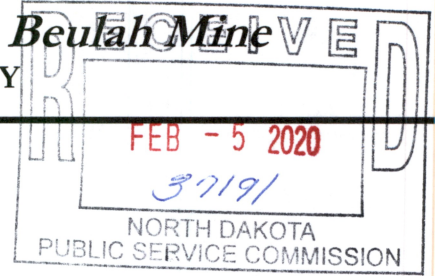




Dakota Westmoreland Corporation - Beulah Mine
A Subsidiary of WESTMORELAND COAL COMPANY



January 31, 2020

Dean K. Moos
Director Reclamation Division
North Dakota Public Service Commission
600 E Boulevard Ave, Dept. 408
Bismarck, ND 58505-0480

Dear Mr. Moos:

Attached are (a) the responses to both the mid-term review to permit KRSB-8603 dated February 13, 2019, (b) the completeness review for Revision 32 to permit KNSB-8603, and (c) three copied of the updated electronic permit KRSB-8603. Overall, the responses to both documents and the updated permit include changes necessary because of the IRP issued by MDU. The IRP essentially changed all facets of the permit because of the shortened mine life. Please feel free to contact me should you have any questions.

Sincerely,

Jesse Noel, P.E.
Director, Environmental & Regulatory
U.S. Operations
Westmoreland Mining LLC

Cc: Scott Aberle



January 31, 2020

**Comment/Response to Feb. 5, 2019 PSC letter
Completeness Review of Revision 32**

The Reclamation Division has conducted a completeness review of the application for Revision 32 to Permit KRSB-8603 at the Beulah Mine. This revision application has been deemed a significant alteration to the approved operations and reclamation plans according to NDAC 69-05.2-11-02(5) and is therefore subject to the notice, hearing and procedural requirements of NDAC 69-05.2-10 and NDCC 38-14.1-18-19 and 20. The following items must be adequately addressed before the application can be deemed complete and approval is granted to begin publication of the permit revision newspaper notices.

Revision No.32 Application (SFN 10562)

1. Please revise the description in the revision application to include all of the changes being proposed with Revision 32. In addition to revising the post mine topography or the Gold Pit. design plans for Pond 85 Sump. the reclamation timing schedule and the worst-case reclamation cost estimate must be updated. (GAW)

Response: The description in the revision application has be updated.

Section 1.1 -Application and Supporting Documents

2. Please add a copy of the Revision 32 application to Subsection I, Application History. of Section 1.1. (PJR)

Response: A copy of Revision 32 Application to Subsection 1, Application History, has been added.

3. Please add a revision summary page for Revision No. 32 to Section 1.1(I)-Application History.

Proposed changes should be listed by permit section and page number and include a brief summary of the proposed changes and reason for the proposed changes. (BAJ/PJR)

Response: A revision summary page for Revision No. 32 to Section 1.1(I) – Application History has been included.

Revision 32 Public Advertisement

4. Please revise the first paragraph of the public notice to indicate that the reclamation schedules of the pits Gold, Silver and Iron Pit are being revised with Revision 32. (GAW)

Response: The first paragraph of the public notice for Revision 32 has been updated to include that the reclamation schedules of the Gold, Silver and Iron Pit are being revised.

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5. Please revise the last sentence of the first paragraph of the Revision No. 32 newspaper notice text to state as follows: "Revision No. 32 proposes to modify the post-mining topography..."

(WTG)

Response: The last sentence of the first paragraph of the Revision No. 32 newspaper notice text stating that Revision 32 proposes to modify the post-mining topography has been revised.

6. Please delete the reference to designating an area within the permit as unsuitable for mining in the first sentence of the fourth paragraph of the Revision No. 32 newspaper notice text because land is not being added to Permit KRSB-8603 with Revision No. 32.

(WTG/GAW)

Response: The reference designating an area within the permit as unsuitable for mining in the revision 32 newspaper notice has been deleted.

7. After deleting the reference to designating an area within the permit as unsuitable for mining, please revise the first sentence of the fourth paragraph as follows: "Written comments, objections, or requests for an informal conference on the revision application may be submitted..." (WTG)

Response: The newspaper notice text has been revised to include "on the revision application."

8. The following issues were identified with the surface and mineral ownership listings in the public advertisement compared to the Property Interests listings in subsection B of Section 1.4 of the permit (pages 1.4.43 through 1.4.48). Please review and correct the public advertisement of Section 1.4 of the permit so the ownership information is correct and identical. (GAW/PJR/WTG)

a. The public advertisement lists Priscilla Keogh Trustee as a coal owner of the S½ of Section 15, but page 1.4.43 of Subsection B of Section 1.4, Property Interests, indicates Robert A. Keogh Mineral Trust as a coal owner.

Response: The public advertisement has been revised to reflect the coal owners of S½ of Section 15.

b. The public advertisement lists Leona Weil as the surface and coal owner of the N½ of Section 21, but page 1.4.44 of Subsection B of Section 1.4. Property Interests, does not identify Leona Weil as a surface or coal owner.

Response: The public advertisement has been revised to reflect the coal owners of S½ of Section 15.

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c. The public advertisement lists Ron Gunsch as the surface owner of the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 22, but Subsection B of Section 1.4, Property Interests, indicates Ron and Janice Gunsch as surface owners.

Response: The public advertisement has been revised to reflect the surface owner the E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 22.

d. The public advertisement identifies Eugene Weigel as the coal owner of the SW $\frac{1}{4}$ of Section 23, but page 1.4.45-6 of Subsection B of Section 1.4, Property Interests, lists 18 individuals as coal owners.

Response: The public advertisement has been revised to reflect the coal owner of the SW $\frac{1}{4}$ of Section 23.

e. Please include surface and coal ownership of the NW $\frac{1}{4}$ of Section 22 in the public advertisement since this property is affected by the revision application.

Response: The public advertisement has been updated to include the surface and coal ownership of the NW $\frac{1}{4}$ of Section 22.

f. Please include surface and coal ownership of the NE $\frac{1}{4}$ of Section 19 and N $\frac{1}{2}$ of Section 29 in the public advertisement since the reclamation schedules for the Silver and Iron Pit areas might be affected with this revision.

Response: The public advertisement has been updated to include the surface and coal ownership of the NE $\frac{1}{4}$ of Section and N $\frac{1}{2}$ of Section 29.

9. The acreage associated with Emmaus Cemetery in the northeast corner of Section 29 is depicted within the permit on the map included with the public notice. Please correct the permit boundary at this location and depict and label the cemetery on the map as required by NDAC 69-05.2-10-01. (GAW)

Response: Emmaus Cemetery in the northeast corner of Section 29 has been labeled and excluded from the permit boundary.

10. Please depict the boundaries of the areas affected by Revision 32 and label the Gold, Silver and Iron Pit areas on the public notice map as required by NDCC 38-14.1-18. (GAW/WTG)

Response: The public notice map for Revision 32 to include the boundaries, with labels, of the Gold, Silver and Iron Pit.

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Section 1.4- Business Entity Information

Subsection B - Property Interests

11. Please review pages 1.4.49 and 1.4.50 of Subsection B, Property Interests. to ensure all current surface owners names are listed and their mailing addresses are correct. (GAW)

Response: Changes to Property Interest have not occurred and therefore no changes were made to pages 1.4.49 and 1.4.50 of Subsection B.

12. Please insert a copy of the approved public notice and map for Revision 32 into Section 1.4 (I) of the permit.

Response: A copy of the approved public notice and map for revision 32 has been included in Section 1.4(I) of the permit.

Section 2.2-Surface Water Hydrology Inventory and Monitoring

13. Please update Subsection C, Probable Hydrologic Consequences of Mining. to address post-mining watershed changes in the Gold Pit proposed with Revision 32, Subsection C of Section 2.2 refers the reader to Subsection D of Section 23 where both the surface and ground water PHC is actually located in the permit. (GAW)

Response: Subsection C of Section 2.2, Probable Hydrologic Consequences, was updated to address the watershed changes given the reduction in mine related disturbance. Section 2.3, Groundwater Hydrology, was also updated to incorporate the removal of Ponds 110 and 111 from the permit.

Section 3.1- General Mining Plan

14. DWC is proposing changes to Section 3.1. General Mining Plan, but it does not appear that DWC used the currently approved version (Revision 31). The approved version states that the Beulah Mine is expected to produce 0.4 to 0.5 million tons per year not 2.4 to 3.0 million tons as indicated at the top of page 2. and the approved version contains 17 not 16 pages. Please remove Section 3.1 insert the approved Revision 31 version of the permit. and make the proposed changes. (GAW)

Response: Section 3.1, General Mining Plan, was updated in its entirety. The approved Revision 31 version of the permit was used as the basis prior to the changes. Changes to the section include inserting the correct estimated tonnages to various portions of the section, and include an overall update to the verbiage throughout the entire document.

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15. Please update the Pit Layout and Facilities Map. Exhibit 3.1.2. to depict where coal was mined in 2018 and review the accuracy the of the 2017 coal removal subarea. (GAW)

Response: Exhibit 3.1.2, Pit Layout and Facilities map, has been updated to more easily determine when coal was mined. Exhibit 3.1.2 has also been updated to current status.

Section 3.2 - Water Management Plan

16. Please update the Water Management Plan. Section 3.2, to discuss the re-construction of Pond 108 to contain runoff from the final Gold Pit reclamation area. (GAW)

Response: The reconstruction of Pond 108 at the Southern limit of the Gold Pit will be accomplished in 2020. A statement regarding this has been added to Section 3.2.

17. Please update the Water Management Plan, Section 3.2, to include design plans for reconstructing the Pond 85 Sump. (GAW)

Response: The Water Management Plan, Section 3.2, has been revised to include Pond 85 Sump. The as-built drawing for Pond 85 Sump has been included in Exhibit 3.2.7, Pond 85.

Section 3.5 - Backfilling and Grading

18. Please include narrative in Part H of Section 3.5 to describe why the proposed Gold Pit Cross Section Volume Computations are changed. The narrative should discuss why the approved topography cannot be achieved, and must provide justification for the change. If there is a volume shortage, calculations should be included to show that the proposed topography can be achieved by using the current existing volumes of spoil. (BAJ)

Response: The narrative of Section 3.5 has been updated in incorporate a description of the material balance deficit in the Gold Pits. The deficit is between revisions 31 and 32. The updated verbiage was added to Part G instead of Part H as requested (the narrative flows better).

19. DWC sent several draft Gold Pit post mine topo maps (Exhibit 3.5.3) to the Reclamation Division to review in 2018. The most recent draft was received in September 2018 and was discussed during a conference call held on November 28, 2018; the Reclamation Division indicated the September draft of Exhibit 3.5.3 with the file name Beulah PMT 11_2018 D4.dwg may be acceptable with some further changes. The post mine topo map. Exhibit 3.5.3 included with the Revision No. 32 application is not the September draft of the post mine topography, but appears to be an earlier draft that we rejected. Please submit the September draft of Exhibit 3.5.3 and update Exhibits 3.5.1a. 3.5.2a. 3.54a and 3.54b if necessary. (BAJ/GAW)

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Response: Section 3.5 contains the latest version of the Gold Pit PMT. The cross-sections and cross-section locations have also been updated in Exhibits 3.5.1b, 3.5.2c, 3.5.4a, and 3.5.4b.

Section 3.8- Time Schedules

20. Please update Section 3.8, Time Schedules and Exhibit 3.8.2, Special Variance Zones, as necessary to clarify when grading, SPGM respreading and seeding will be completed on all areas remaining to be reclaimed in the Gold, Silver and Iron Pit areas. Reclamation of these areas has not been completed in accordance with the approved reclamation plan, which makes the worst-case reclamation cost estimate and reclamation schedule incorrect. Table 3.8.2, Time Schedules, currently indicates that all reclamation through initial seeding was to be completed in 2018 in the Silver Pit, Gold Pits 44 through 50 and a portion of the West Iron Pit. which did not occur.

(GAW/PJR)

Response: Section 3.8, Time Schedules, has been updated to address your concerns. Table 3.8.2 has been updated to address the remaining reclamation at the mine versus a pass by pass look at reclamation. The new schedule represents a summary of actual future activities at the mine, and better summarizes discussions between the Mine and the PSC. The existing time schedules within the permit did not accurately address reclamation given the reduction in tonnages and, thus, the extended time that would be needed to mine existing pits

21. Please update the narrative associated with Special Variance Zones 6, 9, 12, 13, 14 and part of 4 to clarify when reclamation will be completed in these areas. Reclamation timing language currently in the permit is outdated and it appears some areas of 2016 coal removal may need a variance from the three-year seeding rule. (GAW)

Response: The narrative outlining several of the Variance Zones has been updated within the permit. First, dates were changed within various Variance narratives to reflect the updated Time Schedule. Second, variance zones 6, 9, 12, 13, and 14 were updated to better describe their function in relation to final reclamation of the Gold Pit (including all associated date changes within the narrative of these variance zones).

Section 3.9-Reclamation Cost Estimates and Performance Bond

22. Please update the Reclamation Cost Estimates and Performance Bond calculations in Section 3.9 and determine the projected worst-case time-period. Update Exhibit 3.9.1, Worst Case Range Diagrams. and Exhibit 3.9.2, Worst Case Topography, as necessary. (BAJ/GAW)

Response: The Reclamation Cost Estimates and Performance Bond calculations have been redone based on the September 24, 2019 unit cost guidelines. All of the text and

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associated tables in Section 3.9 has been updated accordingly. Both Exhibits 3.9.1 and 3.9.2 have been updated to current mine status.