



Public Service Commission

State of North Dakota

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September 22, 2015

Cherie Harms
President
Leonardite Products, LLC
PO Box 548
Williston, ND 58802-0548

Dear Ms. Harms:

The Reclamation Division has conducted a technical review of Leonardite Products, LLC's application of Revision No. 7 for Renewal No. 2 to Permit GRGR-0501 at the Stony Creek Mine. The following items must be satisfactorily addressed before the Reclamation Division will recommend Commission action on the Revision No. 7 and Renewal No. 2 applications. We would appreciate a response to this letter **by September 30th** in the event that additional follow-up items is necessary. The October 14th Commission meeting is the last regularly scheduled meeting prior to the November 2, 2015 expiration of the current term for Permit GRGR-0501. Please note that some items are in follow-up to numbered items in our May 7, 2015 pre-renewal review letter, while others are new items that will require minor changes to the revision application.

Revision No. 7 Summary

1. Please correct the typographical error that refers to the "*primary haul rad*" for changes described to bullet four on page L-1 (II. Legal Requirements). (ZAB)
2. Please correct the typographical error that refers to "*21 months of the year*" for changes described to the waiver request in V. Operations Plan on page L-1. (ZAB)
3. Please describe changes made to the second paragraph on page O-2 (V. Operations Plan) to remove all references to the proposed inert waste landfill and property development within the permit area. (WTG)

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4. Please correct the list of maps that were revised in IX. Maps to add Map D that was revised with the Revision No. 7 application, and also add Map E-3 that we have requested to be revised in a following item in IX. Maps. (WTG)

II. Legal Requirements

5. Follow-up to item No. 2: Please rearrange the listing for Leonardite (Coal Lease) holders Section 8 on page L-3 for clarity as follows: (ZAB)
Leonardite (Coal Lease) holders Section 8
Leonardite Products, LLC, PO Box 548, Williston, ND 58502-0548
N $\frac{1}{2}$ SW $\frac{1}{4}$ - minus 34.57 acres of deleted parcel Leonardite Products
S $\frac{1}{2}$ NW $\frac{1}{4}$ - minus 14.28 acres of deleted parcel Leonardite Products
6. Follow-up to item No. 3: The SE $\frac{1}{4}$ of Section 8 was deleted from the federal Coal Owner list near the bottom of page L-3 with the Revision No. 7 application. Please add the SE $\frac{1}{4}$ parcel to the list so that the federal coal ownership listed for Sections 7 and 8 on page L-3 in the Revision No. 7 changes so it conforms exactly to the list as presented in the approved permit last updated with Revision No. 5. (ZAB)
7. Follow-up to item No. 3: Please review the private coal ownership listed for the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8 with the Revision No. 7 changes at the bottom of page L-3. The list of names and addresses includes five names as presented in the approved permit but only two names are listed with the Revision No. 7 changes. The private coal ownership listed for the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 8 with the Revision No. 7 version should conform exactly to the approved permit if no changes to names or addresses have occurred since page L-3 was last updated with Revision No. 5. (ZAB)

IV. Environmental Resources

8. Please correct in the Mining Year column for the A and F-3 Pit subareas in Table E-1 so it is consistent with Table O-1 (Mining & Reclamation Sequence). Please also complete Mining Year dates for the I Pit subareas (currently listed as 2020). (FSE)

V. Operations Plan

9. Please make the following changes as indicated by bold underscore or strikethrough to the first two sentences at the top of page O-2 to clarify soil stockpile erosion protection. (WTG)
“...is expected to remain for more than one growing season will be seeded with a perennial species to reduce wind and water erosion to protect the stockpile until seeding in the following spring. Due to the seasonal challenges ~~and the lack of proper mulching equipment in the area~~, stockpiles createds after the growing season will be protected from erosion with “snow fences” or straw waddles.”

10. Please remove the second paragraph of page O-2 that pertains to soil mixing agreements for subarea C. A reference to soil mixing agreements is no longer relevant because the entire permit area is now owned by one entity (Ellis-Olson, LLC). Please also update the Revision No. 7 Summary to indicate that the paragraph was removed. (WTG)
11. Please reference Map D (Mine Plan Map) at the end of the last paragraph on page O-2 for a depiction of the mine plan sequence described in the paragraph. (WTG)
12. Based on Table O-1 (Mining & Reclamation Sequence), please discuss plans to comply with the backfilling and grading timing requirements of NDAC 69-05.2-21-01 or discuss if variances will be necessary for the areas that will be mined during the next permit term. The current discussion on page O-7 regarding the reclamation variance request only refers to the A pit series. (FSE)
13. Follow-up to item No. 10: If necessary, please update Table O-1 (Mining & Reclamation Sequence) to the current mining and reclamation sequence as well as the proposed mining sequence for the next permit term. Pits D-1, F-1 and G-1 are scheduled to be mined in 2/2018, and Pits D-2, F-2 and G-2 in 3/2018. Please verify and make changes if necessary. Also, please update the reclamation costs to include these pits as appropriate. (FSE)
14. Please revise and update the narrative for the *Topsoil/Spoil Removal and Stockpiling* and *Description of Mining Operations* subsections on pages O-1 and O-2 to include the B-1 Pit and any other changes made since the mining sequence was modified. (FSE)

VI. Reclamation Plan

15. If changes are not made to Table O-1 (Mining & Reclamation Sequence), please update the reclamation costs for the next five year permit term to include Pits F-1, G-1 and G-2. (FSE)

IX. Maps

16. Follow-up to item No. 3: It appears that several items were inadvertently revised on Map C (Property Map) while updating the map with the Revision No. 7 changes to label the 14.28 acres deleted from the permit with Revision No. 6 approval. Map C submitted with Revision No. 7 should conform exactly to Map C last updated with Revision No. 6 with the exception of the deleted parcel label. Please revise Map C in Revision No. 7 as follows, or preferably, edit the Revision No. 6 approved version to change only the label for the 14.28 acres deleted from the permit with Revision No. 6. We may consider allowing the Revision No. 6 approved version of Map C to remain in the permit if the digital file is not available for editing. (ZAB)
 - a. Identify the coal owner in the SW¹/₄SW¹/₄ of Section 8 as federal.

- b. Identify the coal owner in the NE¹/₄NE¹/₄ of Section 7 as federal. If you wish, you could add the coal owner to the list in the upper left margin and change the title *surface owners cont'd* to **owners cont'd**.
 - c. Revise the title in the lower left margin to **SE1/4SE1/4 surface owners cont'd** or **SE1/4SE1/4 owners cont'd**.
17. Follow-up to item No. 16: Please revise Map E-3 (Soil Types and Pre-Mine Land Use added to the permit with Revision No. 5) to depict and label the 14.28 acres deleted from the permit with Revision No. 6 to be consistent with the depiction and label for acreage deleted with Revision No. 4 as follows: “14.28 acres deleted from permit with Revision No. 6”. Please also revise Map I (Post-Mining Land Use) to depict industrial and commercial postmine land use for the entire permit area that was approved with Revision No. 5. Map I submitted with Revision No. 7 incorrectly depicts Native Grassland postmine land use for a portion of the permit area. (WTG/ZAB)

Collateral Bond No. LC-GRGR-0501-02 in the amount of \$170,015 supported by a letter of credit issued by the First National Bank & Trust Co. of Williston be increased to cover the worst case reclamation cost estimate updated with the Revision No. 7 application and pending any changes to the estimate in response to items in V. Operations Plan. Additional bond must be filed with the Commission before this revision can be approved.

Please contact us if you have any questions.

Sincerely,



James R. Deutsch
Director
Reclamation Division

cc: Williams County Auditor