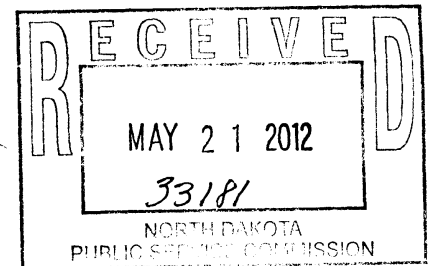



NORTH AMERICAN
COAL
CORPORATION
THE FALKIRK MINING COMPANY



May 16, 2012

Mr. James R. Deutsch
Reclamation Director
ND State Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, North Dakota 58505

RE: Technical Review Responses to Bond Release 3-2011 for Permit NAFK-8705

Dear Mr.  Deutsch:

Falkirk submits the following responses to the review items of the application for Bond Release Application No. 3 for Permit NAFK-8705 noted in your May 14, 2012 letter.

Attachment ii - General Information

- 1. Follow-up to Item No. 2: Please clarify how many acres of each land use in the bond release application are undisturbed. The application should clearly state the acreage of the various land uses to which performance standards apply. (GAW)***

Please see updated Attachment ii - General Information - third paragraph on Page 6 in the bond release document. The Ten-Year Responsibility Period Initiation Date Map on Page 91 shows the area that is not disturbed.

Attachment VII - Cropland Data

- 2. Follow-up to Item 8: On the 2010 Reclaimed Yields producer summary for the 1986 revegetation period supplemental data added to Attachment VIII - Cropland Data, the field size listed on the form is not consistent with the data provided for 2006 and represented on the GPS yield monitor printouts. The 2010 producer summary sheet lists the field size as 127 acres while the 2006 summary sheet lists the field size as 160 acres. The GPS yield monitor printouts for each crop year indicate that approximately the same area was harvested in the E½ of Section 20. Please review and revise as appropriate. (RLK)***

Please see updated yield sheet - Page 101 in the bond release document.

- 3. Follow-up to Item 8: If available, please provide documentation for dockage and test weight such as elevator sample or scale ticket for the 1986 revegetation period 2006 and 2010 crop years and Tract 3 for the 2005 crop year. These values were provided on the producers sheets but the actual documentation was not provided. (RLK)***

Mr. Heger recorded the information from the scale tickets to the yield sheets after harvest. He no longer has the scale tickets for these tracts.

Attachment IX - Wetland Data

- 4. Follow-up to Item No 20: An aerial photograph of reclaimed Wetland R-W20-01 is mistakenly included on page 125, after an aerial image of reclaimed Wetland R-W20-02. Please remove this aerial photograph as it is already shown on page 116 and this portion of the application is documentation for reclaimed Wetland R-W20-02. (GAW/RLK/BEB)***

Please see updated document. The aerial image was removed.

Attachment XI - Hydrologic Assessment, Section 2, Ground Water Resources

- 5. Follow-up to original item No. 25: Falkirk's explanation to the original deficiency and the updates to the water level hydrograph of Monitoring Well RP-24C now provide a clear picture regarding water level fluctuation and the placement of the intake zone of this well. Accordingly, please change the designated Bed Screened interval of the monitoring well from "Base of Spoils" to "Spoils" on the Monitoring Wells Detail spreadsheet in the application. (BEB)***

Please see updated Monitoring Wells Details spreadsheet - Page 172 in the bond release document.

- 6. Follow-up to original item No. 26: Similar to the previous follow-up deficiency, please change the Bed Screened interval for reclamation Monitoring Well RP-24C from "Base of Spoils" to "Spoils" on the Water Quality Data spreadsheet that is provided in the application. Also, on the same spreadsheet, water quality analyses of Hagel B Monitoring Well RP-28-1 during the 2006-2009 interval lists the screened bed of this well as being the Sheet Sand, as opposed to the Hagel B seam. Please make the appropriate updates to the spreadsheet. (BEB)***

Please see the updated Water Quality Data spreadsheet - Page 289 in the bond release document.

Sincerely,

THE FALKIRK MINING COMPANY



D. Randall Crooke
Environmental Manager