



Public Service Commission

State of North Dakota

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June 20, 2018

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 the application for Bond Release No. 1 (final) to Permit GRGR-0501 at the Stony Creek Mine revised January 29, 2018 and submitted in response to our October 25, 2017 initial review letter. Please recall that some items identified as future technical review items in the initial review letter have been resolved through the division's January 18, 2018 electronic mail correspondence review of the draft revised application dated January 8, 2018 submitted in response to the initial review letter. Please also recall that the January 18, 2018 electronic mail correspondence review noted the need for a revised bond release boundary to be evaluated during the bond release inspection that occurred on March 21, 2018. Interstate Engineering, Inc. submitted a CAD drawing of the revised bond release boundary on April 9, 2018 that was followed with a drawing certified by a Registered Land Surveyor on April 27, 2018. The revised bond release boundary was evaluated during the April 27, 2018 Stony Creek Mine inspection and deemed acceptable.

The following items must be satisfactorily addressed before the Reclamation Division will recommend Commission action on the bond release application.

Application for Final Release of Bond for Surface Coal Mining and Reclamation Operations (SFN 19813 revised 1-2004)

1. Please revise the bond release acreage listed in three places on page 1 of the application form to replace the 15.49 acres for the original bond release boundary with the 15.15 acres for the April 9, 2018 revised bond release boundary. Please also update the revised application date in the upper right-hand corner of page 1. (WTG/BEB/ZAB)
2. Please update the bond reduction amount on page 1 of the application form if any change in the amount has been made commensurate with the April 9, 2018 revised bond release boundary acreage. (BEB)
3. On page 3 of the application form, check the box in front of the statement, "*If bond release for vegetation establishment (Stage 3) has not been obtained, documentation that suspended solids*

are not being contributed to stream flow or runoff outside the permit area in excess of that allowed by NDAC 69-05.2-16-04. (ZAB)

Attachment I - Section Breakdown

4. Please replace the original bond release boundary drawing and metes and bounds description certified by a Registered Land Surveyor on November 13, 2017 as Attachment I with the April 9, 2018 revised bond release boundary and metes and bounds description certified by a Registered Land Surveyor on April 27, 2018. (WTG/BEB/ZAB)

Attachment II - Metes and Bounds Description

5. Please replace the metes and bounds description for the original bond release boundary drawing as Attachment II with the metes and bounds description for the April 9, 2018 revised bond release boundary drawing. (WTG/BEB/ZAB)

Attachment V - Aerial Photograph Final Bond Release Map

6. Please revise the heading of Attachment V to insert "*Photograph*" as noted above. (WTG)
7. Please replace the original bond release boundary depicted on Attachment V with the April 9, 2018 revised bond release boundary. (WTG/BEB/ZAB)
8. Please replace what appears to be the 2010 USDA-NAIP aerial photograph used as the photograph base on Attachment V with the 2017 USDA-NAIP aerial photograph that pictures the most recent pit excavation. (WTG)

Attachment VI - Final Bond Release No. 1 to Permit GRGR-0501 Inert Waste Landfill Topography and Cell Boundaries

9. Please update the heading and bookmark of Attachment VI that currently reads "*Final Bond Release No. 1 to Tract GRGR-0501*". The word "Tract" should be replaced with the word "Permit" as indicated above. (BEB)
10. Please revise the heading of Attachment VI to insert "Waste" as indicated above. (WTG)
11. Please replace the original bond release boundary depicted on Attachment VI with the April 9, 2018 revised bond release boundary. (WTG/BEB/ZAB)

Attachment VII - General Information

12. Please revise the bond release acreage listed in two places of Attachment VII to replace the 15.49 acres for the original bond release boundary with the 15.15 acres for the April 9, 2018 revised bond release boundary. (WTG/BEB/ZAB)
13. Please revise the first sentence of the first paragraph of Attachment VII to replace the reference to the "*enclosed maps*" as depicting bond release acreage with a reference to "*Attachments I, V, VI, and VII*" as depicting the bond release acreage. (WTG)

14. Please revise the following passage in the first paragraph of Attachment VII as follows for clarity as indicated by strike-through or underscore: *"The land is included in Permit GRGR-0501, which was approved by the Public Service Commission on November 2, 2005 and issued to GeoResources, Inc. The permit was transferred to Leonardite Products, LLC on October 30, 2008. The land has ~~since been reissued and~~ mined by GeoResources, Inc. and Leonardite Products, LLC. ~~The permit was transferred to Leonardite Products, LLC on October, 30 2008."~~* (WTG/ZAB)
15. The third paragraph in Attachment VII provides a statement that overburden, subsoil, and topsoil stockpiles are located within the bond release tract and will be dedicated to the inert waste disposal facility for reclamation. Please specifically state that the overburden, subsoil, and topsoil in these stockpiles were derived from the bond release tract, and provide the quantities of those stockpiled materials (in cubic yards) to provide verification that the stockpiled quantities of overburden and soil is sufficient for inert waste facility closure and reclamation in the future. (BEB)
16. Please add to the stockpile discussion previously mentioned for Attachment VII to describe the stability of the stockpiles that will be bond released. Please describe the containment berms surrounding all of the stockpiles, the adequacy of the vegetative cover and reseeded efforts on the stockpiles, as well as other BMP's utilized on the stockpiles to minimize wind and water erosion (hay/straw bales and waddles). (BEB)
17. In the discussion of surface water runoff provided in the fourth paragraph of Attachment VII, please add a statement verifying that no surface water was discharged off permit from the bond release tract during mining. This statement will provide the required evidence that there were no contributions of suspended solids to streamflow or runoff outside the permit area. (BEB)
18. Narrative in Attachment VII should be updated to provide some basic hydrologic bond release information stating that there were no premine wetlands, water wells, stock dams or any other type of developed water resources located within the bond release tract and hence; none of those features will require replacement in the postmine setting. (BEB)
19. Please update the bond reduction amount in Attachment VII if any change in the amount has been made commensurate with the April 9, 2018 revised bond release boundary acreage. (BEB)
20. Please replace the original bond release boundary depicted on Attachment VIIi (Surface Owner Map) with the April 9, 2018 revised bond release boundary. (WTG/BEB/ZAB)

Attachment VIII - Other Approvals


21. Please change the legal description of Permit GRGR-0501 on the introductory page of Attachment VIII from the SW $\frac{1}{4}$ Section 8, T154R, R100W to portions of the S $\frac{1}{2}$ NW $\frac{1}{4}$ and the N $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 8, T154N, R100W. (ZAB)

Attachment IX

22. Please add an Attachment IX to the bond release application that includes a new reclamation cost estimate and explain how the amount requested for bond release was calculated as required by NDAC 69-05.2-12-12(10). Please provide the following items: (ZAB/BAJ/JSP)
- a. An updated Mining and Reclamation Sequence (Table O-1).
 - b. An updated Mine Plan Map (Map D).
 - c. The updated worst case bond estimate calculations on pages R-7 and R-8.
 - d. An updated mining narrative on pages O-1 and O-7 as appropriate.
 - e. Calculations or explanation of how the amount request for bond release was calculated.

Please contact us for assistance with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Dean K. Moos". The signature is fluid and cursive, with the first name "Dean" being the most prominent.

Dean K. Moos
Director
Reclamation Division

cc: Lonni Fleck - Interstate Engineering, Inc. (Lonni.Fleck@interstateeng.com)