

September 2, 2009

Mr. James R. Deutsch
Reclamation Director
ND State Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, North Dakota 58505

FROM DIRECTOR - RECLAMATION DIV.

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

RE: Technical Review Responses for Partial Bond Release 3 for Permit NAFK-9601

Dear Mr. Deutsch:

Falkirk submits the following responses to the technical review items noted in your August 17, 2009 letter for the above-referenced bond release.

Attachment II - Bond Calculation

1. ***The sum of the total undisturbed area plus the total disturbed area does not equal the total permitted area on page 5. The total undisturbed acres should be 800.7 to correspond with the table on page 5, and previous bond releases. Please make the necessary corrections. (SAS & MSK)***

Please see updated Attachment II, Bond Calculation Supplement #1.

2. ***Please add a footnote to the NAFK-9601 Calculation – Supplement No. 2 indicating that these calculations are based on the acreage of the original permit area and original bond amount and therefore, the acreages listed may not correspond with the current acreage.***

Please see updated Attachment II, Bond Calculation Supplement #2.

Attachment IV - Letters...Parties

3. ***Please provide the actual notice letters that were sent. These letters should specify the actual date of the letter and date by which comments must be submitted or hearing requested. (SAS)***

Please see updated Attachment IV, Notification Letters.

4. ***If maps of the proposed partial bond release areas were sent with the notification letters, then please include a copy of the map that was sent with the notice letters. It is recommended that maps of the bond release area be included with the notification letters in the future. (SAS)***

No maps were sent with the notification letters, but Falkirk will include maps in future partial bond releases.

Attachment VI - General Information

5. ***Please revise the subsoil respread thickness for Tract 7, and the corresponding footnote, because all areas of Tract 7 received 24 inches of total topsoil and subsoil respread thickness. Also, please revise the subsoil respread thickness for Tracts 8 and 9 to indicate that only a specified thickness of topsoil was respread because these tracts were areas of associated disturbance used for stockpiles and a sedimentation pond. (WTG)***

Please see updated Attachment VI.

Attachment VII - Regraded...Map

6. ***The contour lines on Attachment VII should extend 500 to 1000 feet beyond the disturbance boundary (of the bond release tracts) to clearly illustrate how the reclamation will tie into the adjacent undisturbed land. (MSK)***

Please see updated Attachment VII, Regraded Spoil Contour and SPGM Respread Thickness Map.

7. ***Please make the following corrections to the map submitted with the bond release application (most of the corrections have already been made to successive updated versions of the map provided to Bill Gunnerson, the most recent of which was submitted to the PSC via email on July 28, 2009):***

- a) ***Please correct the SPGM respread depth labels for grade approval area I-25C to read 11 inches of topsoil and 13 inches of subsoil as described in the September 21, 2004 grade approval request and the October 15, 2004 approval letter.***

Please see updated Attachment VII, Regraded Spoil Contour and SPGM Respread Thickness Map.

- b) Please correct the SPGM respread depth labels for Tracts 8 and 9 to read 12 inches of topsoil only because these tracts were areas of associated disturbance used for stockpiles and a sedimentation pond. Also, please add a SPGM respread depth label of 11 inches of topsoil only to an unlabeled area of associated disturbance used for stockpiles in the NW¹/₄ of Section 30 of Tract 7.**

Please see updated Attachment VII, Regraded Spoil Contour and SPGM Respread Thickness Map.

- c) Please illustrate and label the 2.77 acre parcel of reclaimed prime farmland in the SE¹/₄ of Section 36 as described in Section 2.8.1 - Soils and Prime Farmland Narrative and shown on Section 4.1.2 - Post-Mining Land Use Map of the permit.**

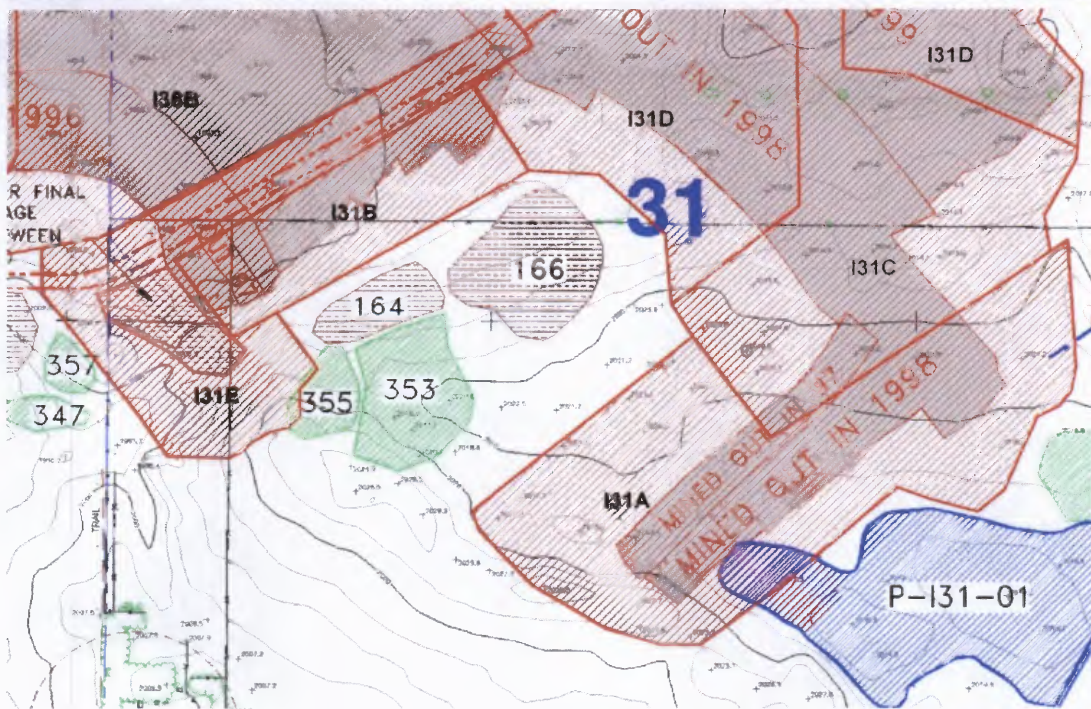
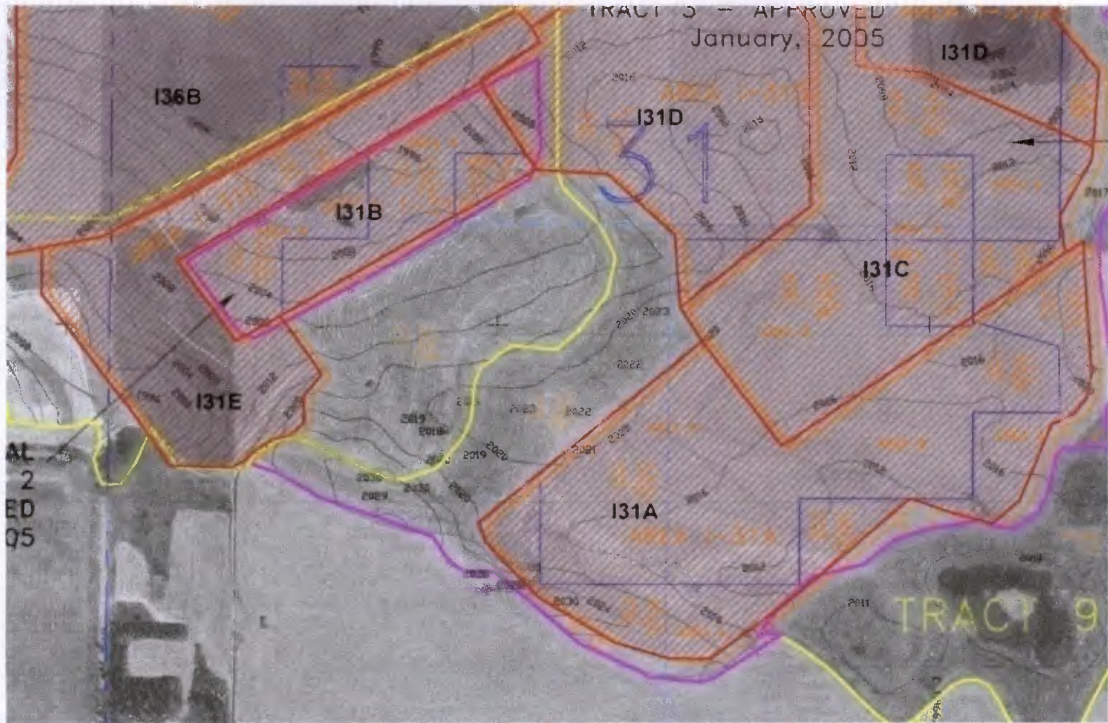
Please see updated Attachment VII, Regraded Spoil Contour and SPGM Respread Thickness Map.

- d) Please add a soil respread thickness boundary (blue line) to separate the Sheldon property in the S¹/₂ of the NE¹/₄ of Section 30 from the Falkirk property in the remaining portion of grade approval I-30C in Tract 7. Also please add a SPGM respread depth of 12 inches of topsoil and 12 inches of subsoil to the Sheldon property as described in the November 30, 2005 grade approval request.**

Please see updated Attachment VII, Regraded Spoil Contour and SPGM Respread Thickness Map.

- e) Based on a review of grade approvals for Permit NAFK-9601, and Section 3.1.5 - Pit Layout and Facilities Map of the permit, it appears that a parcel of approximately 50 acres in Section 31 bounded by grade approval areas I-31A, I-31C, I-31D, I-31B, and I-31E, should be labeled as requiring respread of 12 inches of topsoil only because it is an area of associated disturbance. As shown on the images below, the area is labeled as 12 inches each of topsoil and subsoil respread, but was not included in a grade approval because it was used as a location for SPGM stockpiles. Part of the area is in Tract 7 of Partial Bond Release No. 3, while the remaining area received partial bond release in January 2005. Soil probing in the area included with Tract 7 indicated that the area was an associated disturbance. Please review the SPGM thickness that was respread for this area, and correct the labeling if necessary. (WTG)**

Please see updated Attachment VII, Regraded Spoil Contour and SPGM Respread Thickness Map.

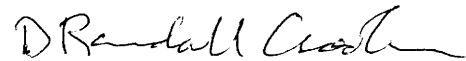


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If you have any questions, please call me at 250-2403.

Sincerely,

THE FALKIRK MINING COMPANY

A handwritten signature in black ink that reads "D. Randall Crooke". The signature is written in a cursive style with a long, sweeping underline.

D. Randall Crooke
Environmental Manager