

SCANNED
Date 7-6-10
File LP 7-2-10_rsp-55-10_rvw

LEONARDITE PRODUCTS-LLC

RECEIVED
JUL - 6 2010 32070
NORTH DAKOTA PUBLIC SERVICE COMMISSION

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-

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 RENEWAL OF PERMIT TO ENGAGE IN SURFACE COAL MINING AND RECLAMATION OPERATIONS

PUBLIC SERVICE COMMISSION
RECLAMATION DIVISION
SFN 10566 (1-2004)

7-8-10
File Renl-application (32076)

Name of Permittee Leonardite Products, LLC		Date 7/07/2010	
Address PO Box 548		City Williston	Permit Number GRGK-0501
		State ND	Zip Code 58502

The above named hereby makes application for Renewal Number X 1 of the above Permit Number in order to continue to engage in surface coal mining and reclamation operations within the area described below in the permit during the period from November 2010 to November 2015.

The reasons for requesting the renewal is attached and any changes to the matters set forth in the approved Permit are particularly described in the accompanying revision application.

The applicable public notice provisions of Section 38-14.1-18 of the North Dakota Century Code have been complied with. A copy of the advertisement is attached and affidavits of publications will be furnished to the Commission prior to issuance of the Permit Renewal.

Bond for surface coal mining and reclamation operations and liability insurance will be provided for the proposed period of renewal. Attached is a statement evidencing that the bond is sufficient and will continue in full force for the renewal period and that liability insurance will be provided for the renewal period.

LOCATION				ACRES
SECTION	TOWNSHIP	RANGE	COUNTY	
8	154N	100 W	Williams	160
TOTAL ACRES				160

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

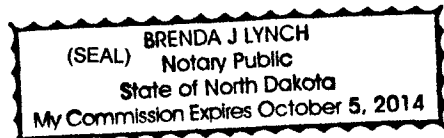
Name of Official Cherie Harms

I, the above named, being first and duly sworn, verify that the information contained in the Permit Renewal 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

Leonardite Products, LLC
Stony Creek Mine
Permit Number: GRGR-0501

Permit area:
S/2NW/4, N/2SW/4, Section 8, Township 154 North, Range 100 West
Williams County, North Dakota, containing 160 acres

July 7, 2010

Attachment to Application for Renewal of Permit to
Engage in Surface Coal Mining and Reclamation Operations

Permit Number GRGR 0501
Stony Creek Mine

Leonardite Products is applying for a permit renewal in order to continue mining operations over the next five years.