

February 22, 2012
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Mr. Chairman and members of the interim Natural Resources Committee.

This is a wonderful opportunity to "think out loud" about this Potash industry and the questions that are coming to the surface when we consider the impact of solution mining for Potash.

Since this is the Natural Resources committee I am going to ask that you find the expertise to answer several questions that come to mind after reading the "Milestone Project Scoping Study: Executive Summary". This addresses a new solution mining of potash plant south of Regina.

1. Raw water...a very specific from where and how much? Flaxton City is in this possible Burke County potash solution mine area. When the deep city water well started to have problems several years ago, the well was pulled and the pump replaced..the rest of the story is that the set point for this new pump was 30 feet lower than the previous set point. Water....where and how much. The mine near Regina would have a buried 30" jacketed carbon steel pipe carrying the needed water 85 km and this pipeline is at the operators expense.

The caverns that would be created for this solution mining technique would use oil/and in fact diesel fuel is the product of choice to protect the cavern ceiling from dissolving!

The new Milestone project has been selected since it is away from aquifers and is located in a natural terrain that is a thick bed of clay with very low permeability. North Dakota should be as careful to protect these very valuable resources.

2. Another concern that needs to be addressed is the end by-product....salt. There was talk of the salt being injected back in to the caverns. This new state of the art plant near Regina, suggests that this is off in the future if at all and there is a saturated market for road salt. They are facing the fact that it will need to be stored...and mentions that "salt will need to be stored for long term disposal".

3. The allowance for initial wellfield piping from the plant to the production wells will include line buried at 2.4m.

4. When and if this solution mining is allowed in North Dakota I would like to plant that seed of an idea from Saskatchewan's government....The Municipal Tax Sharing (Potash) Act of 1968. This "The municipal potash tax sharing" is a redistribution of municipal property taxes on potash mines with eligible rural and urban municipalities within a 20 mile radius of a potash mines shaft and head frame. www.municipal.gov.sk.ca This means the assessments established for taxation purposes pursuant to *The Municipalities Act* on land, buildings, plant, equipment.

5. Several of the positive impacts are jobs and the market for natural gas. The Milestone project forecasts 1500 jobs during construction and a probable labor force of 79 salaried, 42 hourly on day shift and 193 hourly paid personnel in four shifts to allow continuous operation. This project would have a 40 year projected life.

6. The problems do exist for this type of a development. Burke County does not have a labor force nor the most basic of needs for sustaining these numbers of people. Burke County is fortunate to have this natural resource and are depending on the state's department of natural resources to set high standards and requirements to protect the water and air quality.

Thank you.