

PUBLIC SERVICE COMMISSION

Reclamation Division

Memorandum

TO: Commissioners Fedorchak, Christmann, and Kroshus
Steve Kahl, Executive Director
John Schuh, General Counsel

FROM: *Dkal*
Dean Moos, Zanna Brinkman, and Bruce Beechie

DATE: February 17, 2021

SUBJECT: Application for Permit No. NACT-1801, Coteau Properties Company, Case No. RC-18-408

On December 26, 2018, The Coteau Properties Company filed the application for Surface Coal Mining Permit NACT-1801 with the Public Service Commission to consolidate five existing permit areas at the Freedom Mine. The new permit area as provided in the newspaper public notice is shown on **Figure 1**. A color aerial photo map showing the new permit area and bond release tracts is provided in **Figure 2**. The Reclamation Division has completed its review of this permit application and respectfully recommends that it be approved.

Permit NACT-1801 is a consolidation of five existing Freedom Mine Permits (NACT-8102, NACT-8203, NACT-8401, NACT-8503, and NACT-8601) totaling 5272.142 acres located about 6 miles north of Beulah within all or portions of Sections 12, 13, and 24 of T145N, R88W, and Sections 7, 8, 17, 18, 19, 20, 29, and 30 of T145N, R87W, Mercer County, North Dakota. Coal removal within the consolidated permit area is complete and any remaining unmined tracts are permitted for surface disturbance only. No previously unpermitted acreage is included in Permit NACT-1801. (Eight (8) non-contiguous tracts totaling about 900 acres within the five consolidation permit areas have already received final bond release and are not included in the NACT-1801 permit area.) Portions of the consolidated permit area will be used to support mining activities in other permit areas at the Freedom Mine. The remaining support activities include the shop/office complex, coal handling facility, soil and overburden stockpiles, water management structures, access roads and haulroads. The majority of disturbed areas within Permit NACT-1801 have been reclaimed.

The five consolidation permits currently exist as "paper permits" and the consolidation of those permits into Permit NACT-1801 is now provided in electronic format. The Reclamation Division is required to conduct a permit pre-renewal review every five years and a midterm permit review every five years (during the midterm of the permit) for each permit area and consolidating the five permits into one permit will significantly reduce permit review time for the Reclamation Division and will also provide a significant reduction in time and resources required by Coteau personnel to update those permits as a result of our required permit pre-renewal and permit midterm reviews. Once Permit NACT-1801 is approved, Coteau Properties Company will submit a revision to each of the five permits included in the consolidation to close those permits.

Eleven (11) standard conditions and one (1) special condition are attached to the permit approval. One special condition that was attached to the approval of Revision 38 to Permit NACT-8102 was still a valid special condition for Permit NACT-8102. The special condition deals with success standards for single row shelterbelts. This issue was properly addressed in NACT-1801, therefore, the special condition is not necessary.

The consolidation permit area acreages, original permit approval dates, dates of final coal removal, and tonnage of coal extracted from each of the permit areas are listed below.

- Permit No. NACT-8102 consists of 1352.7349 acres and was approved by the Commission on October 5, 1981. Coal removal from Permit NACT-8102 was completed in 1993 and approximately 24 million tons of coal were extracted from the permit area.
- Permit No. NACT-8203 consists of 1155.3868 acres and was approved by the Commission on July 7, 1983. Coal removal from Permit NACT-8203 was completed in 1989 and approximately 24 million tons of coal were extracted from the permit area.
- Permit No. NACT-8401 consists of 159.5231 acres and was approved by the Commission on July 3, 1984. There was no coal removal from this permit area as it was used for haulroads, sediment ponds, and SPGM stockpiles.
- Permit No. NACT-8503 consists of 1831.969 acres and was approved by the Commission on August 7, 1986. Coal removal from Permit NACT-8503 was completed in 2007 and approximately 27 million tons of coal were extracted from the permit area.
- Permit No. NACT-8601 consists of 772.528 acres and was approved by the Commission on July 28, 1987. Coal removal from Permit NACT-8601 was completed in 1992 and approximately 25 million tons of coal were extracted from the permit area.

The Coteau Properties Company published the permit application notice in the Beulah Beacon and Bismarck Tribune newspapers in November and December 2019. The last publication date was December 12, 2019. We notified the appropriate agencies and affected landowners of the permit application. No objections or requests for informal conference were received on the application.

Coteau Properties Company filed the required bonding documents for the new permit area as required by NDAC 69-05.2-12 and the Reclamation Division has determined the collateral and self-bonds in the amount of \$146,000,000 is satisfactory at this time for this permit and others at the Freedom Mine.

Also attached for your consideration at the February 17, 2021 Commission meeting are the proposed motion, permit approval form that includes the required findings, permit conditions, and the newspaper notice that we must publish.

Attachments

Mine Data\Freedom Mine\Permits\NACT - 1801\Approvals\Memorandum_2-17-2021

Figure 1.

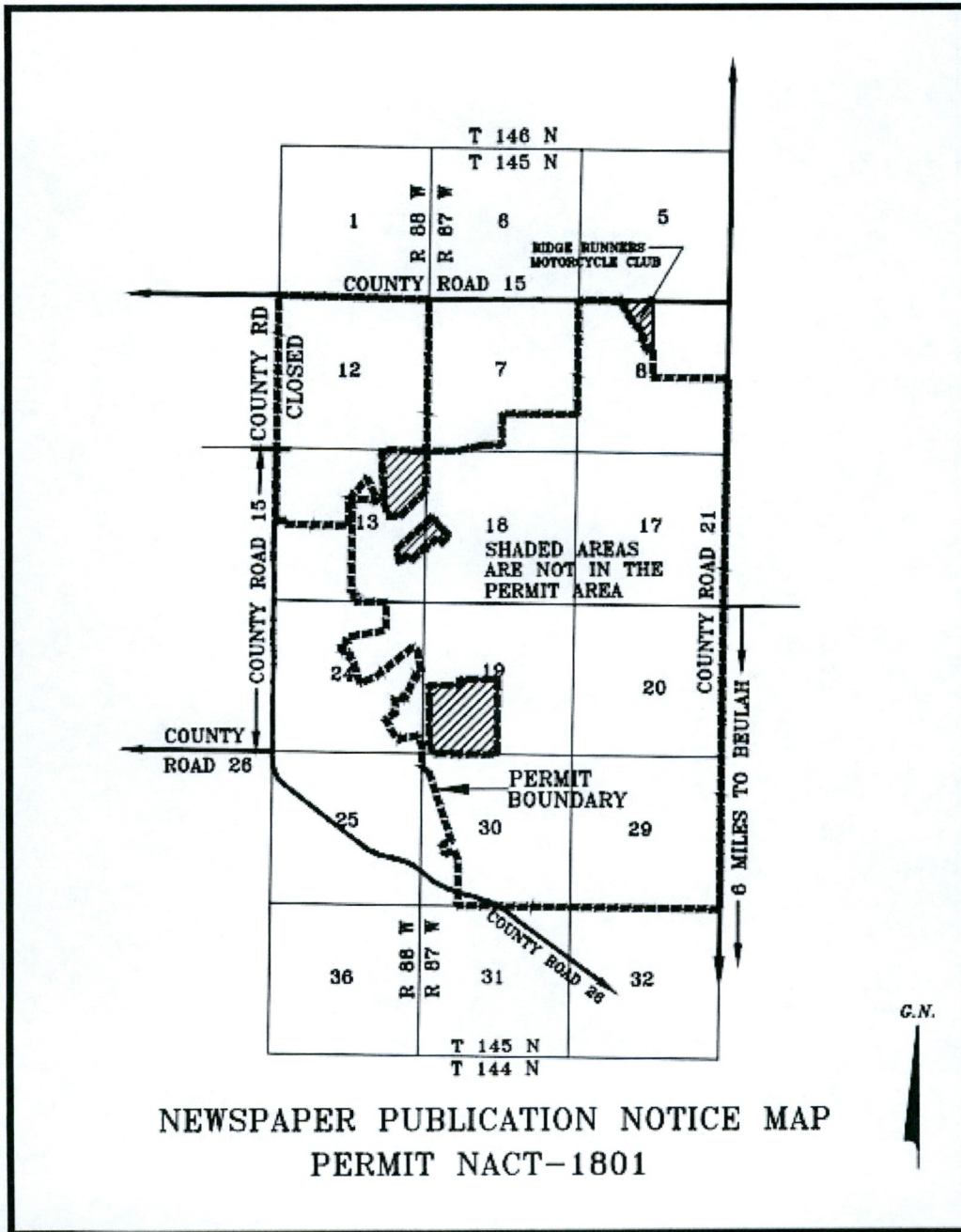


Figure 2.

