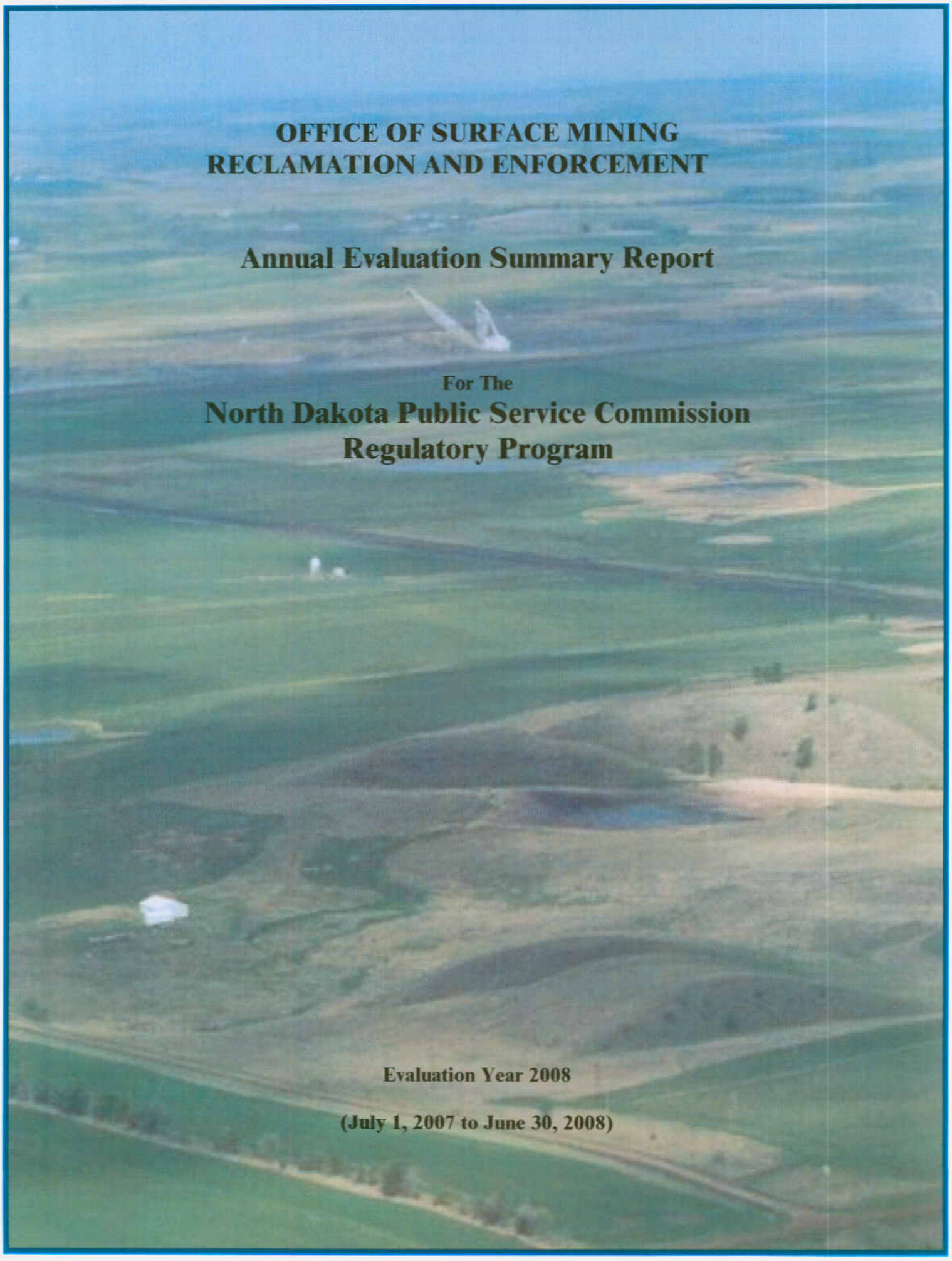

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Annual Evaluation Summary Report

For The

North Dakota Public Service Commission Regulatory Program

Evaluation Year 2008

(July 1, 2007 to June 30, 2008)

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Cover photo: From top to bottom, a contrast of active dragline operations to recently reclaimed farmland, to pre-law spoil piles at the Center Mine.

I. Introduction

The Surface Mining Control and Reclamation Act of 1977 (SMCRA) created the Office of Surface Mining Reclamation and Enforcement (OSM) in the Department of the Interior. SMCRA provides authority to OSM to oversee the implementation of and provide Federal funding for State regulatory programs that have been approved by OSM as meeting the minimum standards specified by SMCRA. This report contains summary information regarding the North Dakota Program and the effectiveness of the North Dakota program in meeting the applicable purposes of SMCRA as specified in Section 102. This report covers the period of July 1, 2007 to June 30, 2008. Detailed background information and comprehensive reports for the program elements evaluated during the period are available for review and copying at the Casper OSM Office.

The following acronyms are used in this report:

CFO	Casper OSM Office
CO	Cessation Order
GIS	Geographic Information System
GPS	Global Positioning System
NDAC	North Dakota Administrative Code (Rules)
NDCC	North Dakota Century Code (Statute)
NOV	Notice of Violation
NTTP	National Technical Training Program
OSM	Office of Surface Mining Reclamation and Enforcement
OTT	Office of Technology Transfer
PSC	North Dakota Public Service Commission
SMCRA	Surface Mining Control and Reclamation Act of 1977
TIPS	Technical Information Processing System
TDN	Ten-Day Notice
WRCC	Western Region Coordination Center
WRTT	Western Regional Technical Team

II. Overview of the North Dakota Coal Mining Industry

The coalfields in North Dakota are located in the Williston Basin, which is part of the Great Plains Coal Province. They underlie approximately 40 percent of the State's surface area. Most of the coal is produced commercially from two mining districts located in the western part of the State: (1) Beulah-Zap and (2) Hagel. Recoverable coal reserves in North Dakota are generally classified as lignite, which is characterized by low heating value (6,500 BTU), average high moisture content (40 per cent) and low sulfur content (less than 1.0 per cent). The mineable beds in the Williston Basin vary in thickness from three to 30 feet; economic stripping ratios range from 1.5:1 to 11:1. All active mines in North Dakota are currently large-scale surface mines that provide coal for mine-mouth or regional electrical generation facilities and a nearby coal gasification facility.

The first commercial mine in North Dakota opened in Morton County in 1873. As the railroad developed across the State, demand for coal increased and was supplied by underground mines. North

Dakota was one of the first states to shift from underground to large-scale commercial surface mining. By 1927, 40 percent of the State's production was by surface mining methods, compared with 2 percent for the nation. By 1959, eighty six percent of North Dakota's coal production was from surface mines, and since 1966, the State's total production has been derived from this mining method. In 1884, North Dakota produced 35 thousand tons of lignite; in 2007 it produced 29.67 million tons (Table 1) using modern surface mining methods and equipment.

Coal mining in North Dakota is concentrated around the western half of the State. This area consists of approximately 28,000 square miles, and has an estimated total resource of 350 billion tons of coal, or about two-thirds of the total lignite reserves of the United States. North Dakota has a demonstrated recoverable coal reserve base of 35 billion tons. North Dakota enacted its first reclamation law in 1969 and major revisions to that law followed in 1973 and 1975. A new law was enacted by North Dakota in 1979 that is consistent with SMCRA.

North Dakota mines provide direct employment for approximately 4,070 people in five counties with another 20,956 people indirectly employed and affected by the lignite industry. However, the coal industry's substantial impact on the State's population and economy has secondary in-state multiplier effects, since most of the State's coal production also fuels electric power generation plants within North Dakota that supply most of the State's electrical needs. The coal industry generates an estimated $83 million in state tax revenue.

III. Overview of the Public Participation Opportunities in the Oversight Process and the State Program

The North Dakota coal reclamation and enforcement program allows for and encourages public input and participation throughout the program. The North Dakota Public Service Commission (PSC) is the State agency charged with the responsibility for the permitting and regulation of the coal mining industry in North Dakota. OSM's programmatic reviews of the North Dakota program indicate that the PSC is adhering to the State's policies and procedures regarding opportunities for public participation in all phases of their reclamation program.

IV. Major Accomplishments/Issues/Innovations in the (State) Program

The North Dakota Public Service Commission (PSC) continues to administer a very efficient and successful coal regulatory program as set forth in Section 102 of the Surface Mining Control and Reclamation Act of 1977. North Dakota's permanent regulatory program has been in-place since 1980.

North Dakota's regulatory program is handled by a relatively small number of staff (Table 7) considering the amount of land mined and reclaimed each year. Reclamation Division staff members that review permit and revision applications also carry out the compliance inspections and evaluate bond release applications. This allows staff to remain very familiar with the ongoing field operations and approved mining and reclamation plans. The PSC has a very good working relationship with their customers that include industry, landowners, citizen groups, and other governmental agencies, including OSM. The Reclamation Division carries out its duties using the appropriate technical expertise and with a high level of professionalism.

The high quality of mine land reclamation is one of the most notable aspects of the North Dakota coal regulatory program. This is reflected in the number of national Excellence in Surface Mining and Reclamation awards that North Dakota mines have received. Since the program was initiated in 1986, North Dakota mines have received fifteen national reclamation awards. The sense of environmental responsibility on the part of mining companies is also reflected in the minimal violations that have been occurred in the past.

The PSC continues to encourage mining companies to file bond release applications as reclaimed land becomes eligible for release at the end of the ten-year revegetation responsibility period. Over 7000 acres of reclaimed lands that were subject to North Dakota's permanent regulatory program have received final bond release. All of the post-SMCRA acreages at the former Indian Head and Velva Mines have been totally bond released. Reclaimed lands that have received final bond release under the permanent program include lands reclaimed to cropland, hayland, native grassland, tame pastureland, woodland, permanent impoundments, industrial, recreational and residential use.

To keep a strong focus on bond release and for workload planning purposes, the Reclamation Division is meeting annually with each of the major mining companies in North Dakota to discuss specific plans that they have for submitting final bond release applications. Annual mine maps are used to identify possible bond release areas based on reclaimed tracts that are nearing the end of the minimum ten-year revegetation liability period. These discussions also include the specific methods that are or will be used to collect the vegetative data needed for final bond release.

The Reclamation Division continues to encourage and works closely with mining companies on the submittal of permit related applications in an electronic format. All four active permits for the Falkirk Mine as well as two large active permits for the Freedom Mine and one active permit for the Beulah Mine are in an electronic format. All of the pre-mine environmental resource information, detailed mining and reclamation plans and other information for the permit areas are contained on CD or DVD. This information is then copied to the PSC's computer network where staff members have access to the entire permits from their desktop PC's. In addition, some of the consolidated monitoring plans that cover multiple permit areas have been converted to an electronic format. Much of the monitoring data submitted by the mining companies is now submitted in an electronic format as well.

The Reclamation Division has also scanned and converted many of its paper documents to electronic files. This includes historic inspection reports, annual mine maps, surface and ground water monitoring reports, and wildlife monitoring reports. Most of these reports and many other documents are now filed electronically. Most incoming correspondence is also scanned and filed electronically using a structure that is very similar to the paper filing system.

The Reclamation Division has a Geographic Information System (GIS) to track mining and reclamation activities and conduct technical analysis of plans and data provided by the mining companies. Information entered into the GIS for several mines include recent high altitude air photos, permit boundaries, roads, stockpile locations, ponds and related features. Information for many final bond release tracts also has been entered. More information is being added as time allows. Much of this information is being loaded onto tablet PC's equipped with GPS receivers that inspectors use when carrying out mine inspections. This allows for accurate tracking and recording of activities during mine inspections.

Development of the GIS is an ongoing and dynamic project. OSM's Office of Technology Transfer (OTT) in the WRCC and TIPS has provided very valuable assistance with the GIS and mobile computing initiatives. The Reclamation Division has been able to move forward with these initiatives while ensuring the necessary mine inspections are conducted and timely action is taken on applications.

Staff is working on an update to the Revegetation Standards Document to reflect changes made by the Natural Resource Conservation Service (NRCS) to various technical standards dealing with native grassland and hayland. Other changes to this policy document are also being made to reflect recent rule changes.

Reclamation Division staff continue to work with the NRCS on procedures for mapping and classifying reclaimed soils. A pilot project at one of the mines has been completed and NRCS plans to complete the mapping of all currently reclaimed lands in the next few years. These soil maps will be an important tool for individuals that farm reclaimed croplands and they will be used to develop conservation practices that may be needed to comply with federal farm programs.

Overall, North Dakota has an excellent coal regulatory program. PSC staff continue to implement the program in a highly professional, cooperative, and fair manner. The Reclamation Division uses new technology to become more efficient and make information more readily available to the public. The PSC has the necessary technical expertise for carrying out its functions to ensure that all of the requirements of SMCRA are met.

V. Success in Achieving the Purposes of SMCRA as Determined by Measuring and Reporting End Results

To further the concept of reporting end results, the findings from performance standard and public participation evaluations are being collected for a national perspective in terms of the number and extent of observed off-site impacts, the number of acres that have been mined and reclaimed and which meet the bond release requirements for the various phases of reclamation, and the effectiveness of customer service provided by the State. Individual topic reports are available in the Casper Field Office which provides additional details on how the following evaluations and measurements were conducted.

A. Off-Site Impacts:

For the purpose of oversight, an off-site impact is defined as anything resulting from a surface coal mining and reclamation activity or operation that causes a negative effect on people, land, water, or structures. The State program must regulate or control either the mining or reclamation activity, or the resulting off-site impact. In addition, the impact on the resource must be substantiated and be related to mining and reclamation activity. It must be outside the area authorized by the permit for conducting mining and reclamation activities. The CFO reviewed the following aspects of the North Dakota Program to identify any off-site impacts.

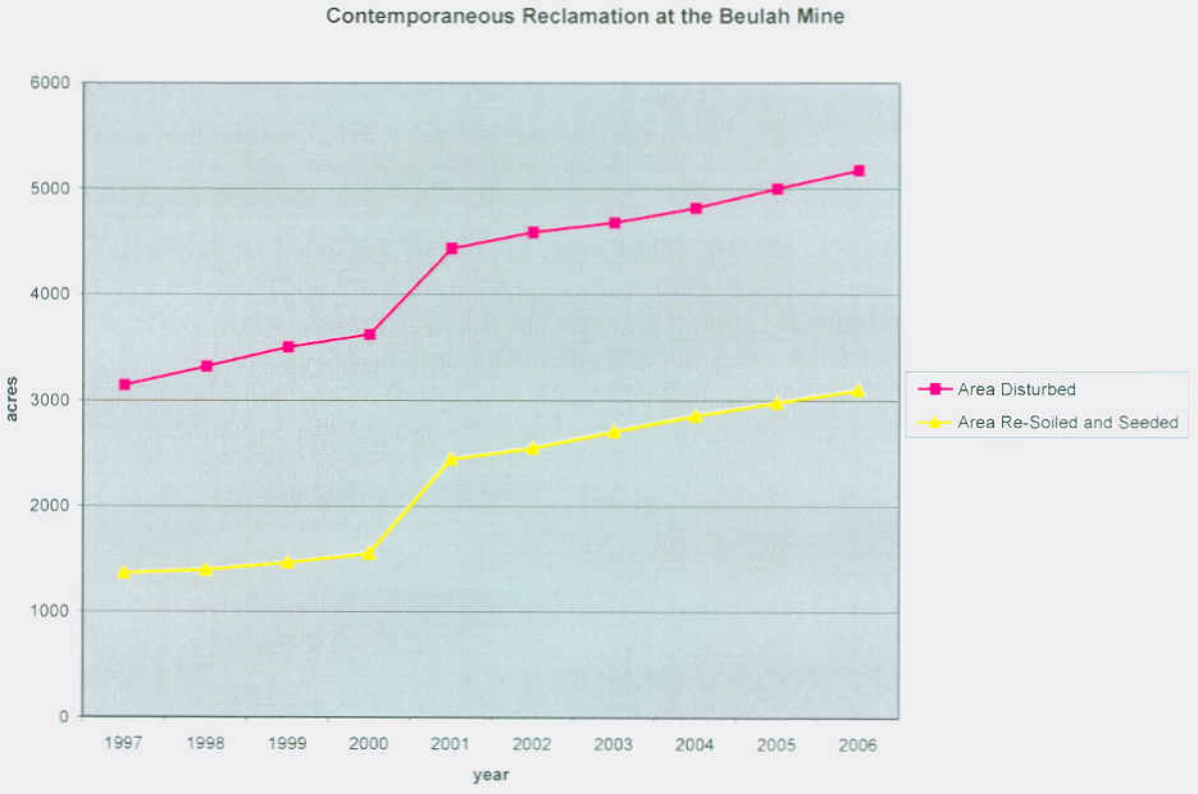
Several sources of information have been selected for identifying off site impacts. These include but are not limited to: State and OSM inspection reports, enforcement actions, civil penalty

assessments, citizen complaints, special studies and information from other environmental agencies. If an off site impact is identified, the sources of information and the basis used to identify and report these impacts will be clearly recorded. Field evaluations for off site impacts were conducted during routine inspections by both North Dakota and CFO.

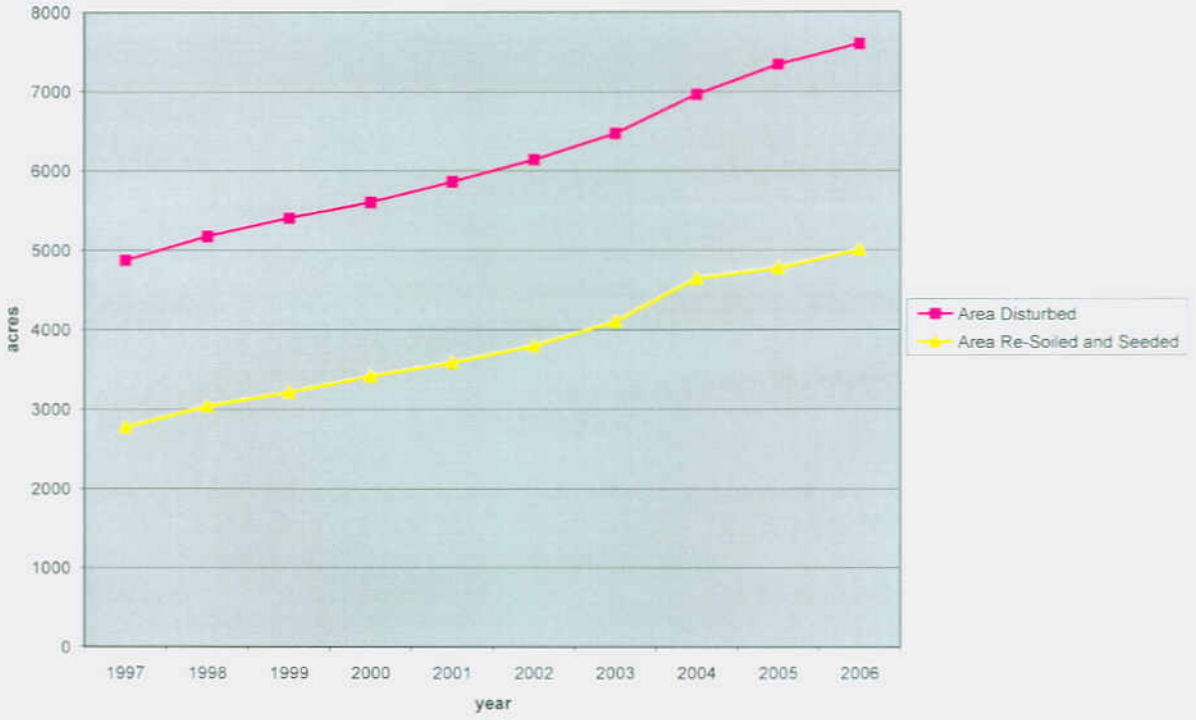
Table 4 in this annual report records the number and type of off-site impacts. At the time of this report, no off-site impacts have been observed.

B. Reclamation Success:

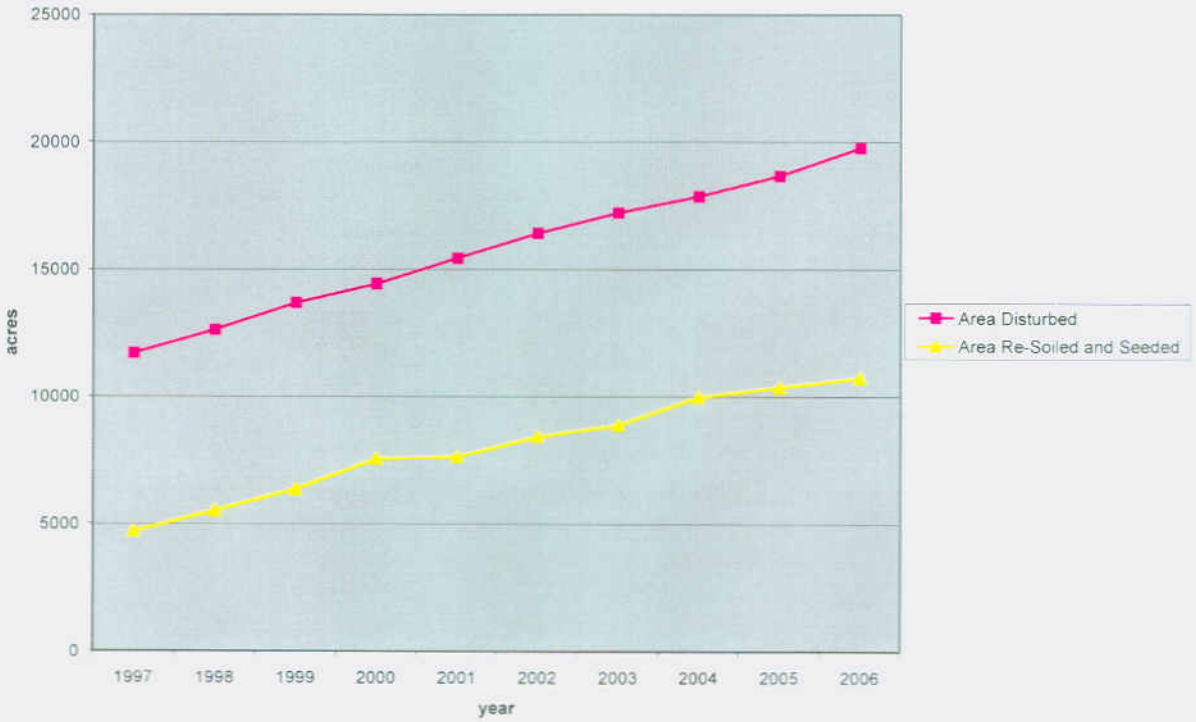
OSM evaluated the effectiveness of the State program based on the number of acres that have received bond release (Table 5). The CFO determined that the State program is effective in its goal of having all disturbed lands reclaimed to the approved postmining land use. Table 5 catalogues the acreage of land released from bond for Phase I, II, and III. The CFO reviewed the acres disturbed and the acres reclaimed on a site-specific basis at the following mine sites: 1.) Beulah Mine, 2.) Center Mine 3.) Freedom Mine and Falkirk Mine. The following graphs demonstrate that the rate of reclamation largely parallels the rate of mining in each of these mines.

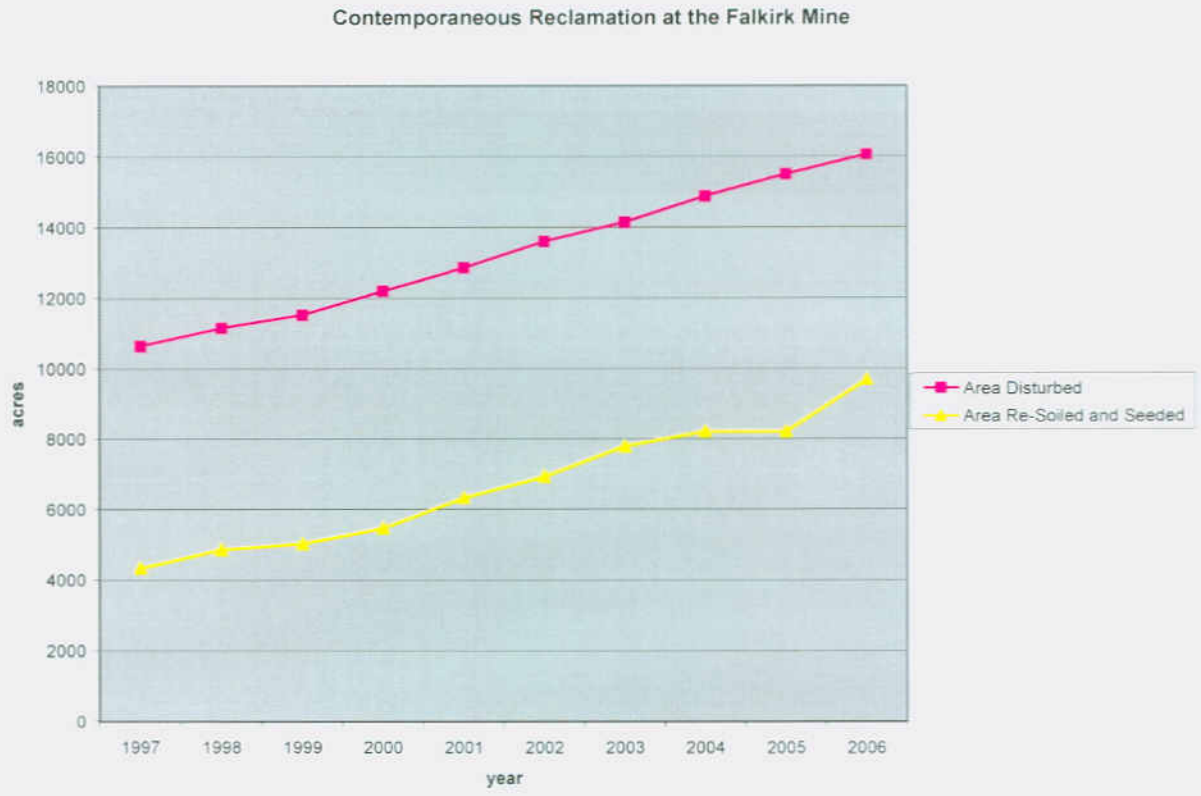


Contemporaneous Reclamation at the Center Mine



Contemporaneous Reclamation at the Freedom Mine





A comparison of permit requirements, North Dakota regulations, and on-the-ground conditions has occurred at the Beulah Mine, Center Mine, and Freedom Mine. A comparison of these features for the Falkirk Mine is pending. The CFO feels that reclamation in North Dakota is occurring as contemporaneously as practicable. The CFO will continue to report "Reclamation Success" and inventory the status of disturbed lands for future reports.

C. Customer Service

One of the requirements of a regulatory authority for reclamation programs implemented under SMCRA is to develop and encourage open communication not only with the industry being regulated, but also the citizenry and communities in the coalfields around the mines. To accomplish this requirement, SMCRA programs must involve the public in all phases of coal mine permitting. North Dakota's program provides for public involvement of permitting actions when a new application is received, when a permit is renewed, when any significant permit revision is proposed and when a phase of reclamation is completed to the point of requesting bond release from a tract. The provisions of the North Dakota program that extensively describe these procedures can be found at sections NDCC 38-14.1-18 and NDAC 69-05.2-10 and 69-05.2-12.

The Reclamation Division provided the required notices to landowners and other interested parties for significant revision applications, renewals and bond release applications. Staff encourages participation in bond release inspections by the landowners and county officials.

A call from a former landowner at one of the mines was treated as a verbal complaint by the Reclamation Division during the evaluation period. This person had concerns about poor crop production from reclaimed lands and final bond release. The concerns were properly investigated and additional informational about the reclaimed tract was provided to this person.

The Reclamation Division responded to numerous requests for information from landowners, mining companies, government agencies and others. There has been a renewed interest in energy development (including coal) in North Dakota in recent years. This has resulted in numerous inquiries of the Reclamation Division. Two permit applications for proposed new mines are expected within the next year. Staff spent a considerable amount of time during the evaluation period working with the companies and their consultants on premine baseline studies that are needed in order to permit a new mine. In addition, a couple of companies are exploring the possibility of mining uraniferous (uranium enriched) lignite in western North Dakota. Staff has attended several meetings and numerous discussions relating to the regulation of uraniferous lignite. Mining of uraniferous lignite would be subject to the North Dakota's surface coal mining and reclamation law; however, additional rules may be necessary to address special concerns with radioactive materials.

The PSC responds to customer requests for information and complaints in an appropriate, timely and professional manner.

VI. OSM Assistance

North Dakota PSC staff continue to participate in technological advances, exchanging electronic information with their industries, converting non-electronic documents to electronic format, and developing a GIS for managing data and technical evaluations, including bond release. An effort that facilitates the programs electronic management of information includes acquisition of satellite imagery. Technology Transfer and the TIPS program coordinated the successful acquisition of satellite imagery for all of North Dakota's active mines. The Quickbird satellite imagery that was delivered to the PSC will be instrumental for the identification and resolution of differential soil settling and implications for final bond release.

TIPS supported the state of North Dakota by providing software upgrades and augmentations. Software updates to Galena and SedCAD, TIPs core software, were distributed to designated contacts during this reporting period. Additionally, 10 licenses of ArcPAD were provided for mobile computing purposes.

A service manager visit was conducted with the Title IV and Title V Programs in Bismarck to better understand the programs needs and to identify opportunities where Technology Transfer can better partner with North Dakota personnel as we work to implement regulatory solutions.

The North Dakota Program used the Real-Time Kinematic (RTK) GPS unit to more accurately locate survey monuments at an active mine site. Additionally, a GPS enabled digital camera was loaned to the North Dakota Program to support TIPs innovative and emerging technology efforts. Staff feedback stated that their exposure to the technology by the TIPs and Technology Transfer Program and ability to utilize the equipment for a trial period at no obligation, were appreciated.

The North Dakota PSC retains highly qualified staff capable of utilizing OSM TIPs software and equipment. Staff routinely use mobile computing technology, and require TIPs support of ArcPad, GIS, AutoCAD, and Remote Sensing software licenses to perform their regulatory duties. The North Dakota Program has representatives that are Geospatial Data Stewards, participate on the Western Region Technology Transfer Team, and had several staff attend the OSM TIPs Geospatial Conference. Continued involvement in these technical conferences and teams will foster additional partnerships and innovative approaches to resolve technical challenges.

During the evaluation period, three staff from the Reclamation Division attended a total of five NTTP training courses. Two Reclamation staff attended one TIPs course. Two staff from the Abandon Mine Lands Division attended a total of four NTTP training courses. No North Dakota personnel participated as instructors during this reporting period.

OSM's Technical Librarian filled one reference request and provided three article reprints to North Dakota staff members.

VII. General Oversight Topic Reviews

A. Program Amendments

Overall, the PSC has kept its program in compliance with SMCRA and any changes to the counterpart Federal regulations. The North Dakota program has been maintained in a contemporaneous and professional manner. During this evaluation period, North Dakota has one program amendment currently under review by OSM. The amendment package pertains primarily to changes in the self bonding provisions in NDAC 69-05.2-12-05.1. Language has been added that will allow the Commission to accept bond ratings from other national recognized ratings organizations, in addition to Moody's Investor Service and Standards and Poor's ratings, for companies that guarantee self-bonds.

North Dakota does an excellent job of keeping OSM informed of any proposed changes to its program. Their informal process allows for input from industry, citizen groups, the general public and other agencies like OSM, prior to formalized rulemaking. Any issues or problems with the proposed rule changes can then be identified and dealt with early in the process, making the formal program changes proceed through the rulemaking process easier and more efficiently.

B. Inspection and Enforcement

The North Dakota Public Service Commission continues to conduct frequent and thorough inspections. North Dakota conducted 130 complete inspections and 565 partial inspections, exceeding the required number of inspections on all permits during the evaluation year. The Casper Field Office conducted two complete random sample inspections and one partial / focused inspection of coal mining operations in North Dakota.

North Dakota inspection reports are complete, accurately document site conditions and mine activity, and give the status of any violations. The reports have continuity with previous reports. All performance standards were reviewed and documented during complete inspections and the reports

contain a discussion of the current mine status. Each partial inspection report documents mining and reclamation activities, performance standards and permit requirements that were reviewed, as well as those portions of the mine that were inspected.

The PSC maintains an inspectable units list and an inspection database sufficient to meet its program requirements.

The PSC issued two NOV's and no CO's during this evaluation period. No patterns of violation exist. No-show cause hearings or alternative enforcement actions occurred during this evaluation period.

The CFO did not issue any enforcement actions (NOV, CO) during this review period. No TDN's were sent to the State.

C. Grants Management

CFO conducted an evaluation of both A&E and AML grant funds in accordance with the requirements of Chapter 5-55 of the Federal Assistance Manual. Drawdown reports from fiscal years 2006, 2007 and 2008 were sampled to determine the actual and optimum days that the State Program takes to pay out funds to its customers. FY 2005 Federal will appear as FY 2006 in the State's financial reports.

Different fund numbers are assigned for the different types of grants that are issued to the North Dakota, Public Service Commission by OSM. Project numbers are then assigned to the various project subaccounts that occur within a given grant to keep track of expenditures. Time sheets are kept to show hours worked by PSC employees; travel costs are also kept, along with expenses for each project or activity. Expense vouchers are coded by project work and a warrant is issued later to pay for all expenses and work done.

The Administrative Staff Officer keeps Oracle Journal entries of accounts and runs trial balances to cross check monthly expenses. A running total of expenses is kept and compared with the ASAP report from the U.S. Treasury. A Month Ending Report is prepared that contains all revenue and expenditures that are charged to each grant. The North Dakota Program submits a report of monthly expenditures to the U.S. Treasury ASAP system for reimbursement.

Our evaluation found that the State of North Dakota's A&E Regulatory and AML Programs are on a cash reimbursement basis. All costs are paid up-front by the State accounting system and then the State is reimbursed for the amount it paid out to cover program expenses. The State of North Dakota does not operate on a cash advance system.

This review of the North Dakota, Public Service Commission's records revealed that the State does not receive advances of Federal funds but operates on a cash reimbursement basis. This means that the State does not need to concern itself with how long it keeps cash on hand before services, customers or contractors are paid. The actual and optimum days required to pay funds under the State's system are not a concern since the State chooses to pay all debts from its treasury first. North Dakota maintains a financial drawdown system which complies with Federal and State requirements. Since the North Dakota, Public Service Commission operates on the cash reimbursement method of payment; it is in keeping with the requirements of Chapter 5-55 of the FAM and the Cash Management Act of 1990.

APPENDIX A

Tabular Summaries of Data
Pertaining to Mining, Reclamation and Program Administration

These tables present data pertinent to mining operations and State and Federal regulatory activities within North Dakota. They also summarize funding provided by OSM and [State} staffing. Unless otherwise specified, the reporting period for the data contained in all tables is the same as the evaluation year. Additional data used by OSM in its evaluation of [State's] performance is available for review in the evaluation files maintained by the [City] OSM Office.

When OSM's Directive REG-8, Oversight of State Programs, was revised in December 2006, the reporting period for coal production on Table 1 was changed from a calendar year basis to an evaluation year basis. The change was effective for the 2007 evaluation year. However, with Change Notice REG-8-1, effective July 1, 2008, the calendar year reporting period in Table 1 for coal produced for sale, transfer or use was reestablished and is effective for the 2008 evaluation year. In addition, for the 2008 evaluation report, coal production for the two prior years reported on Table 1 was recalculated on a calendar year basis so that all three years of production reported in the table are directly comparable. This difference in reporting periods should be noted when attempting to compare coal production figures from annual evaluation reports originating both before and after the December 2006 revision to the reporting period.

APPENDIX B

North Dakota PSC Comments on this Report

North Dakota PSC relayed the following comments about the draft OSM Annual Evaluation Summary Report for EY2008 (from email dated August 20, 2008):

> The following are comments on the draft 2008 evaluation report for North Dakota's coal regulatory program:
>
> We recommend adding a section to discuss the financial review that was conducted by Frank Atencio. His review covered expenditures and draw downs for the regulatory program as well as the AML program. The write up could be similar to that in the draft AML report.
>
> Page 4 – At the end of last sentence in the first complete paragraph, we recommend changing "rules revisions" to "rule changes".
>
> Page 6 – We recommend adding a graph for the Falkirk Mine that shows the acreage of areas disturbed and areas re-soiled and seeded. Since similar graphs are provided for the other three large active mines it North Dakota, we believe it would be appropriate to include a graph for the Falkirk Mine as the information for that mine is also available.
>
> Page 8 – We recommend clarifying the last sentence of the first paragraph that discusses the Quickbird satellite imagery. We suggest rewording the first part of the sentence as follows: "The Quickbird satellite imagery that was delivered to the PSC will be instrumental for the . . .".
>
> The discussion of the OSM owned RTK GPS unit that was loaned to North Dakota appears incorrect as our use of that unit did not save the regulatory program $10,000 as stated in the draft report. This unit was only used to more accurately locate survey monuments at one of the active mines and the cost to otherwise do so would have been much less than $10,000. North Dakota's AML program used the RTK unit more extensively than the regulatory program.
>
> The discussion on staff that attended OSM NTTP and TIPS training courses appears incorrect. Our records show that three Reclamation Division staff members attended five NTTP courses (two staff attended one of the courses) and two Reclamation staff members attended one TIPS course. Two AML staff members attended a total of four NTTP courses and two attended five TIPS courses. Please correct the discussion near the bottom of page 8.
>
> Page 9 – The number of inspections listed on page 9 is not consistent with the numbers in Table 9. During the evaluation period, the Reclamation Division conducted 130 complete and 565 partial inspections.
>
> Page 10 – In the first paragraph, {State} should be replaced with "North Dakota" in several places.
>
> Table 3 – Please list 12 midterm permit reviews in that space at the bottom of the table.

Table 8 – At the top of the table, please indicate that the funds were granted to North Dakota instead of Montana.

Table 12 – The category "Public funds" should be changed to Public roads".

CFO agrees with all the comments made by ND PSC and appropriate revisions have been made.

TABLE 1

Coal Produced for Sale, Transfer, or Use
(Millions of Short Tons)

Period	Surface Mines	Underground Mines	Total
Coal production[A] for entire State:			
Calendar Year			
CY 2005	31.099	0.000	31.099
CY 2006	30.380	0.000	30.380
CY 2007	29.674	0.000	29.674

A Coal production as shown in this table is the gross tonnage and includes coal produced during the calendar year (CY) for sale, transfer or use. The coal produced in each CY quarter is reported to OSM during the following quarter by each mining company on line 8 (a) of form OSM-1, 'Coal Reclamation Fee Report.' Gross tonnage does not provide for a moisture reduction. OSM verifies tonnage reported through routine auditing of mining companies. This production may vary from that reported by States or other sources due to varying methods of determining and reporting coal production.

Provide production information for the latest three full calendar years to include the last full calendar year for which data is available.

TABLE 2

Inspectable Units
As of June 30, 2008

Coal mines and related facilities	Number and Status of Permits								Nbr.of Insp. Units[A]	Permitted Acreage[B] (100's of acres)				
	Active or temporarily inactive		Inactive Phase II bond release		Abandoned		Totals			Federal Lands		State/Private Lands		All Lands
	IP	PP	IP	PP	IP	PP	IP	PP		IP	PP	IP	PP	Total
LANDS FOR WHICH THE STATE IS THE REGULATORY AUTHORITY														
Surface mines	0	20	1	10	0	0	1	30	31	0.0	152.8	1.4	932.9	1,087.1
Underground mines	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Other facilities	0	0	0	0	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
Total	0	20	1	10	0	0	1	30	31	0.0	152.8	1.4	932.9	1,087.1

Total number of permits:			31
Average number of permits per inspectable unit (excluding exploration sites):			1.00
Average number of acres per inspectable unit (excluding exploration sites):			3,506.77
Number of exploration permits on State and private lands:	0	On Federal lands[C]:	0
Number of exploration notices on State and private lands:	5	On Federal lands[C]:	0

IP: Initial regulatory program sites
PP: Permanent regulatory program sites

[A] Inspectable units include multiple permits that have been grouped together as one unit for inspection frequency purposes by some State programs.

[B] When a single inspectable unit contains both Federal lands and State/Private lands, enter the permitted acreage for each land type in the appropriate category.

[C] Includes only exploration activities regulated by the State pursuant to a cooperative agreement with OSM or by OSM pursuant to a Federal lands program. Excludes exploration regulated by the Bureau of Land Management.

TABLE 3

State Permitting Activity
As of June 30, 2008

Type of Application	Surface mines			Underground mines			Other facilities			Totals		
	App. Rec.	Issued	Acres	App. Rec.	Issued	Acres [A]	App. Rec.	Issued	Acres	App. Rec.	Issued	Acres
New Permits	0	0	0	0	0	0	0	0	0	0	0	0
Renewals	2	3		0	0		0	0		2	3	
Transfers, sales, and assignments of permit rights	0	0		0	0		0	0		0	0	
Small operator assistance	0	0		0	0		0	0		0	0	
Exploration permits										0	0	
Exploration notices [B]											5	
Revisions (exclusive of incidential boundary revisions)		22			0			0			22	
Revisions (adding acreage but are not incidental boundary revisions)	2	1	5,023	0	0	0	0	0	0	2	1	5,023
Incidental boundary revisions	1	1	2	0	0	0	0	0	0	1	1	2
Totals	5	27	5,025	0	0	0	0	0	0	5	32	5,025

OPTIONAL - Number of midterm permit reviews completed that are not reported as revisions: 12

[A] Includes only the number of acres of proposed surface disturbance.

[B] State approval not required. Involves removal of less than 250 tons of coal and does not affect lands designated unsuitable for mining.

TABLE 4

OFF-SITE IMPACTS (excluding bond forfeiture sites)

RESOURCES AFFECTED			People			Land			Water			Structures		
DEGREE OF IMPACT			Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
TYPE OF IMPACT AND TOTAL NUMBER OF EACH TYPE	Blasting	0	0	0	0	0	0	0	0	0	0	0	0	0
	Land Stability	0	0	0	0	0	0	0	0	0	0	0	0	0
	Hydrology	0	0	0	0	0	0	0	0	0	0	0	0	0
	Encroachment	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0

Total number of inspectable units (excluding bond forfeiture sites): 31
Inspectable units free of off-site impacts: 31
Inspectable units with off-site impacts: 0

OFF-SITE IMPACTS ON BOND FORFEITURE SITES

RESOURCES AFFECTED			People			Land			Water			Structures		
DEGREE OF IMPACT			Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major	Minor	Moderate	Major
TYPE OF IMPACT AND TOTAL NUMBER OF EACH TYPE	Blasting	0	0	0	0	0	0	0	0	0	0	0	0	0
	Land Stability	0	0	0	0	0	0	0	0	0	0	0	0	0
	Hydrology	0	0	0	0	0	0	0	0	0	0	0	0	0
	Encroachment	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0

Total number of inspectable units (only bond forfeiture sites): 0
Inspectable units free of off-site impacts: 0
Inspectable units with off-site impacts: 0

TABLE 5

Annual State Mining and Reclamation Results

Bond release phase	Applicable performance standard	During this Evaluation Year		
		Total acreage released	Acreage also released under Phase I	Acreage also released under Phase II
A	B	C	D	E
Phase I	- Approximate original contour restored - Topsoil or approved alternative replaced	597		
Phase II	- Surface stability - Establishment of vegetation	648	0	
Phase III	- Post-mining land use/productivity restored - Successful permanent vegetation - Groundwater recharge, quality and quantity restored - Surface water quality and quantity restored	709	597	648

Bonded Acreage [A]	Acres during this evaluation year
Total number of new acres bonded during this evaluation year	5,025
Number of acres bonded during this evaluation year that are considered remining, if available	0
Number of acres where bond was forfeited during this evaluation year	0

Bonded Acreage Status	Cumulative Acres
Total number of acres bonded as of the end of last review period (June 30, 2007) [B]	104,174
Total number of acres bonded as of the end of this review period (June 30, 2008) [B]	108,706
Sum of acres bonded that are between Phase I bond release and Phase II bond release as of June 30, 2008 [B]	4,208
Sum of acres bonded that are between Phase II bond release and Phase III bond release as of June 30, 2008 [B]	264

Disturbed Acreage	Acres
Number of Acres Disturbed during this evaluation year	2,045
Number of Acres Disturbed at the end of the evaluation year (cumulative)	61,237

[A] Bonded acreage is considered to approximate and represent the number of acres disturbed by surface coal mining and reclamation operations.

[B] Bonded acres in this category are those that have not received a Phase III or other final bond release (State maintains jurisdiction).

Brief explanation of columns D & E. The States will enter the total acreage under each of the three phases (column C). The additional columns (D & E & E) will "break-out" the acreage among Phase II and/or Phase III. Bond release under Phase II can be a combination of Phase I and II acreage, and Phase III acreage can be a combination of Phase I, II, and III. See "Instructions for Completion of Specific Tables," Table 5 for example.

TABLE 6

State Bond Forfeiture Activity
(Permanent Program Permits)

Bond Forfeiture Reclamation Activity by SRA	Number of Sites	Dollars	Acres
Sites with bonds forfeited and collected that were unreclaimed as of June 30, 2007 (end of previous evaluation year) [A]	0		0
Sites with bonds forfeited and collected during Evaluation Year 2008 current evaluation year)	0	$ 0	0
Sites with bonds forfeited and collected that were re-permitted during Evaluation Year 2008 (current evaluation year)	0		0
Sites with bonds forfeited and collected that were reclaimed during Evaluation Year 2008 (current evaluation year)	0		0
Sites with bonds forfeited and collected that were unreclaimed as of June 30, 2008 (end of current evaluation year)[A]	0		0
Sites with bonds forfeited but uncollected as of June 30, 2008 (end of current evaluation year)	0		0
Surety/Other Reclamation (In Lieu of Forfeiture)			
Sites being reclaimed by surety/other party as of June 30, 2007 (enc of previous evauation year) [B]	0		0
Sites where surety/other party agreed to do reclamation during Evaluation Year 2008 (current evaluation year)	0		0
Sites being reclaimed by surety/other party that were re-permitted during Evaluation Year 2008 (current evaluation year)	0		0
Sites with reclamation completed by surety/other party during Evaluation Year 2008 (current evaluation year) [C]	0		0
Sites being reclaimed by surety/other party as of June 30, 2008 (current evaluation year) [B]	0		0

[A] Includes data only for those forfeiture sites not fully reclaimed as of this date

[B] Includes all sites where surety or other party has agreed to complete reclamation and site is not fully reclaimed as of this date

[C] This number also is reported in Table 5 as Phase III bond release has been granted on these sites

TABLE 7

State Staffing
(Full-time equivalents at end of evaluation year)

Function	EY 2008
Regulatory Program	
Permit Review	4.56
Inspection	1.86
Other (administrative, fiscal, personnel, etc.)	1.87
Regulatory Program Total	8.29
AML Program Total	4.28
Total	12.57

TABLE 8

Funds Granted To North Dakota
BY OSM
(During the Current Evaluation Year)
(Actual Dollars, Rounded to the Nearest Dollar)

Type of Funding	Federal Funds Awarded During Current Evaluation Year	Federal Funding as a Percentage of Total Program Costs
Regulatory Funding		
Administration and Enforcement Grant	$ 644,571	65.00 %
Other Regulatory Funding, if applicable	$ 0	0.00 %
Subtotal	$ 644,571	
Small Operator Assistance Program	$ 0	100 %
Abandoned Mine Land Reclamation Funding [A]	$ 3,072,803	100 %
Totals	$ **3,717,374**	

[A] Includes funding for AML Grants, the Clean Streams Initiative and the Watershed Cooperative Agreement Program.

TABLE 9

State Inspection Activity
During Current Evaluation Year

Inspectable Unit Status	Number of Inspections Conducted	
	Complete	Partial
Active [A]	83	469
Inactive [A]	47	96
Abandoned [A]	0	0
Total	130	565
Exploration	4	0

[A] Use terms as defined by the approved State program.

TABLE 10

State Enforcement Activity

During Current Evaluation Year

Type of Enforcement Action	Number of Actions [A]	Number of Violations [A]
Notice of Violation	2	2
Failure-to-Abate Cessation Order	0	0
Imminent Harm Cessation Order	0	0

[A] Do not include those violations that were vacated.

TABLE 11

Lands Unsuitable Activity

During Current Evaluation Year

	Number	Acreage
Number Petitions Received	0	
Number Petitions Accepted	0	
Number Petitions Rejected	0	
Number Decisions Declaring Lands Unsuitable	0	0
Number Decisions Denying Lands Unsuitable	0	0

TABLE 12
Optional

Post Mining Land Use Acreage (after Phase III bond release)

Land Use	Acreage Released during this Evaluation Year
Cropland	83
Pasture/Hayland	58
Grazing Land	158
Forest	18
Residential	0
Fish & Wildlife Habitat	186
Developed Water Resources	9
Public Utilities	0
Industrial/Commercial	0
Recreation	0
Other (please specify): Undisturbed by mining	190
Other (please specify): Public roads	7
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Other (please specify):	0
Total	709