to item No. 34: Please review the new narrative in the first paragraph on page 4.4-1 that states no blasting agents or explosives are currently being stored within BNCR 9702 and revise if the intent was to state no blasting agents or explosives are currently being stored within BNCR 9401. (ZAB)
16. Follow-up to item No. 34: Please review the blasting narrative on page 4.4-1 because the blasting narrative provided describes blasting and blasting agent storage plans, pre-blast surveys, public notice, etc. for Permits BNCR-1101 and BNCR-9702, which is fine because of the proximity of BNCR-1101 to this permit. However, the new narrative on page 2 stating blasting will not occur within the boundary of BNCR-9401 should be moved to the first paragraph of this section. (BEB/ZAB)
17. Please review the sentence, “*Owners of buildings and manmade structures located within one mile of Permit BNCR 9702 and either have been notified or...*,” on page 4.4-2. It appears the portion of this sentence following *and* was accidentally deleted. Revise as appropriate. (ZAB)

Section 4.6 – Surface Water Management Plan

18. Follow-up to item No. 41b: Please update the Surface Water Management Plan Map, Plate 4.6-1, to show the index contour elevations on the map. At a minimum, elevations should be provided for those areas within and adjacent to the BNCR-9401 permit area. (BEB)

Section 4.15 – Signs and Markers, Socioeconomics...

19. Please update the Socioeconomic Information subheading narrative that is provided in this section which describes continuation of mining in BNCR-9702, development of a new mining area, hiring of additional positions, etc. There are no dates, revision reference, or any other information provided in the narrative for the reader to determine when these statements were relevant. Please update as necessary. (BEB)

4.14 Reclamation Cost Estimate for Bonding Purposes

20. Follow-up to item No. 47: Please clarify if the Minnkota Access Road will be constructed and included in the worst case cost estimate for this permit term. Section 4.5 states that the road will be constructed in 2016, but Section 4.14 states Minnkota is no longer requesting this road and it is not included in the worst case cost estimate. If the road will not be constructed, please update all related sections. Also, according to Section 4.5, Haul Road E will not be built until 2023 but it is included in the worst case cost calculations for bonding. Please review and make the appropriate corrections. (FSE)

4.14-1 Worst Case Reclamation Cost Estimate

21. Please revise the volumes for stockpiles MI5SO5 and SW5T02 as it appears that the volumes provided in the calculations do not match the volumes shown in the 2014 Annual Map. Please revise and make the appropriate corrections. (FSE)

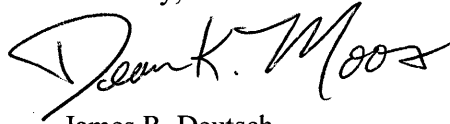
Jay M. Volk, Ph. D

July 6, 2015

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If you have any questions, please contact this office.

Sincerely,



for James R. Deutsch
Director
Reclamation Division

cc: Karene Hall
Oliver County Auditor

Minedata/Center/Permits/BNCR-9401/Revisions/No.13_No.4/Rev13_Ren4_Tech1_rvw_ltr_7-6-15