

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Royal Oak Enterprises, Inc.
Bond Release No. 3, Permit ROJK-8701
Approval

Case No. RC-06-407

RELEASE OF BOND
FOR SURFACE COAL MINING AND RECLAMATION OPERATIONS

October 14, 2009

Based on the application for **Bond Release Number 3 for Surface Coal Mining Permit Number ROJK-8701**, received September 6, 2006 and as later modified, and all information and documentation contained therein, the North Dakota Public Service Commission finds that:

1. Attached to the Application for Release of Bond were copies of all letters sent by the Permittee as required by NDCC §38.14.1-17(1)(b). Affidavits of publication for the advertisement required by NDCC §38.14.1-17(1)(a) have now been filed and have been made part of the Application for Release of Bond. The last date of publication was October 17, 2007.
2. On October 9, 2007, the Commission conducted an inspection and evaluation of the reclamation work involved, as required by NDCC §38.14.1-17(3). The surface owner, agent, or lessee was given notice of the bond release inspection and had the opportunity to participate with the Commission in conducting the inspection.

In accordance with NDCC §38.14.1-17, Bond Release No. 3 for Surface Coal Mining Permit No. ROJK-8701 is hereby granted to Royal Oak Enterprises, Inc., effective November 16, 2009, unless a formal hearing is requested. Once the release becomes effective, the amount of the bond release will be \$223,445.00. The area is described on the attached metes and bounds description and as follows:

Part of the NE¼ of Section 3, T140N, R96W, in Stark County,
releasing all remaining reclamation liabilities on 116.17 acres.

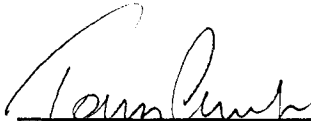
This decision to release all of the bond on this acreage is made for the following reason:

The post-mining land uses of hayland and developed water resource have been implemented as approved under the reclamation plan in the mining permit and the requirements of the applicable laws and rules have been satisfied. Also, a prime farmland tract within the reclaimed hayland has met the revegetation success standards applicable to prime farmland.

IMPORTANT – PLEASE READ

1. If bond release has been approved, actual release of bond shall not occur until the effective date of this decision. If a formal hearing is requested on this bond release decision by a person with a valid legal interest or by the head of any state or local government agency with appropriate jurisdiction, the actual release of bond may not occur until after a final decision is issued following the formal hearing. A request for formal hearing by any such person must be filed with the Public Service Commission within 30 days of this bond release decision.
2. If bond release has been disapproved or if you are unsatisfied with the amount of bond approved for release, you have the right to request a formal hearing regarding this decision by filing an application for a hearing with the Public Service Commission within 30 days of the date of this decision.

PUBLIC SERVICE COMMISSION



Tony Clark
Commissioner



Kevin Cramer
Chairman



Brian P. Kalk
Commissioner

ROYAL OAK ENTERPRISES, Inc.

RECLAMATION DISCRIPTION

J-K RANCH

A tract of land located in the Northeast Quarter (NE 1/4) of Section 3, Township 140 North, Range 96 West of the 5th Principle Meridian, Stark County, North Dakota and being more specifically described as follows:

Beginning at a point on the west line of said North Quarter (NE 1/4) of Section 3, a distance of 500 feet north of the southwest corner of said Northeast Quarter(NE 1/4) of Section 3, thence northerly along said west line on a bearing of N. 000o02'48" W. a distance of 2,600 feet, thence easterly on a bearing of N. 089o57'12" E. a distance of 1,750 feet, thence southerly on a bearing of S. 000o2'48" E. a distance of 450 feet, thence easterly on a bearing of N. 089o57'12" E. a distance of 300 feet, thence southerly on a bearing of S. 000o02'48" E. a distance of 450 feet, thence easterly on a bearing of N. 089o57'12" E. a distance of 450 feet, thence southerly on a bearing of S. 000o02'48" E. a distance of 300 feet, thence westerly on a bearing of S. 089o57'12" W. a distance of 750 feet, thence southerly on a bearing of S. 000o02'48" E. a distance of 1,500 feet, thence westerly on a bearing of S. 089o57'12" W. a distance of 1,250 feet, thence westerly on a bearing of N. 083o5827" W. a distance of 236.33 feet, thence northwesterly on a bearing of N. 060o03'54" W. a distance of 150.10 feet, thence westerly on a bearing of S. 089o57'12" W. a distance of 130 feet to the point of beginning.

Tract contains 116.17 acres, more or less.