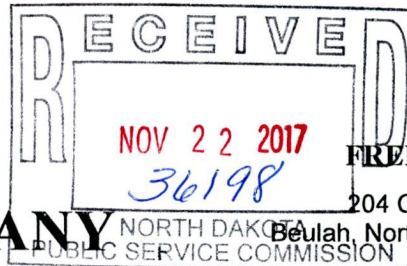


THE COTEAU PROPERTIES COMPANY

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION



FREEDOM MINE

204 County Road 15

Beulah, North Dakota 58523-9475

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November 21, 2017

Mr. Dean K. Moos
Director Reclamation Division
Public Service Commission
600 East Boulevard Avenue
Department 408
Bismarck, ND 58505-0480

Dear Mr. Moos:

Enclosed are three discs containing Final Bond Release #7 to Permit NACT-9101. Responses below refer to technical deficiencies in your November 9, 2017 letter:

Attachment VIIIa – Vegetation Management and Production

1. *Follow-up to Item No. 7: The narrative in the third paragraph under the heading Revegetation Success in Attachment VIIIa was not revised with other updates made in response to this deficiency. The narrative states that the reclaimed tract was seeded to hard red spring wheat each year from 2011 to 2015 but the reclaimed cropland survey for 2015 indicates that hard red winter wheat was grown on the reclaimed tract. Also the narrative for the cropland control area tract needs to be updated to reflect the actual crops grown on the control area tract 18WOLF7 in 2015. (RLK)*

The narrative has been revised to reflect the actual crops grown on those fields.

2. *Follow-up to Item No. 9: Please revise Attachment VIIIa to include a discussion about the reclaimed county road, which is considered Industrial and Commercial land per NDAC 69-05.2-23-02. Areas of the road right-of-way that are not paved or surfaced must have ground cover adequate to control erosion as required by NDAC 69-05.2-22-07(4)(j). Please revise Attachment VIIIa as necessary to demonstrate revegetation success. (GAW/RLK)*

A paragraph describing the road was added under the revegetation success sub-heading.

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Coteau response to third technical review letter
Coteau Properties Company
Kyla Torgerson

Attachment VIIIb – Vegetative Productivity Standards for Cropland

3. *Follow-up to Item No. 10: Step 1 of Attachment VIIIb, Cropland Productivity Standards, incorrectly indicates that the weighted average yield of the undisturbed prime farmland is 22.4 bushels per acre. Please revise the Section 21 undisturbed prime cropland productivity standard calculations on page 4 of Attachment VIIIb and the yearly standards listed on pages 1 through 3 of Attachment VIIIb, accordingly. It appears that the undisturbed prime farmland unadjusted standard should be 32.56 bu/ac rather than 22.4 bu/ac. (GAW/RLK)*

Calculations in Step 1 of Attachment VIIIb have been revised to reflect the correct unadjusted standard of 32.3 bu/ac as shown in the CVSS. This caused changes to the weighted standard, which was updated throughout the bond release package.

Attachment VIIIc – Yield Calculations and Test Weight Comparison

4. *Follow-up to Item No. 11: The 2015 control area yield calculation was updated to include changes that are not necessary as a result of the realization that spring wheat was not grown on control area field 18WOLF7. The revised acreage of 20.5 acres appears appropriate but the changes to the total gross bushels and adjustments for dockage and test weight changes do not agree with the truckload delivery scale ticket provided in Attachment VIIIc. Please correct the yield calculations as appropriate. (RLK)*

Yield calculations have been updated to accurately reflect the bushels shown on the scale ticket. This change in yield calculations was also updated in the calculations in Attachment VIIIb.

5. *Follow-up to Item No. 13: The photography available for the 2012 crop year does not support the assertion that all three fields within the control area were planted to spring wheat on the same day as indicated on the crop reporting forms provided. Please consider including an explanation for the difference in crop appearance depicted on the available photography or revise the discussion as appropriate. (RLK)*

We spoke with the producer utilizing this field and he confirmed that spring wheat was planted on all three fields within the control area. It is possible that planting occurred on different days, resulting in the difference in crop appearance.

Attachment VIId – Control Area and Reclaimed Cropland Surveys

6. *Follow-up to Item No. 17: As previously requested, please develop separate unadjusted cropland productivity standards for each strip of cropland in Luella and Gerald Wolf's cropland control area located in Section 18 if only portions of this cropland control area are being used to demonstrate revegetation success. The unadjusted yield standard, 30.9 bu/ac, is not valid if the entire cropland control area is not being used. Coteau is proposing to use only Wolf fields 5 and 6 to demonstrate revegetation success in 2015 and these two*

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strips do not contain any prime farmland, which is problematic. Only Wolf field 7 is being used in 2013 and it appears the unadjusted standard for this field should be higher than the value calculated for the entire control area. Please revise as necessary to demonstrate revegetation success. (GAW/RLK)

Individual standards were created for each tract within the Section 18 control area (18WOLF5, 18WOLF6, and 18WOLF 7). These standards were included in Attachment VIIIb. The updated, individual standards were incorporated into the calculations to prove revegetation success. For 2015, the average weighted yield between 18WOLF5 and 18WOLF6 was used.

If you have any questions, please contact me.

Sincerely,

THE COTEAU PROPERTIES COMPANY



Kayla Torgerson
Environmental Specialist

KBT:ajh
Enc.

cc: Shana Brost, Mercer County Auditor (w/enc.)
Lynelle Kraft, NACoal Land Office (w/enc.)