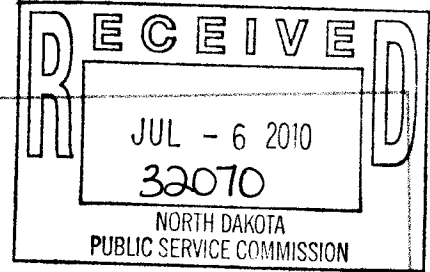


[REDACTED]  
**LEONARDITE  
PRODUCTS-LLC**



Case 7-6-10  
File LP 7-2-10\_rsp-55-10\_rvw

July 2, 2010

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

FROM DIRECTOR - RECLAMATION DIV.

Date: 7-8-10

Action: Steve

Info. Only: \_\_\_\_\_

Info & File: \_\_\_\_\_

Dear Director Deutsch,

Thank you for your assistance in helping us re-new our Surface Coal Mining Permit GRGR-0501. In response to your letter dated May 5, 2010 we are supplying information to satisfy your requirements for the preview of our renewal application.

With this pre-renewal application, I am supplying the information to be used in the content of an ad two column by ten inch advertisement we intend to run in the Williston Herald, with your approval.

**Section II- Legal Requirements**

1. Attached is a revised Ownership Map, Map C illustrating the surface and sub-surface owners of our lease area. Also enclosed is page L-2 listing the owners and addresses of the surface owners for the permitted and surrounding areas.
2. At this time, the business entity information has not changed for the information supplied in Revision 2 June 16, 2009. Be advised we are in the process of selling additional membership shares to our current members, acquiring new partner-members and will soon be issuing preferred stock to additional investors.
3. Changes to L-4 remove the section pertaining to the Permit Application Advertisement.

**Section IV - Environmental Resources**

4. The size sequence and timing of the leonardite removal is shown on a revised Table E-1. We have removed the reference to GeoResources, too.

**Section V Operation Plan**

5. Table O-1 has been revised and is included in this mailing. Please notice the time between the End of the Mining Year and the Topsoil Respread and Revegetation has been extended from three and one quarter years to three and two quarter years. This extension is necessary due to water problems in Pit A-1 at the end of June 2009. Due to water accumulating in the Pit A-1 that spring, it was impossible to remove all the leonardite out of Pit A-1 before opening Pit A-2. When opening Pit A-2 the overburden from Pit A- went into Pit A-1 and because of the leonardite still in the Pit, there was not enough room for the overburden from Pit A-2 resulting in more height on what was PitA-1. The former Pit A is not within grade for re-

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vegetation. The excess overburden in Pit A-1 will be pushed into pit A-2 when Pit A-3 is excavated. Pit A-3 will not be excavated until third quarter of 2011. Putting overburden in Pit A-2 from Pit A-1 will have to be completed before we can spread subsoil and top soil on Pit A-1. Following our mining plan, which is a rotation, subsequent Pit excavation and refilling will be delayed one year, from the original three, throughout this mining cycle.

6. We expect to have this information the week of July 5, 2010. Lonnie Fleck of Interstate Engineering has arranged for the road to be surveyed and expects to provide the certification, cross-section and profile the week of July 5. We will send it as soon as it is received.

7 and 8. Page O-5 has been revised to reflect the current situation and plan.

9. Two pages R-7 and R-8 reveal adjustments to the worst-case scenario for the next five-year permit term.

10. R-5 and R-6 used the ND PSC recommended seed mixture.

11. Leonardite Mine GRGR-8403 has been released for the bond which is more apparent on the enclosed Map B.

12. Map C illustrates the change in property owners and is included with the list of property owners.

13. Map D has been corrected

14. Berms around the stock piles will be found on the enclosed Map H.

#### Leonardite Product Questions

1. Mineral Owners: We have been advised by the Bureau of Land Management that the Federal Government does not consider Leonardite a coal. They are honoring the current LMU as is. This means the leonardite adjacent to the current permit area is no longer owned by the Federal Government. When we attempt to lease adjacent land, previously tested, leased and released for leonardite mining, we must look at the homestead patent to identify the owners of the leonardite. How would you like us to identify the minerals owners of the adjacent ¼ mile of our permit?

2. Waiver: Please advise on how we should formally request a waiver from the contemporaneous reclamation requirements for the three year seeding rule.

Thank you for your assistance with our application for a mining permit renewal. We look forward to moving forward in this process.

Warm Regards,



Cherie Harms

701-471-2704 cell

Cherie@leonarditeproducts.com



**APPLICATION FOR REVISION OF PERMIT TO ENGAGE IN SURFACE COAL MINING AND RECLAMATION OPERATIONS**

PUBLIC SERVICE COMMISSION  
RECLAMATION DIVISION  
SFN 10562 (1-2004)

7.8.10  
Rev 3 application (32076)

Date	7/07/10
Revision Number	3
State	ND
Zip Code	58502

Name of Company, Corporation, Partnership, or Individual Leonardite Products, LLC	Permit Number GRGR 0501	Revision Number 3
Address PO Box 548	City Williston	State ND
		Zip Code 58502

The above named hereby makes application for the above Revision Number to: (include a brief description of the surface coal mining and reclamation operation being revised.)

Update to surface ownership map and list of owners  
Revisions to: L-4, O-5, R-5,6,7 and 8  
Revisions to Table E-1 and O-1  
Revisions to Map B, D and H

Attached to this Permit Revision Application are a narrative describing the proposed permit revision, reasons for requesting the revision, and appropriate maps, cross-sections, graphs, construction details, revised reclamation plans and other data which demonstrate compliance with Chapter 38-14.1 of the North Dakota Century Code, Article 69-05.2 of the North Dakota Administrative Code, and the permit conditions of the approved permit. If an incidental boundary revision involving an acreage adjustment is being requested as part of the permit revision application, the following information shall be included (attach a copy of a metes and bounds description):

NAME OF MINE	ACRES	LOCATION			
		SEC.	TWP.	RANGE	COUNTY
Stony Creek Mine	160	8	154N	100W	Williams
ADDRESS					
<b>TOTAL ACRES</b>	<b>160</b>				

Based upon the proposed changes and any incidental boundary revisions to the permit as stated herein, a new or adjusted bond, or its equivalent, duly executed in accordance with Section 38-14.1-16 of the North Dakota Century Code and Chapter 69-05.2-12 of the North Dakota Administrative Code will be delivered to the Public Service Commission prior to issuance of the surface coal mining and reclamation operations permit herein requested. A check for filing fees, pursuant to Section 38-14.1-13 of the North Dakota Century Code, in the amount of \$ 0.00, is included with the revision application.

Name of Official Authorized to Represent the Applicant Cherie Harms
--

- I, the above named, certify that:
1. All information and documents required by Sections 38-14.1-13, 38-14.1-14, and 38-14.1-15 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code, are submitted as part of this permit application;
  2. Information and documentation contained in the permit application affirmatively demonstrate that:
    - a. The permit revision application is accurate and complete and all the requirements of Chapter 38-14.1 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code have been complied with;
    - b. Reclamation as required by Chapter 38-14.1 of the North Dakota Century Code and Article 69-05.2 of the North Dakota Administrative Code can be accomplished under the reclamation plan contained in this permit revision application;

- c. An assessment of the probable cumulative impact of all anticipated mining in the general area on the hydrologic balance as specified in subdivision o of subsection 1 of Section 38-14.1-14 has been made and the proposed operation has been designed to prevent material damage to the hydrologic balance both on and off the mine site;
  - d. The area proposed to be affected is not included within an area designated unsuitable for all or certain types of surface coal mining and is not within an area under study for such designation in an administrative proceeding;
  - e. The proposed surface coal mining operation will not interrupt, discontinue or preclude farming on alluvial valley floors that are irrigated or naturally subirrigated and will not materially damage the quantity or quality of water in surface or underground water systems that supply these alluvial valley floors; and
  - f. The permit revision applicant has the legal right to surface mine the land for which this permit revision application is made and all of the requirements of Chapter 38-18 of the North Dakota Century Code have been complied with.
3. The area proposed to be affected is not included within an area where mining is prohibited pursuant to Section 38-14.1-07 of the North Dakota Century Code; unless specifically allowed in accordance with the provisions of Section 69-05.2-04-01 of the North Dakota Administrative Code; and
  4. The surface coal mining and reclamation operations contained in this permit revision application will be carried out at all times in a manner which ensures that all of the requirements of Chapter 38-14.1 of the North Dakota Century Code, Article 69-05.2 of the North Dakota Administrative Code, and any permit conditions attached thereto are complied with.

Signature of Official <i>Cherie Harms</i>	Title President
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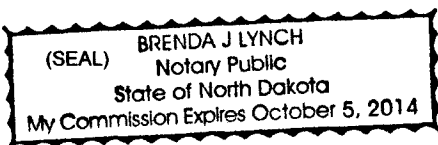
**VERIFICATION**

I, Cherie Harms, being first and duly sworn, verify that the information contained in this Permit Revision Application is true and correct to the best of my knowledge and belief.

Signature of Official <i>Cherie Harms</i>	Title President
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STATE OF North Dakota )  
 COUNTY OF Williams ) ss.

Subscribed and Sworn before me, this 7th day of July, 2010.



*Brenda J Lynch*  
 Notary Public  
 My Commission Expires: 10-5-2014