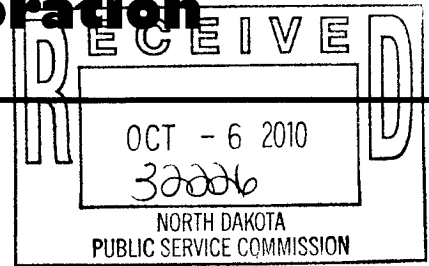


Dakota Westmoreland Corporation



Beulah Mine – P.O. Box 39, Beulah, North Dakota 58523-0039
Phone: (701) 873-4333 • Fax: (701) 873-7784

October 6, 2010 FROM DIRECTOR - RECLAMATION DIV.

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Mr. James R. Deutsch
Director, Reclamation Division
Public Service Commission
600 E Boulevard Ave, Dept 408
Bismarck ND 58501-0480

Dear Mr. Deutsch:

Re: Revision No. 25, Renewal 4 and Revision No. 26
KRSB-8802 Bond Increase

Pursuant to the Public Service Commission letter dated September 1 and to meet the recalculation of the performance bond in Revision No. 25 and for Renewal 4 with Revision No. 26, enclosed is the new bond for \$10,382,986.

Dakota Westmoreland Corporation has decided to submit a separate revision to recalculate the worst case bond. As discussed in our meeting with you and your staff on October 1, a new aerial photo will be taken on October 13. Subsequently a new topo will be created reflecting the yards moved to that date. We believe the additional yards moved, between the Revision No. 25 calculation and now, will offset the increased hourly equipment rates affecting the bond amount.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff P. Frohlich".

Jeff P. Frohlich
Manager,
Engineering and Environmental

plg
Encl.