

# PUBLIC SERVICE COMMISSION

## State of North Dakota

### Memorandum

To: Commissioners Kalk, Christmann and Fedorchak  
Darrell Nitschke  
Illona Jeffcoat-Sacco and Ryan Norrell

From:  Jim Deutsch, Director - AML Division

Date: February 25, 2014

Subject: 2014 AML Grant Application and this year's Major AML Reclamation Projects

We received notice from OSM late Monday afternoon that we have been allocated \$3,382,106.31 for the next AML grant period that begins March 1, 2014. Due to the lateness of the notice and the start on the new grant period in a few days, an item was added to the Regular Agenda for the February 26<sup>th</sup> Commission meeting to approve abandoned mine lands construction projects for 2014 and submit the 2014-17 AML grant application to OSM. The major AML reclamation projects need to be described in the grant application.

The AML Division plans the following projects this year:

**Hazen West – Phase 3:** This project will eliminate about 3,500 feet of hazardous highwalls at an abandoned surface mine west of Hazen in Mercer County on the north side of State Highway 200. This AML site is characterized by steep highwalls that are up to 80 feet high. Some of the erosion features along the highwalls extend into the surrounding land. The proposed reclamation work involves backfilling the highwalls with earthen material from adjacent spoil piles. About 350,000 cubic yards of spoil material will have to be moved in the reclamation process.

**Beulah/Zap – Phase 15:** This project will involve drilling and pumping pressurized grout into collapsed underground mine workings under public roads north of Beulah in Mercer County. 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 in 2014 and about 10,000 feet of drilling will be carried out in this area.

**Scranton/Bowman – Phase 2:** This project also involves drilling and pumping pressurized grout into collapsed underground mine workings. The sites are under public roads near Scranton and Bowman and at an occupied farmstead near Reeder, all in southwestern North Dakota. This project consists of rotary drilling, casing drill holes where voids are found, pumping of grout, and grout testing. It is estimated that 3,000 cubic yards of grout will be pumped into mine voids and about 9,500 feet of drilling will be carried out in these areas.

**Exploratory Drilling:** Some of the available construction funds will be used for an exploratory drilling project to locate suspected abandoned underground coal mines. This project will be conducted near Wilton and possibly at several locations in western North Dakota.

**Sinkhole Filling:** Some of the available construction funds will also be used for a maintenance project to backfill hazardous sinkholes that have been caused by underground mines. If necessary, some of these funds will be used for emergency projects.

The estimated cost of all five projects is about \$3.6 million. The 2014-2017 AML Reclamation Simplified Grant application has been prepared to request the \$3,382,106.31 in federal funds that OSM just allocated for our next grant period that begins on March 1, 2014. This is 92.8% of what should have been North Dakota's 2014 distribution of AML funds as calculated by OSM. The other 7.2% of these funds are being withheld due to the sequestration of federal funds.

With about \$1.2 million in carryover monies from this year's grant and the construction funds that we will be receiving in our 2014 AML grant, we expect to have at least \$3.7 million in construction funds available for this year's projects. Around \$900,000 of the total grant amount will be needed for staff salaries, travel and other operating costs. The administrative portion of the 2016-2017 grant covers a one-year time period, while the construction period can be up to three years, until February 28, 2017, if necessary.

Attached is a motion for the February 26, 2014 Commission meeting to approve the major AML construction projects for 2014 and to submit the 2014-2017 AML grant application to OSM.

Attachment