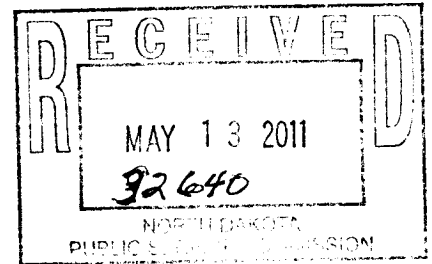


PATRICIA E. CLEMENT
Treasurer and Assistant Secretary

File: excel/bonds/BNCR 9702 increase acres 051311/772-02



PHONE (701) 222-8828
FAX (701) 222-1547



May 2, 2011

FROM DIRECTOR - RECLAMATION DIV.

Mr. James Deutsch, Director
Reclamation Division
Public Service Commission
600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

RE: BNCR 9702, 8602, 8202, 8106
Increase Acres Collateral Bond CB 9702-02
Increase Collateral Bond CB 9702-02 to \$10.0 million

BNI is submitting a Collateral Bond rider to Increase Bond Area for CB 9702-02 for an increase of 676.48 acres for a new total of 9226.29 acres. The collateral bond total has been increased to \$10,000,000.00. Attached please find the following:

- Collateral Bond rider to Increase Bond Area (acres increase to 9226.29 from 8549.86)
- Description of the Acres as 9226.29: Attachment 1
- Map of the Described Area: Attachment 2
- Description and Map of Federal Acres 1598.08: Attachment 3 & 4.
- Certified Copy of Board Resolution: Attachment 5
- CoBank Letter affirming increase LOC to \$10.0 million

Any questions, please contact me.

Best regards,

Patricia E. Clement

BNI COAL, LTD.
1637 BURNT BOAT DRIVE • P.O. BOX 897 • BISMARCK, ND 58502



COLLATERAL BOND RIDER TO INCREASE BOND AREA
PUBLIC SERVICE COMMISSION
RECLAMATION DIVISION
 SFN 50168 (Rev. 08-2001)

Permittee BNI Coal, Ltd.	
Permit Number BNCR 9702, 8602, 8202, 8106	Collateral Bond Number CB 9702-02

This rider must be attached to and form part of the above listed collateral bond number executed on behalf of the above named Permittee. The undersigned agree that the bond area is increased by 676.48 acres to a new total of 9226.29 acres of land, particularly described on the attached sheet as Attachment 1, and shown on the attached map as Attachment 2 both of which by this reference are made a part of this rider. The new bond area contains 1598.08 acres of Federal lands containing leased Federal coal that are particularly described on the attached sheet as Attachment 3, and shown on the attached map as Attachment 4.

The undersigned agree that the bond amount remains unchanged at its cash value of \$10,000,000.00.

Under this obligation, the bond covers all performance requirements within the total bond area beginning on August 2, 2000. (Date of original permit approval.)

Effective Date

PERMITTEE

By (Signature of President or Authorized Officer) <i>Wade Boeshans</i>	
Name Wade W. Boeshans	Title* General Manager
Date May 13, 2011	

By (Signature of Authorized Officer) <i>Patricia E. Clement</i>	
Name Patricia E. Clement	Title* Treas. & Ass't Sec.
Date May 13, 2011	

ACKNOWLEDGEMENT OF PERMITTEE

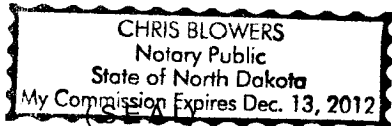
State of North Dakota)
)ss.
 County of Burleigh)

The foregoing instrument was acknowledged before me on this date May 13, 2011 by

Wade W. Boeshans and Patricia E. Clement

of BNI Coal, Ltd., a North Dakota

corporation, on behalf of the corporation.



BY: *Chris Blowers*
 NOTARY PUBLIC

MY COMMISSION EXPIRES: December 13, 2002

* Attach as Attachment 5 a current certified copy of the board resolution that authorizes these individuals to execute collateral bond documents.

THIS SHALL SERVE AS A CERTIFIED COPY OF THE RESOLUTIONS PASSED AT A REGULAR BOARD OF DIRECTORS' MEETING OF BNI COAL, LTD. HELD ON NOVEMBER 10, 2009. THE FOLLOWING RESOLUTIONS ARE STILL IN EFFECT AND HAVE NOT BEEN AMENDED SINCE PASSED AT THE ABOVE SAID DATE.

RESOLVED, that the Secretary of the meeting be instructed to cast the unanimous ballot of all the Directors present at the meeting for the following named persons to serve as officers of the Company for the ensuing year and until their successors are elected and qualified or until their earlier resignation or removal from office.

Donald J. Shippar	Chairman & CEO
Wade W. Boeshans	General Manager
Patricia E. Clement	Treasurer & Ass't Secretary
Deborah A. Amberg	Secretary

RESOLVED, that consistent with the Board of Directors' resolution dated November 5, 2003 authorizing the officers of BNI Coal, Ltd. to execute documents to secure bonding for BNI Coal Ltd's reclamation obligation including but not limited to collateral bonds, surety bonds and letters of credit, the Board hereby reaffirms that Wade W. Boeshans and Patricia E. Clement are so authorized to secure bonding for the Company's reclamation liability.

Corporate Seal

Date: April 27, 2011
Patricia E. Clement
Assistant Secretary/Treasurer

BNI Coal, Ltd. Bylaws: Section 14.

General Powers: The officers of this Corporation shall have such powers and duties as generally pertain to their offices, respectively, as well as such powers and duties as from time to time shall be conferred upon them by the Board of Directors or the Executive Committee.



P.O. Box 5110
Denver, Colorado 80217 USA
5500 South Quebec Street
Greenwood Village, CO 80111 USA
303-740-4000
Fax 303-224-2758
SWIFT NBFCUS55

DATE: MAY 11, 2011

COBANK, ACB LETTER OF CREDIT NUMBER 00615417

BENEFICIARY:
PUBLIC SERVICE COMMISSION
STATE OF NORTH DAKOTA
600 EAST BOULEVARD AVE. DEPT. 408
BISMARCK, ND 58505-0480

WE HAVE BEEN INSTRUCTED BY:

BNI COAL, LTD.
1637 BURNT BOAT DRIVE
BISMARCK, ND 58503-0823

TO AMEND OUR LETTER OF CREDIT 00615417 AS ISSUED IN YOUR FAVOR.

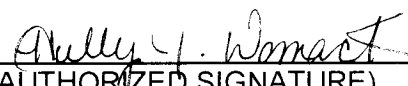
THIS AMENDMENT IS AN INTEGRAL PART OF THE ORIGINAL CREDIT AND MUST BE ATTACHED THERETO. PLEASE REVIEW CAREFULLY TO ENSURE YOU CAN COMPLY WITH THE TERMS AND CONDITIONS.

AMENDED TERMS AND CONDITIONS:

AMOUNT INCREASED BY: USD 3,275,000.00
NEW LETTER OF CREDIT AMOUNT: USD 10,000,000.00

ALL OTHER TERMS AND CONDITIONS OF THE ORIGINAL LETTER OF CREDIT AND ANY PREVIOUSLY ACCEPTED AMENDMENT(S) REMAIN UNCHANGED. WHEN PRESENTING DRAFT(S) AND/OR DOCUMENT(S) OR WHEN COMMUNICATING WITH US PLEASE MENTION OUR REFERENCE NUMBER SHOWN ABOVE.

PLEASE INDICATE YOUR ACCEPTANCE OR REJECTION OF THIS AMENDMENT BY SIGNING AND RETURNING THE ATTACHED COPY OF THE AMENDMENT.


(AUTHORIZED SIGNATURE)


(AUTHORIZED SIGNATURE)