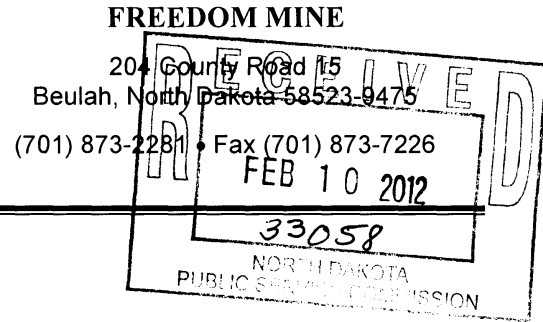


THE COTEAU
PROPERTIES COMPANY
A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION



February 9, 2012

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

Dear Mr. Deutsch:

Enclosed are three DVD's containing revised Final Bond Release #1 to Permit NACT-9501. Responses below refer to deficiencies in your November 8, 2011 letter.

1. See revised Attachment VI.
2. See revised page 3 of Attachment VII.
3. See revised page 2 of Attachment VIIIa.
4. See revised page 2 of Attachment VIIIa.
5. See revised page 2 of Attachment VIIIa.
6. The new unadjusted yield standard being included in the current update to Coteau's CVSS, Revision 13 to Permit NACT-0401, which is being worked on at this time, is based on the correct disturbance acreage, and has been added as new page 3 of Attachment VIIIb.
7. See revised page 2 of Attachment VIIIa, and revised pages 1-2 of Attachment VIIIb. The calculation for the control area expected yield being included in the current update to Coteau's CVSS, Revision 13 to Permit NACT-0401, is based on only Williams soils as required by your June 4, 2008 letter, and has been added as new page 4 of Attachment VIIIb.
8. No changes are necessary. The calculation was based on the correct production from the control area for 2008. See #9.
9. See revised page 2 of Attachment VIIIc. The incorrect production data was included for the control area for 2008 in Attachment VIIIc, but the correct number (1,187 lbs/acre) was used in the calculation for the climatic correction factor in Attachment VIIIb.
10. See revised pages 1-2 of Attachment VIIIc, and revised pages 1-2 of Attachment VIIIc-1.
11. See revised pages 1-2 of Attachment VIIIc.
12. See revised Attachment VIIIc-3.
13. See revised Attachment VIIIc-3.

Mr. James R. Deutsch
February 9, 2012
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If you have any questions, please contact Jessica Unruh or me.

Sincerely,

THE COTEAU PROPERTIES COMPANY

A handwritten signature in black ink, appearing to read "Donn R. Steffen", with a long horizontal flourish extending to the right.

Donn R. Steffen
Environmental Manager

DRS:lr
Enc.

cc: Monte Erhardt, Mercer County Auditor (w/enc.)