

PUBLIC SERVICE COMMISSION

State of North Dakota

Memorandum

To: Commissioners Kroshus, Fedorchak and Christmann
Interim Executive Secretary Steve Kahl
Chief Counsel Illona Jeffcoat-Sacco

From: *DM* *WD*
Dean Moos and Bill Dodd - AML Division

Date: March 22, 2019

Subject: AML's 2019 Grant Application and Major AML Reclamation Projects
Case No. AM-19-105

On March 19, we received notice that OSM allocated North Dakota \$2,814,000 for the next AML grant period that begins March 1, 2019. We should have been allocated \$3,000,000 this year as a minimum program funded state, but this amount was reduced 6.2% due to sequestration. Attached is the 2019-2022 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 2019:

2019 Williams County Road 9 Phase 7 and Noonan AML Project: This remote backfilling project will stabilize underground coal mine workings at an industrial development near Williston and along Divide County Highway 21 and other roads and trails south of Noonan. This project includes drilling into the mine workings, casing drill holes where voids are found, pumping cementitious grout and foamed sand. Material testing will be conducted in a separate contract. It is estimated that 3,500 cubic yards of grout and 1,000 tons of foamed sand will be pumped into mine voids and about 15,000 feet of drilling will be needed. The estimated project cost, including grout testing, is \$1,081,475.

2019 Exploratory Drilling AML Project: This investigatory project will be conducted to locate and characterize suspected abandoned underground coal mines at an industrial subdivision near Williston, North Dakota. This project includes drilling into the mine workings and casing drill holes where voids are found for future grouting. It is estimated that 40,000 feet of drilling will be needed. The estimated project cost is \$366,890.

2019 Morton County Phase 2 AML Project: This 30-acre project will reclaim five surface mines and eliminate about 4,400 feet of dangerous highwalls in Morton County. These AML sites are characterized by steep final pit highwalls that are about 15-40 feet high. The proposed reclamation work primarily involves backfilling the highwalls with earthen material from adjacent spoil piles. About 150,000 cubic yards of spoil material will need to be moved in the reclamation process. The estimated project cost is \$332,000.

2019-2020 Sinkhole Filling AML Project: This two-year project will be conducted to fill dangerous sinkholes caused by underground mine collapse. Some funds may be used to conduct maintenance work on reclaimed sites. If necessary, some of these funds may also be used for emergency projects. The estimated 2019 project cost is \$100,000.

Total estimated project costs for 2019 are \$1,880,365. The 2019-2021 AML Reclamation Simplified Grant application has been prepared to request the \$2,814,000 in federal funds that OSM has allocated for our next grant period. With an estimated \$1.7 million in carryover monies from last year's grant and the construction funds that we will be receiving in our 2019 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 2019-2022 grant will cover a one-year period, while the construction period can go three years, until February 28, 2022, if necessary.

Attached is a motion for the March 27, 2019, Commission meeting to approve the major AML construction projects for 2019 and to submit the next AML grant application to OSM.

Attachment

Minedata/AML/AMLGrants/2019/2019_Grant_memo_3-22-19