

SCANNED

Date 4-17-09

THE FALKIRK <sup>4-17-09</sup> File FK-bond-incr-ltr (31399)

LAND OFFICE

2000 Schafer Street, Suite D  
Bismarck, ND 58501-1204

(701) 258-2200 Fax (701) 227-7794  
Toll Free 1-877-258-3300

**RECEIVED**

APR 17 2009

31399

NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

# MINING COMPANY

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

April 17, 2009

HAND DELIVERY

Darrell Nitschke  
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 Mr. Nitschke:

Revision No. 16 to The Falkirk Mining Company's Permit No. NACT-9503 is scheduled to be approved by the North Dakota Public Service Commission at its April 29, 2009, meeting. This Revision includes an update to the Consolidated Bonding Plan and takes into account the revised variable costs provided annually by the Commission in accordance with Policy Memorandum No. 16, Reclamation Cost Estimating Guidelines.

Falkirk currently maintains Self-Bond No. SB-9503-1 guaranteed by Great River Energy and Collateral Bond No. CB-9503-1, which cover the entire consolidated area within Permit Nos. NAFK-8405, NAFK-8705, and NAFK-9503. Falkirk plans to increase the bonds as follows:

CURRENT BOND	CURRENT AMOUNT	INCREASE	NEW AMOUNT
SB-9503-1	\$41,611,898	\$9,643,102	\$51,255,000
CB-9503-1	4,623,545	1,071,455	5,695,000
TOTAL	\$46,235,443	\$10,714,557	\$56,950,000

Accordingly, enclosed are the following documents:

- One original and three copies of Self-Bond Rider to Increase Bond Amount for Bond No. SB-9503-1, which has been executed by Falkirk and Great River Energy as third-party guarantor,
- Two originals and three copies of Collateral Bond No. CB-9503-2, in the amount of \$5,695,000, which has been executed by Falkirk and requires execution by the Commission and the Bank of North Dakota as escrow agent. Furthermore, as stated in Exhibit 1 of this bond, the collateral will be provided via a roll-over of the current collateral bond liability and the provision of an additional \$1,071,455 in collateral on April 28, and

1 RC-09-158 Filed: 4/17/2009 Pages: 2  
Documents Filed to Increase the Self and Collateral Bond Amounts



Falkirk Mining Company  
Nancy Jensen

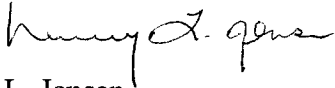
Darrell Nitschke  
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3. Two originals and three copies of Collateral Bond Rider to Reduce Bond Area and Amount for Collateral Bond No. CB-9503-1, which has been executed by Falkirk and will result in the release of this bond effective April 29, which requires Commission execution.

Commission acceptance of the foregoing is respectfully requested. Furthermore, upon Commission execution, please return a copy of the fully executed Escrow Agreement for Falkirk's records. A self-addressed stamped envelope is included for this purpose. The second original of Bond No. CB-9503-2 (marked "Bank of North Dakota Original") and the collateral bond rider may be provided to the Bank of North Dakota for its records.

Sincerely,

THE FALKIRK MINING COMPANY



Nancy L. Jensen  
Land Specialist

Enc.

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