



Public Service Commission

State of North Dakota

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August 13, 2008

Ms. Donna Frey
Retail Department
Bank of North Dakota
PO Box 5509
Bismarck, ND 58502-5509


Dear Ms. Frey:


This is to inform you that the Commission has approved Collateral Bond No. CB-9503-1 provided by The Falkirk Mining Company to cover part of the total amount of performance bond needed for several surface coal mining permits at the Falkirk Mine. The amount of Collateral Bond No. CB-9503-1 is \$4,623,545. Enclosed is a check in that amount to purchase a Certificate of Deposit having a 180-day term. This will be in accordance with paragraph 5 of the Escrow Agreement that is part of Collateral Bond No. CB-9503-1. Also, interest earned on the CD will be payable to The Falkirk Mining Company.

Enclosed is an original copy of the bond documents for Collateral Bond No. CB-9503-1 that include the Escrow Agreement to be signed by you or another official at the Bank of North Dakota.

Thank you for your assistance in this matter.

Sincerely,


Gloria Geiger
Interim Executive Secretary


James R. Deutsch
Director, Reclamation Division

Enclosures

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Letter Sent to Bank of North Dakota on Collateral
Bond Escrow Account
Public Service Commission
Jim Deutsch