

RECEIVED

THE FALKIRK MINING COMPANY

JUL -1 2008

PUBLIC SERVICE COMMISSION

LAND OFFICE

Schafer Street, Suite D Bismarck, ND 58501-1204

(701) 258-2200 • Fax (701) 222-7594 Toll-Free 1-877-258-3300

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

July 1, 2008

HAND DELIVERY

Illona Jeffcoat-Sacco Executive Secretary North Dakota Public Service Commission State Capitol Building 600 East Boulevard Avenue - Department 408 Bismarck, North Dakota 58505-0480

FROM DIRECTOR - RECLAMATION DIV.

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Dear Ms. Jeffcoat-Sacco:

As has been discussed between The Falkirk Mining Company and the North Dakota Public Service Commission, Falkirk desires to replace the reclamation performance surety bonds covering its consolidated bond area for Permit Nos. NAFK-8405, NAFK-8705, and NAFK-9503 with a combination of self-bond and collateral bond as follows:

Table with 5 columns: PERMIT NO., TOTAL ACREAGE, FEDERAL ACREAGE, CONSOLIDATED BOND NO., AMOUNT. Rows include NAFK-8405, NAFK-8705, NAFK-9503, and a total row.

Table with 7 columns: PERMIT NO., TOTAL ACREAGE, FEDERAL ACREAGE, SURETY BOND NO., SURETY, CURRENT AMOUNT, NEW AMOUNT. Rows include NAFK-8405, NAFK-8705, NAFK-9503, and a total row.

Accordingly, attached are the following documents:

- 1. One original and two copies of Self-Bond No. SB-9503-1, in the amount of \$41,611,898, which has been executed by Falkirk and Great River Energy as third-party guarantor,
2. Two originals and three copies of Collateral Bond No. CB-9503-1, in the amount of \$4,623,545, which has been executed by Falkirk and requires execution by the Commission and the Bank of North Dakota as escrow agent.



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3. Two originals and three copies of Stipulation to Reduce Surety Bond No. KO6909486 to \$0 and 0 acres effective with the approval date of the foregoing replacement bonds, which has been executed on behalf of Falkirk,
4. Two originals and three copies of Stipulation to Reduce Surety Bond No. 103824995 to \$0 and 0 acres effective with the approval date of the foregoing replacement bonds, which has been executed on behalf of Falkirk, and
5. Two originals and three copies of Stipulation to Reduce Surety Bond No. 6217327 to \$0 and 0 acres effective with the approval date of the foregoing replacement bonds, which has been executed on behalf of Falkirk.

Please note that the acreage associated with Self-Bond No. SB-9503-1 and Collateral Bond No. CB-9503-1 has been decreased by 194.3 acres associated with Final Bond Release No. 2-2006 for Permit No. NAFK-8705.

Commission acceptance of the foregoing reclamation performance documents is respectfully requested. Furthermore, upon your acceptance, one executed original of each Stipulation to Reduce Surety Bond form should be returned to this office in the enclosed self-addressed, stamped envelope for our provision to the respective sureties.

Sincerely,

THE FALKIRK MINING COMPANY



Nancy L. Jensen
Land Specialist

Enc.

cc: (w/o enc.)
J. Clarke
J. Eckroth
M. Fagan
B. Schafer
D. Straley
D. Swetich
W. Thompson