



Public Service Commission State of North Dakota

DKM

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INSPECTION REPORT

DATE OF INSPECTION: June 25, 2015
TYPE OF INSPECTION: Partial
PERMITTEE - MINE: Coyote Creek Mine
PERMITS INSPECTED: NACC-1301, NACC-1302
PERSONS ACCOMPANYING INSPECTORS: Donn Steffen, Brenden Brinkman, and Lee Becker
INSPECTION CONDITIONS: The inspection was conducted between 10:50 a.m. and 3:45 p.m. CDT. Skies were partly cloudy. The temperature was near 75° F. Access was good.

OFF-SITE REVIEW

Prior to the inspection we met with Casey Voigt, landowner, at his request to discuss the recent heavy rain events and his observations of activities at the Coyote Creek Mine. He indicated that as a result of heavy rains that occurred over the area on June 19th, the flow in Coyote Creek increased substantially but (we were told) the creek did not overtop the bridge structure located in the NW¹/₄SE¹/₄ of Section 31. However, the creek did over top the bridge on Monday June 22nd as a result of additional heavy rains that occurred in the upper portions of the Coyote Creek watershed on June 21st. He also informed us that the box culvert installation site at the Coyote Creek Mine access road flooded on June 22nd. Mr. Voigt was also concerned that exploratory drilling sites were not adequately filled and cleaned up. Mr. Voigt expressed his concern and dissatisfaction with access to his land through the Coyote Creek Mine active work areas and indicated that he and his son have been confronted by Coyote Creek personnel and told to stay out of active areas. The landowner also provided prints of photographs he apparently took from active mine related construction areas within Permit NACC-1302.

ROADS

The box culvert installation site for the Shop Access Road was reviewed. Refer to Figure 1 for an overview of the construction site. The aerial photograph in Figure 1 was coincidentally taken on June 25, 2015 during the Commission's annual mine flyover inspections. Figure 1 also depicts the photograph locations and viewing directions shown in Figure 2 through Figure 6. The site had been dewatered after the flooding event that took place on June 22nd. The box culvert site appeared to have held up reasonably well after having been inundated and having floodwater from Coyote Creek flow through the site. It

appeared that water flowed over a section of road on the south side of the box culvert excavation and resulted in some undercutting of the road along the overflow path. The remainder of the excavation appears to have acted as a stilling basin because deposition was evident over most of the area of inundation. We were told water first entered the box culvert work area from the north (back flow from the Coyote Creek channel) thus reducing the potential erosion damage in the work area from flood waters flowing over the road. On the north side of the box culvert installation, a section of channel plug appeared to have been replaced since the flood event. As indicated by mine personnel, a section of the plug about 10 foot wide was excavated to allow water in and partially drain the box culvert area. It appeared that about 4 feet of additional fill material was recently added to the plug in this area.

Mr. Steffen indicated that they became aware of the potential flooding early on June 22nd and their observations of culvert flows upstream in the watershed indicated that the flow may overtop the shop access road construction site and they began preparing accordingly. The low section in the road at the box culvert site did allow the flow from the storm event to pass through the access road without flooding a noticeable area of undisturbed land up gradient of the road. In the areas of the Coyote Creek channel observed during the inspection it appeared that the flow, while high, remained within the banks of the creek. The visual appearance of the creek and banks downstream of the road crossing work area was similar to that viewed upstream of the site. The stream bank near the culvert installation and diverted channel was photographed for comparison with photos of the area from prior inspections.

A contractor (Baranko Bros. Inc.) was staging equipment in the permit area in SESW of Section 18. The contractor was expected to begin construction of the haul road segment from Coyote Creek in Section 19 to Brush Creek in Section 10 the week following the inspection. The road was staked in the field along with the permit boundary in the areas near the planned grade separation crossing at County Road 12. Preparations were also being made to relocate a segment of power line to provide the necessary overhead clearance over the haul road.

SURFACE WATER MANAGEMENT

The truck/shovel fleet was excavating the pool area of pond P31-01 and hauling the material to the borrow area located north and west of the pond site. The pool area excavation was estimated to be about 60 percent completed. The sites for ponds P30-03 and P30-04 had been staked for construction. The trees that would have been in the footprint of the pond had been removed. The water level in pond P30-01 was about 4 feet below the permanent pool marker.

At the coal handling construction area in the SE1/4 of Section 10, the clean water diversion had been seeded and mulched and also had erosion control blanket installed on the upper half of its length. Silt fence was in-place down gradient of the earthwork activities at the coal handling site.

SUITABLE PLANT GROWTH MATERIAL REMOVAL/RESPREAD

In the SW¼ of Section 30, a dozer was pushing subsoil out of the drainage up gradient of future pond P30-03 within the area staked for the north haul road. Scrapers were picking up the material and hauling it to stockpile.

At the future coal handling facility in the SE¼ of Section 10, a contractor (Dennis Drewes Inc.) was removing subsoil and hauling the material to subsoil stockpile SS-8. An area in the SE1/4 of Section 10 was inspected for subsoil lift approval. A paper map of the area consisting of about six acres was provided during the inspection. The SPGM salvaged from the area appeared consistent with the soils map

with adjustments made for varying substratum depths. Subsoil lift approval was granted for the requested area during the inspection.

STOCKPILES

The stockpiles in the in the E $\frac{1}{2}$ SE $\frac{1}{4}$ of Section 30 had been mulched on the erosion repair areas noted in prior inspections. The stockpiles were viewed from a distance and should be rechecked during future inspection.


GROUND WATER

A well drilling contractor (Mohl Drilling) was mobilizing equipment to the W $\frac{1}{2}$ of Section 19 to install additional monitoring wells that were added to groundwater monitoring plan as part of Revision 1 to Permit NACC-1302. The additional wells are to be located in the SW $\frac{1}{4}$ of Section 19 and the NE $\frac{1}{4}$ of Section 14.


MISCELLANEOUS

In response to concerns expressed by the landowner, we questioned Mr. Steffen on the mine's drill hole reclamation practices. Mr. Steffen indicated that they have plans to have a summer intern photograph and document the condition of all of their drill locations using the GPS coordinates recorded for the drill sites. This inventory will be used by Coyote Creek to determine which drill holes require additional remediation and reclamation.

A GPS point track log of the inspection route is shown in Figure 7. Photographs taken during the inspection are on file with the Reclamation Division.



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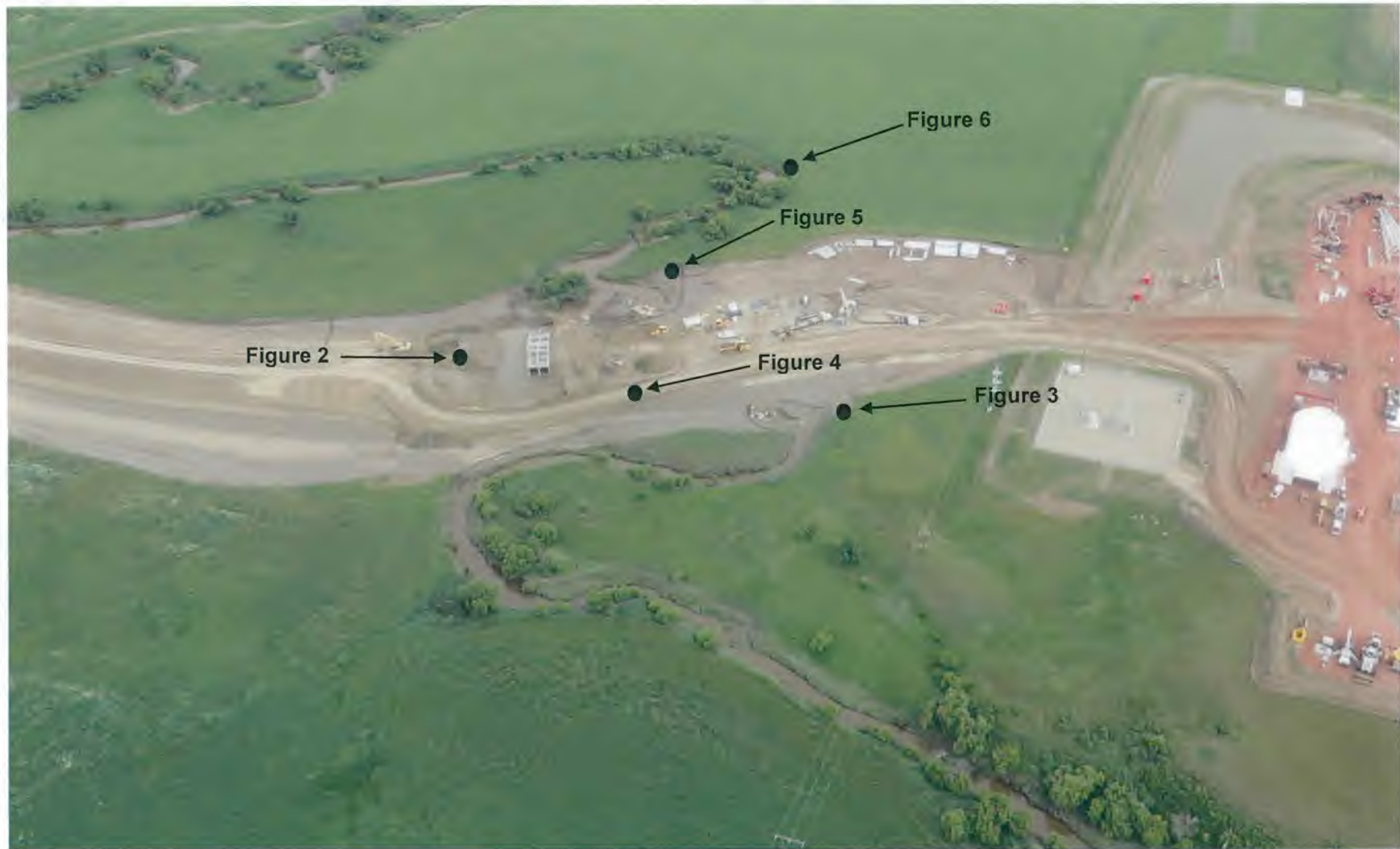


Figure 1. Ongoing box culvert installation for the Shop Access Road in Permit NACC-1302 at the Coyote Creek Mine on June 25, 2015 pictured on a 2015 mine flyover inspection aerial photograph. Points represent Figure 2 through Figure 6 photograph locations and arrows indicate general photograph direction.



Figure 2. The first of two double box culverts being installed - facing easterly.



Figure 3. Coyote Creek flow into the low flow culvert - facing westerly with the Shop Access Road on the right.



Figure 4. Box culverts on the right in relation to Coyote Creek across the Shop Access Road on the left - facing westerly.



Figure 5. Area of Coyote Creek low flow culvert outlet (not visible but about at arrow location - see Figure 1 flyover photograph) in relation to the “island” with trees to right of culvert outlet in Coyote Creek planned for removal following box culvert installation - facing southwesterly.



Figure 6. View of Coyote Creek downstream of the Shop Access Road - facing southwesterly.

