



WESTERN ENERGY COMPANY

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RECEIVED

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May 4, 2012

Chris Yde
Program Supervisor
Industrial and Energy Minerals Bureau
Department of Environmental Quality
PO Box 200901
Helena, MT 59620-0901

Permit ID: C2011003F
Revision Type: New Permit
Permitting Action: Deficiency Response
Subject: New Surface Mine Application Completeness Deficiency – Round #1

Dear Chris:

Enclosed for your review is a digital version (DVD) of the surface mining application completeness deficiencies from the Department's completeness deficiency letter dated January 10, 2012.

17.24.303(1)(s): Western did not provide the certificate of liability insurance. Please provide.

Response: The certificate of liability insurance is included; please see 17.24.303 (1)(s) for Certificate of Liability Insurance on page 303-27.

17.24.303(1)(w): The public notice has cyde@mt.gov for a contact email address please change to deqcoal@mt.gov.

Response: The public notice on page 303-22 has been revised to read deqcoal@mt.gov. Please see section 17.24.303(1)(w) on page 303-23.

17.24.304(1)(B): Western does not have a minimum of one year of quarterly monitoring for ground water wells. The reports submitted include 09/2005, 05/2006, 08/2006, 09/2007, and 09/2008s. These reporting dates do not represent a complete year of quarterly monitoring. A complete year (e.g. four continuous quarters) of monitoring is required before the application can be ruled complete.

It was also noted that several wells do not have four complete reports and two monitoring wells have no ground water reports. Please provide a full year of quarterly sampling for all applicable wells as stated above.

Response: Please see Appendix B Hydrology. A complete year of quarterly monitoring is included as required by 17.24.304(1)(b).

17.24.304(j)(v): for the wildlife monitoring, please provide a map that shows the coverage of the proposed permit area plus an area around it.

Response: Please see Appendix F Wildlife. The map in the original submittal contains the coverage area depicted by a red line. Please note – the map included does have the coverage area depicted by a red line.

17.24.305(2)(a): Maps containing P.E. Stamps and Notary Public Seals, such as Exhibit LI Surface Ownership Map, are not adequately certified. The certifications appear to be scanned and affixed to the PDF electronically. While the Department will accept scanned copies of such certifications either a scanned version of the original hardcopy document or in affidavit form - these maps are alterable as prepared (i.e., it is possible to delete the affixed certification). If Western can find a solution that prevents the affixed certification from being altered, the Department may accept this option. Otherwise, refer to the instructions regarding P.E. Stamps and Notary Public Seals in the Coal and Uranium Program's Submittal Guidelines.

Response: Please see the certified exhibits in the folder named CERTIFIED PDF'S a subdirectory of 02_Exhibits.

17.24.305(1)(1): Exhibit W is missing. It appears, according to the explanation in Appendix N, that the map will be provided after the PMT is deemed acceptable by the Department; however, the cover letter suggests that Exhibit W is included. Please clarify.

Response: WECO does not have sufficient information at this point in time to provide a reclamation bond calculation estimate. Without acceptability of the proposed mine plan, postmine topography and proposed hydrologic control plan WECO does not have enough information on which to base the reclamation bond calculation.

17.24.313(1)(c): Since this is an application for a new surface mine permit, an initial estimation of the reclamation bond must be included. Please submit a detailed estimate of the cost of reclamation of the proposed operations that will be covered by a performance bond. Upon approval of the mine plan, facilities, PMT, revegetation plan, etc. the Department will require an updated calculation of the reclamation bond.

Response: Please see comment 17.24.305(1)(1), as state in the comments above; once the department finds the proposed mine plan, proposed postmine topography, and the proposed hydrologic control plan acceptable, WECO will provide an initial bond calculation estimate at that time.

17.24.1125(1)-(3): Please provide the certificate of liability insurance.

Response: The certificate of liability insurance is included; please see 17.24.303(1)(s) for the Certificate of Liability Insurance on page 303-27.

Additional Suggestions and Comments for Submittal Standards: Western's application was submitted in multiple folders with various pdf documents rather than a single pdf submittal with

attachments and raw data as separate files. The electronic permit is not broken up into volumes that will allow for the permit to be easily and logically updated when revisions are approved. Right now the permit may not be large enough to warrant it being separated into volumes, but it would" be easier if the table of contents was the main pdf with the subchapters broken out and attached. The maps should be attached, as well either to the main pdf or to the subchapter they pertain to. This should make it easier if/when the permit is put into separate volumes.

Response: Your comments have been taken into consideration. At this time it is more efficient to list the Exhibits and Appendices in there own folders. Once the permit is finalized, the permit will be formatted in a usable format for both the company and the department. Please see the enclosed materials.

75-1-201(1)(b)(iv), MCA: In summary, states that an Environmental Impact Statement (EIS) is a detailed review that is required whenever an agency proposes a major action significantly affecting the quality of the human environment. Although, the application has not been determined to be administratively complete, the Department is going to require an EIS prior to issuance of this permit.

Response: WECO acknowledge that an EIS is required. WECO will provide any information needed to expedite the process.

If you have any questions, please contact me at (406) 748-5124.

Sincerely,



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Rosebud Mine – Area F
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Enclosure

cc: Jesse Noel
Charlie Speake
Rusty Batie