



Liberty Mutual Surety

**R. Jeffrey Olson**  
Home Office Counsel

October 20, 2010

North Dakota Public Service Commission  
600 East Boulevard Avenue, Department 408  
Bismarck, North Dakota 58505

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Attention: Mr. Jim Deutsch

Re: Principal: Smith Contracting, Inc.  
Obligee: North Dakota Public Service Commission  
Bond No.: 67S000136  
Project: 2010 Buechler/Velva Phase 1 Abandoned Mine Lands Site in Ward County  
Claimant: North Dakota Public Service Commission  
Claim No.: 67S000136.0  
Surety: First National Insurance Company of America

Dear Mr. Deutsch:

Please let this letter serve to acknowledge receipt of your claim documentation dated October 12, 2010 which we received on October 15, 2010. This information has been forwarded to our Principal for its review in order to assist First National Insurance Company of America in our independent investigation. Upon receipt of the Principal's written position relative to this claim, we will contact you.

This correspondence and all prior and subsequent communications and/or investigative efforts are made with the express reservation of all rights and defenses which First National Insurance Company of America and/or Smith Contracting, Inc., has or may have at law, equity or under the terms and provisions of the bond and contract documents. This reservation includes without limitation, defenses which may be available under any applicable notice and suit limitation provisions.

Please do not hesitate to contact me if you have any questions.

Sincerely,

R. Jeffrey Olson  
Home Office Counsel

RJO/rjo

cc: Smith Contracting, Inc.  
John Sebastian

**Member of Liberty Mutual Group**

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Acknowledgment of receipt of information  
Liberty Mutual Surety  
Jeffrey Olson