



Public Service Commission

State of North Dakota

COMMISSIONERS

Kevin Cramer
Tony Clark
Brian P. Kalk

Executive Secretary
Darrell Nitschke

600 E. Boulevard Ave. Dept 408
Bismarck, North Dakota 58505-0480
Web: www.nd.gov/psc
E-mail: ndpsc@nd.gov
Phone 701-328-2400
Toll Free 1-877-245-6685
Fax 701-328-2410
TDD 800-366-6888 or 711

April 26, 2011

Mr. Elton G. Saylor
405 North 17th Street
Bismarck, ND 58501-4702

Re: Exploration Contract and Coal Lease dated May 30, 1972
Township 146 North, Range 83 West
Section 31: NE $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$
Falkirk Lease Number 03546

Revision 20 to Permit NAFK-9503
RC-10-579

Mr. Saylor,

This correspondence is written as a follow up to a discussion you had with a member of the Reclamation Division of the Public Service Commission Staff (Staff) concerning the validity of your mother's mineral lease with the Falkirk Mining Company (Falkirk). Specifically you raised questions concerning potential defense to contract issues concerning the lease, as well as the legality of the same lease's anticipated 2012 extension.

To begin, as this letter was written several months after your last visit with Staff, I apologize for the delay in responding to you. Several materials were copied to me for consideration; including your five page January 31, 2011 letter, accompanying two page copy of the above-mentioned exploration contract and coal lease, as well as a single page spreadsheet concerning bond releases.

As I am sure you are aware, Staff is currently considering an application for revision of permit NAFK-9503 (Rev. 20), including the property status of the land affected by the application. Because of this, as well as the general mandate precluding me from extending legal advice to private parties, my response to your inquiries must be limited. However, I can indicate that, as of the date of this letter, no material abnormalities with

23 RC-10-579 Filed: 4/26/2011 Pages: 2
Letter to Elton Saylor re Exploration contract and coal lease

Rev. 20 or the lease have been found.

North Dakota law, and the North Dakota Public Service Commission, encourage input concerning this, and all, public matters. Additionally, it is always in your and your families' interest to seek advice from private counsel to determine your own respective best course of action.

I hope this has been of some help to you. Thank you for contacting the Public Service Commission with your questions. If you need additional information, please call or write.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Gruman', with a long horizontal flourish extending to the right.

Mark Gruman
Legal Counsel
North Dakota Public Service Commission