

PUBLIC SERVICE COMMISSION

State of North Dakota

Memorandum

To: Commissioners Clark, Kalk and Cramer
Darrell Nitschke
Illona Jeffcoat-Sacco and Mark Gruman

From: Jim Deutsch, Director - AML Division

Date: December 28, 2011

Subject: 2012 AML Grant Application and next year's Major Construction Projects

An item will be on the Regular Agenda for the January 4th Commission meeting to approve the major AML construction projects for 2012 and submit the next AML grant application to OSM. The major projects need to be described in the grant application and the AML Division is planning the following major construction projects for the 2012 season:

Columbus – Phase 13: This project will involve the elimination of about 6,800 feet of hazardous highwalls at an abandoned surface mine south of Columbus in Burke County. This AML site is characterized by unstable highwalls that are more than 70 feet high in some areas. Erosion features along the highwalls extend into the surrounding grassland. The proposed reclamation work involves backfilling the highwalls with material from adjacent spoil piles. It is estimated that 600,000 cubic yards of spoil material will have to be moved in the reclamation process. The estimated cost is \$800,000.

Columbus – Phase 14: This project will involve work to re-vegetate about 350 acres of mined land at the Columbus site. Areas that were graded under Phases 11, 12 and 13 will have some topsoil, soil amendments and manure applied before being fertilized and seeded. The estimated cost is \$1,200,000.

Beulah/Zap – Phase 13: Proposed reclamation will involve drilling and pumping pressurized grout into underground mine workings beneath public roads north of Beulah. This project consists of rotary drilling, casing drill holes where voids are found, pumping of grout, and grout testing. It is estimated that 5,000 cubic yards of grout will be pumped into mine voids and about 5,000 feet of drilling will be carried out in this area. The estimated cost is \$650,000.

Smaller projects planned for 2012 include two exploratory drilling projects at multiple locations with known underground mine workings and a fall sinkhole filling project. With carryover moneys from this year's grant and the construction funds that we will be receiving in our 2012 AML grant, we expect to have about \$3.2 million available for these projects.

The 2012-2015 AML Reclamation Simplified Grant application has been prepared to request \$3,921,596 in federal funds for funding our AML program beginning on March 1, 2012. This is the full amount of North Dakota's mandatory distributions as calculated by OSM. The administrative portion of the 2012-2015 grant covers a one year time period, while the construction portion of the grant will run until February 28, 2015, if necessary. OSM will not be awarding any additional funds for any emergency projects in 2012. Funding for any emergencies will have to come from the construction portion of the grant.

Attached is a motion for the January 4, 2012 Commission meeting to approve the major AML construction projects for 2012 and to submit the AML grant application to OSM.

Attachment