

THE FALKIRK MINING COMPANY

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

LAND OFFICE

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JAN 27 2011
32410
NORTH DAKOTA
PUBLIC SERVICE COMMISSION

January 27, 2011

HAND DELIVERY

Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
State Capitol Building
600 East Boulevard Avenue – Department 408
Bismarck, North Dakota 58505-0480

FROM DIRECTOR - RECLAMATION DIV.

Date: _____

Action: _____

Info. Only: _____

Info & File: _____

Dear Mr. Nitschke:

Revision No. 21 and Renewal No. 3 to The Falkirk Mining Company's Permit No. NACT-9503 are scheduled to be approved by the North Dakota Public Service Commission at its February 9, 2011, meeting. This Revision and Renewal include an update to the Consolidated Bonding Plan and take into account the revised variable costs provided annually by the Commission in accordance with Policy Memorandum No. 16, Reclamation Cost Estimating Guidelines.

Falkirk currently maintains Self-Bond No. SB-9503-1 guaranteed by Great River Energy and Collateral Bond No. CB-9503-2, which cover the entire consolidated area within Permit Nos. NAFK-8405, NAFK-8705, and NAFK-9503. Falkirk plans to increase the bonds as follows:

CURRENT BOND	CURRENT AMOUNT	INCREASE	NEW AMOUNT
SB-9503-1	\$46,850,400	\$3,504,600	\$50,355,000
CB-9503-2	5,205,600	389,400	5,595,000
TOTAL	\$52,056,000	\$3,894,000	\$55,950,000

Accordingly, enclosed are the following documents:

1. One original and three copies of Self-Bond Rider to Increase Bond Amount for Bond No. SB-9503-1, which has been executed by Falkirk and Great River Energy as third-party guarantor,
2. Two originals and three copies of Collateral Bond No. CB-9503-3, in the amount of \$5,595,000, which has been executed by Falkirk and requires execution by the Commission and the Bank of North Dakota as escrow agent. Furthermore, as stated in Exhibit 1 of this bond, the collateral will be provided via a roll-over of the current collateral bond liability and the provision of an additional \$389,400 in collateral on February 8, and



1

RC-11-45 Filed: 1/27/2011 Pages: 2
Documents filed to increase bond amounts

Falkirk Mining Company
Nancy Jensen

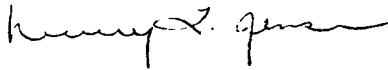
Darrell Nitschke
January 27, 2011
Page 2

3. One original and three copies of Collateral Bond Rider to Reduce Bond Area and Amount for Collateral Bond No. CB-9503-2, which has been executed by Falkirk and will result in the release of this bond effective February 9, which requires Commission execution.

Commission acceptance of the foregoing is respectfully requested. Furthermore, upon Commission execution, please return a copy of the fully executed Escrow Agreement and the Collateral Bond Rider to Reduce Bond Area and Amount for Falkirk's records. A self-addressed stamped envelope is included for this purpose. The second original of Bond No. CB-9503-3 and the collateral bond rider may be provided to the Bank of North Dakota for its records.

Sincerely,

THE FALKIRK MINING COMPANY



Nancy L. Jensen
Land Specialist

Enc.

cc: (w/o enc.)
R. Crooke
J. Eckroth
T. Faulkner
W. Thompson