



Great Northern Power Development L.P.

173 Cottonwood Road
Townsend, MT 59644
(406) 266-4360 • Fax (406) 266-4577

RECEIVED

OCT 15 2008

31102

PUBLIC SERVICE COMMISSION

October 15, 2008

Mr. James Deutsch
Director – Reclamation Division
North Dakota Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

FROM DIRECTOR - RECLAMATION DIV.

Date: 10-15-08

Action: _____

Info. Only: _____

Info & File: _____

**Re: Permit Application
South Heart Lignite Mine**

Dear Mr. Deutsch:

On behalf of South Heart Coal LLC (SHC), Great Northern Power Development LP (GNPD) is pleased to submit SHC's application to North Dakota Public Service Commission (PSC) for a permit to open and operate the South Heart Lignite Mine. As requested, 4 copies of the permit application are provided on DVD. Also enclosed are the corresponding signed and notarized PSC application form and GNPD's Certificate of Authenticity. Finally, we have enclosed a check in the amount of \$3,245.00 in payment of the application fee.

GNPD looks forward to working with the PSC and its staff during its review of the SHLM permit application. Please do not hesitate to contact Rich Voss, V.P. Power Development at 701-223-8783 (rvoss@gnplp.com) or me at 406-266-4360 (rsouthwick@gnplp.com) with any questions pertaining to our application.

Sincerely,

Richard A. Southwick
Vice President – Permitting & Environmental

Enclosures

cc: Chuck Kerr, President GNPD
Rich Voss, Vice President – Power Development GNPD

SCANNED

Date 10-15-08 (31102)

File SH-App-Submitted thr- 1015-08



APPLICATION FOR PERMIT TO ENGAGE IN SURFACE COAL MINING AND RECLAMATION OPERATIONS

PUBLIC SERVICE COMMISSION
RECLAMATION DIVISION
SFN 10552 (1-2004)

SCANNED

Date 10.15.08

File SH-080 application (31102)

Name of Company, Corporation, Partnership, or Individual South Heart Coal LLC		Date October 15, 2008
Address 601 Jefferson Street, Suite 3600		Permit Number SHSH-0801
City Houston	State TX	Zip Code 77002

The above named hereby makes application for the above listed permit number to engage in surface coal mining and reclamation operations in the State of North Dakota during the period from _____ July 2009 _____ (date) to _____ July 2014 _____ (date) on the following area (attach a copy of metes and bounds description):

NAME OF MINE	ACRES	LOCATION			
		SEC.	TWP.	RANGE	COUNTY
South Heart Lignite Mine	274.5	22	T139N	R98W	Stark
ADDRESS					
TOTAL ACRES	274.5				

A bond, or its equivalent, duly executed in accordance with Section 38-14.1-16 of the North Dakota Century Code and Chapter 69-05.2-12 of the North Dakota Administrative Code will be delivered to the Public Service Commission prior to issuance of the surface coal mining and reclamation operations permit herein requested. A check for filing fees, pursuant to Section 38-14.1-13 of the North Dakota Century Code, in the amount of \$ 3,245.00, is included with the permit application.

Name of Official Authorized to Represent the Applicant Charles H. Kerr

I, the above named, certify that:

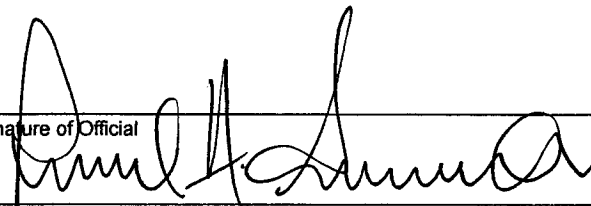
1. All information and documents required by Sections 38-14.1-13, 38-14.1-14, and 38-14.1-15 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code, are submitted as part of this permit application;
2. Information and documentation contained in the permit application affirmatively demonstrate that:
 - a. The permit application is accurate and complete and all the requirements of Chapter 38-14.1 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code have been complied with;
 - b. Reclamation as required by Chapter 38-14.1 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code can be accomplished under the reclamation plan contained in this permit application;
 - c. An assessment of the probable cumulative impact of all anticipated mining in the general area on the hydrologic balance as specified in subdivision o of subsection 1 of Section 38-14.1-14 of the North Dakota Century Code has been made and the proposed operation has been designed to prevent material damage to the hydrologic balance both on and off the mine site;
 - d. The area proposed to be affected is not included within an area designated unsuitable for all or certain types of surface coal mining and is not within an area under study for such designation in an administrative proceeding;
 - e. The proposed surface coal mining operation will not interrupt, discontinue or preclude farming on alluvial valley floors that are irrigated or naturally subirrigated and will not materially damage the quantity or quality of water in surface or underground water systems that supply these alluvial valley floors; and
 - f. The permit applicant has the legal right to surface mine the land for which this permit application is made and all of the requirements of Chapter 38-18 of the North Dakota Century Code have been complied with.

- 3. The area proposed to be affected is not included within an area where mining is prohibited pursuant to Section 38-14.1-07 of the North Dakota Century Code, unless specifically allowed in accordance with the provisions of Section 69-05.2-04-01 of the North Dakota Administrative Code; and
- 4. The proposed method of surface coal mining and reclamation operations contained in this permit application will be carried out at all times in a manner which ensures that all of the requirements of Chapter 38-14.1 of the North Dakota Century Code, Article 69-05.2 of the North Dakota Administrative Code, and any permit conditions attached thereto are complied with.

Signature of Official 	Title President, South Heart Coal LLC
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VERIFICATION

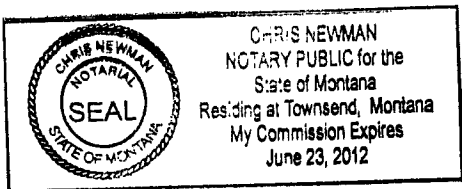
I, Richard A. Southwick, being first and duly sworn, verify that the information contained in this Permit Application is true and correct to the best of my knowledge and belief.


Signature of Official 	Title Vice President - Permitting & Environmental
------------------------------------------------------------------------------------------------------------	------------------------------------------------------

STATE OF Montana)
 COUNTY OF Broadwater)ss.

Subscribed and Sworn before me, this 9th day of October, _____.

(SEAL)




 Notary Public
 My Commission Expires: June 23, 2012

RECORDED
Date 10-15-08
File SH-cert-authenticity (31102)



Great Northern Power Development L.P.

1022 East Divide Avenue, Suite E
Bismarck, ND 58501
701-223-8783

CERTIFICATE OF AUTHENTICITY

STATE OF NORTH DAKOTA
STARK COUNTY

I hereby certify that the copies of the instruments submitted in Sections 1.3.5 and 1.3.6 of the South Heart Coal LLC South Heart Lignite Mine permit application (Permit No. SHSH-0801) are true and correct duplications of the original instruments that are on file in the Houston Office of South Heart Coal LLC located at 601 Jefferson Street, Suite 3600, Houston, TX 77002.

Dated the 13th day of October, 2008.

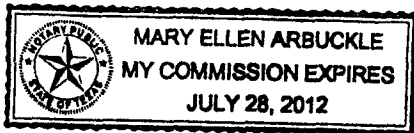
Charles H. Kerr
President
South Heart Coal LLC
Great Northern Power Development LP

STATE OF NORTH DAKOTA
STARK COUNTY

On this 13th day of October, 2008, before me personally appeared Charles H. Kerr, known to me to be the person described in and who executed the within and foregoing instrument and acknowledged to me that he executed the same.

(SEAL)

Notary Public



My Commission Expires: