



Great Northern Project Development LP

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PUBLIC SERVICE COMMISSION

FROM DIRECTOR - RECLAMATION DIV.

March 25, 2009

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

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Re: Withdrawal of Mine Permit Application No. SHSH-0801 - South Heart Lignite Mine

Dear Mr. Deutsch:

On behalf of South Heart Coal LLC (SHC), Great Northern Project Development LP (GNPD) is writing to notify the North Dakota Public Service Commission (PSC) of SHC's decision to withdraw Surface Coal Mining Permit Application No. SHSH-0801 for the South Heart (SH) lignite mine.

SHC is aware of a complaint (Case No. RC-09-32) filed with the PSC alleging that the GTLE demonstration plant currently under construction near the site of the planned SH lignite mine is "in connection with" the SH lignite mine. SHC is also aware that the complainants have made additional allegations, including that GTL Energy is in violation of North Dakota statute and regulation for "conducting surface coal mining operations without a permit," all apparently based upon the "in connection with" allegation.

These allegations are incorrect. The SH lignite mine and the GTLE demonstration plant are separate and independent projects. They have different purposes and are owned and controlled by different entities. Contrary to the recent allegations, there is no "connection" between the GTLE demonstration plant and the SH lignite mine such that they should be treated as a single project entity under the PSC regulations. In order to make clear that there is no such "connection" between the planned SH lignite mine and the GTLE demonstration plant, SHC is hereby formally withdrawing its application for a permit to construct and operate the SH lignite mine.

Development work is continuing on GNPD's planned commercial-scale coal gasification facility and associated surface lignite mine to be located near South Heart. Applications for required approvals for those facilities are planned for later this year. GNPD and SHC look forward to continuing their work with the PSC and its staff to obtain those approvals.

Sincerely,

Richard A. Southwick
Vice President – Environmental

cc: Todd Joyner, President GNPD
Rich Voss, VP GNPD