



Public Service Commission

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June 2, 2025

Mr. Mark Wallen
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Dear Mr. Wallen:

The Reclamation Division has reviewed Coteau's April 16, 2025 response to our February 24, 2025 technical review of Final Bond Release No. 2 to Permit NACT-9501. The following issues must be addressed prior to the Reclamation Division recommending Commission approval.

Attachment VI – General Information

1. A sentence near the end of the second paragraph on page 1 of Attachment VI (General Information) incorrectly states that less than one acre of cropland existed pre-mine in Section 15. Table 1 in Section 2.4.6 of Permit NACT-9501 indicates there were 471.6 acres of cropland in Section 15 prior to mining. Please revise the statement to provide clarity. (GAW)
2. Please revise Attachment VIc (Pre-mine Soils Map) to depict all pre-mine soils being used to calculate the unadjusted productivity standard, including the pre-mine native grassland soils being used in Section 15 that are outside of the bond release boundary. (GAW)

Attachment IX – Native Grassland

3. Follow-up to Item No. 3 of our February 24, 2025 technical review letter: Please include precipitation and reference area production data in the bond release application that provides justification for why the Section 9 loamy native grassland reference area produced only about 50 percent of its expected yield in 2019 and 2024, which are the years being used to demonstrate revegetation success. As previously mentioned, the US Drought Monitor Maps indicate that 2019 and 2024 were normal precipitation years, so the reference area should have yielded near normal. The Reclamation Division is aware this reference area yielded reasonably well in 2020 (2,338 lbs), but we do not have 2021, 2022, or 2023 yield data from this loamy reference area. Data from the sandy reference area located about two miles north of this loamy reference area might be used to show the area received reduced precipitation. (GAW/WWS)
4. The second paragraph on page 2 of Attachment IX (Native Grassland) states "For final bond release, production standards were developed for 2019 and 2024 based on pre-mine soil data for the bond release tract." Please revise this narrative to clarify that the productivity standard was

developed using all of Pfennig Properties LLLP disturbed native grassland in Sections 15 and 16 and that the CVSS provides an unadjusted standard. The standard was based on 135.79 acres of native grassland whereas the bond release tract only contains 64.9 acres of reclaimed grassland. (GAW)

5. The first paragraph under the Diversity and Seasonality subsection of Attachment IX (Native Grassland) states “In both 2019 and 2024, three native warm season grass species were documented within the bond release tract using ground cover.” It appears this statement is intended to fulfill the diversity requirement of five native grass species being present. Please state that the ground cover data in Attachment IXb-1 (Survey Results) demonstrates that 5 native grasses were present on the reclaimed tract in 2019 and 8 native grass species were present in 2024, if that is what is intended, or otherwise revise to provide clarity. (GAW)
6. The warm season species table near the top of page 4 of Attachment IX (Native Grassland) indicates that three native warm season species comprised 64.2 percent of the relative live species composition in 2024, but the values listed total 62.5 percent. Attachment IXb-1 (Cover Survey Results) indicates that blue grama and prairie sandreed comprised 1.6 percent of the relative composition in 2024 but they are not listed in the warm season species table in Attachment IX. Please correct this error. (GAW)

Attachment IXa – Production Standard Calculations

7. The 2024 Native Grasslands Production Calculations in Attachment IXa (Production Standard Calculations) incorrectly suggest that the Section 9 loamy reference area yielded 1,235 lbs/ac in 2024. Attachment IXa-2 (Reference Area Production Survey Results) indicates the reference area yielded 1,238 lbs/ac in 2024. Please correct this error. (GAW)
8. Language at the bottom of page 3 of Attachment IXa (Production Standard Calculations) states that soil mapping unit complexes were computed using 60% of the dominant soil type and 40% composition of the second soil type, but the standard was calculated using only the dominant soil type. It is acceptable to calculate the standard using only the dominant soil type, but language suggesting otherwise should be removed. Please review and revise as necessary to provide clarity. (GAW)
9. The acreage of the Amor, Zahl-Williams, and Searing-Ringling pre-mine soil mapping units were not grouped together in the unadjusted standard calculations on page 3 of Attachment IXa. Please clarify if there is a reason these mapping units were not consolidated. (GAW)


Attachment IXb – Basal Cover Standard Calculations

10. Attachment IXb-2 (Reference Area Cover Survey Results) indicates ground cover on the Loamy reference area was 82.9 percent in 2019, but a value of 82.8 percent is listed in Attachment IXb (Basal Cover Standard Calculations) for 2019. Western wheatgrass is listed at 2 percent in Attachment IXb and 1.9 percent in Attachment IXb-2. Please review and revise this discrepancy. (GAW)

Mr. Mark Wallen
June 2, 2025
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If you have any questions, please contact this office.

Sincerely,



Jonathan Emmer
Director
Reclamation Division

cc via email only: Mike Berg (michael.berg@nacoal.com)
 Dillon Belisle (dillon.belisle@nacoal.com)

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