

PUBLIC SERVICE COMMISSION

State of North Dakota

Memorandum

To: Commissioners Christmann, Kroshus and Fedorchak
Executive Secretary Darrell Nitschke
Chief Counsel Illona Jeffcoat-Sacco
DKM WT

From: Dean Moos and Bill Dodd - AML Division

Date: March 6, 2018

Subject: AML's 2018 Grant Application and Major AML Reclamation Projects

On February 26, we received notice that OSM allocated North Dakota \$2,802,000 for the next AML grant period that begins March 1, 2018. We should have been allocated \$3,000,000 this year as a minimum program funded state, but this amount was reduced 6.6% due to sequestration. Attached is the 2018-2021 AML Simplified Grant Application. Commission approval is requested to submit this grant application to OSM. The major AML reclamation projects are also described in the grant application.

The AML Division plans the following AML projects in 2018:

2018 Wilton Phase 4, Shell Lake and Williams County Road 9 Phase 7

Project: This drilling and grouting project will be a continuation of work begun in 2015 to stabilize collapsing underground coal mines along and beneath North Dakota State Highway 36, near Wilton in Burleigh County. The proposed project also includes stabilization of underground coal mines at a farmstead about 14 miles north of Parshall, in Mountrail County and at two businesses along Williams County Highway 9, near Williston, in Williams County. Reclamation will be accomplished by drilling into the mine workings and pumping pressurized grout into mine voids. This work will entail rotary drilling, casing, pumping grout and grout testing. Approximately 35,000 feet of rotary drilling, 6,000 feet of casing and 7,000 cubic yards of grout will be required. Work will be conducted between June and September 2018. The estimated cost of this multiple-site project is \$1.6 million.

Morton County: This 36-acre project will eliminate about 2,850 feet of dangerous final pit highwalls at two abandoned surface coal mines located in Morton County. The Carrick Site includes 1,600 feet of highwalls on 24 acres, located approximately eight miles west and 2.5 miles north of New Salem. The Nilles Site includes 1,250 feet of highwalls on 12 acres, located about five miles west and 2.5 miles north of New Salem. These mine sites are characterized by steep highwalls that are about 15-40 feet high. The highwall at the Carrick Site is within 500 feet of a public road. The highwall at the Nilles Site is within 150 feet of cultivated fields and about 500 feet from a public road. Proposed reclamation work involves backsloping and backfilling the highwalls, with earthen material from adjacent spoil piles. About 120,000 cubic yards of spoil material will need to be moved in the reclamation process. The estimated project cost is \$300,000.

Sinkhole Filling, Maintenance and Emergencies: Some available construction funds, approximately \$100,000, will be used in 2018 to fill hazardous sinkholes caused by collapse of underground mines. This is the continuation of the 2017-2018 Sinkhole Filling Project, begun in 2017. Some funds may be used to conduct maintenance work on reclaimed sites. If necessary, some of these funds may also be used for emergency reclamation projects.

Total estimated project costs for 2018 are \$2,000,000. The 2018-2020 AML Reclamation Simplified Grant application has been prepared to request the \$2,802,000 in federal funds that OSM has allocated for our next grant period. With an estimated \$1.55 million in carryover monies from last year's grant and the construction funds that we will be receiving in our 2018 AML grant, we expect to have more than \$3 million in construction funds available for this year's projects. About \$1 million of the total grant amount will be needed for staff salaries, travel and other operating costs to design and manage the projects and to cover other administrative expenses. The administrative portion of the 2018-2021 grant will cover a one-year time period, while the construction period can go three years, until February 28, 2021, if necessary.

Attached is a motion for the March 14, 2018, Commission meeting to approve the major AML construction projects for 2018 and to submit the next AML grant application to OSM.

Attachment

M O T I O N

March 14, 2018

**2018 - 2021 AML Grant
ND AML Simplified Grant
Application**

Case No. AM-18-86

I move the Commission approve the 2018 Wilton Phase 4, Shell Lake and Williams County Road 9 Phase 7 AML Project, the 2017 Morton County AML Project, and the 2017-2018 Sinkhole Filling AML Project for abandoned mine reclamation in 2018 and submit the 2018 - 2021 North Dakota Abandoned Mine Lands Simplified Grant Application to the Office of Surface Mining to request \$2,802,000 in federal funds.

WED/DKM