UNITED STATES
DEPARTMENT OF THE INTERIOR

This mining plan modification approval document is issued by the United States of America to:

Coteau Properties Company
204 County Road 15
Beulah, North Dakota 58523

for a mining plan modification for Federal Lease NDM 91535 at the Freedom Mine. The approval is subject to the following conditions. Coteau Properties Company is hereinafter referred to as the operator.

1. Statutes and Regulations.--This mining plan approval is issued pursuant to Federal Lease NDM 91535; the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.); and in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of 1947, as amended (30 U.S.C. 351 et seq.). This mining plan approval is subject to all applicable laws and regulations of the Secretary of the Interior which are now or hereafter in force; and all such laws and regulations are made a part hereof. The operator shall comply with the provisions of the Federal Water Pollution and Control Act (33 U.S.C. 1251 et seq.), the Clean Air Act (42 U.S.C. 7401 et seq.), and other applicable Federal laws.

2. This document approves the mining plan modification for Federal Coal Lease NDM 91535 at the Freedom Mine and authorizes coal development or mining operations on the Federal leases within the area of mining plan approval. This authorization is valid for the area listed below:

Township 145 North, Range 88 West, 5th PM, Mercer County, North Dakota
Section 10       N1/2
Section 14       All

These lands encompass 960 acres and are shown on the mining plan modification area map attached hereto as Attachment A.

3. The operator shall conduct coal development or mining operations only as described in the complete permit application approved by the North Dakota Public Service Commission, except as otherwise directed in the conditions of this mining plan approval.

4. The operator shall comply with the terms and conditions of the lease, this mining plan approval, and the requirements of the North Dakota Permit No. NACT-0201 issued under the North Dakota State program, approved pursuant to the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et seq.).
5. This mining plan approval shall be binding on any person conducting coal development or mining operations under the approved mining plan and shall remain in effect until superseded, canceled, or withdrawn.

6. If during mining operations unidentified prehistoric or historic resources are discovered, the operator shall ensure that the resources are not disturbed and shall notify North Dakota Public Service Commission and the Office of Surface Mining Reclamation and Enforcement (OSMRE). The operator shall take such actions as are required by North Dakota Public Service Commission in coordination with OSMRE.

7. The Secretary retains jurisdiction to modify or cancel this approval, as required, on the basis of further consultation with the U.S. Fish and Wildlife Service pursuant to section 7 of the Endangered Species Act, as amended, 16 U.S.C. 1531 et seq.

8. The operator shall monitor the bond ratings received by Basin Electric Power Cooperative from all national recognized statistical ratings organizations (NRSRO) and immediately notify the North Dakota Public Service Commission and OSMRE of any change in those bond ratings or in the rating outlook provided by a NRSRO. In addition, the operator shall ensure that the North Dakota Public Service Commission and OSMRE are provided with copies of Basin Electric Power Cooperative's quarterly financial statements within 45 days of the end of each quarter. The Secretary retains jurisdiction to modify or cancel this approval if the operator no longer meets current or future self-bonding requirements.

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Janice M. Schneider  
Assistant Secretary  
Land and Minerals Management

Date: 10-19-11

Attachment