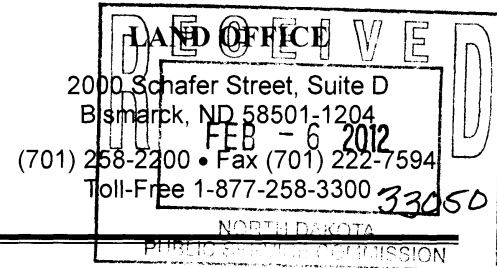


# THE FALKIRK MINING COMPANY

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION



February 6, 2012

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

Dear Mr. Nitschke:

Revision No. 29 to The Falkirk Mining Company's Permit No. NACT-9503 is scheduled to be approved by the North Dakota Public Service Commission at its February 15, 2012, meeting. The minimum bond amount associated with the revised worst case reclamation cost estimate, which reflects the July 2011 variable cost update, as approved by the Commission is \$74,407,608.

Falkirk currently maintains Self-Bond No. SB-9503-1 guaranteed by Great River Energy and Collateral Bond No. CB-9503-4, which cover the entire consolidated area within Permit Nos. NAFK-8405, NAFK-8705, and NAFK-9503. Falkirk plans to provide for this \$14,235,000 increase, which includes a \$42,329 contingency amount, as follows:

| BOND         | CURRENT AMOUNT      | INCREASE            | NEW AMOUNT          |
|--------------|---------------------|---------------------|---------------------|
| SB-9503-1    | \$54,193,500        | \$12,811,500        | \$67,005,000        |
| CB-9503-4    | 6,021,500           | 0                   | 6,021,500           |
| 105624532    | 0                   | 1,423,500           | 1,423,500           |
| <b>TOTAL</b> | <b>\$60,215,000</b> | <b>\$14,235,000</b> | <b>\$74,450,000</b> |

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, and
2. One original and three copies of Surface Coal Mining and Reclamation Operations Surety Bond, which has been executed by Falkirk and Travelers Casualty and Surety Company of America.

Commission acceptance of the foregoing is respectfully requested.

Sincerely,

THE FALKIRK MINING COMPANY

Nancy L. Jensen  
Land Specialist

cc: (via email)  
R. Crooke  
J. Eckroth  
T. Faulkner  
W. Thompson

Enc.

1 RC-12-67 Filed 02/06/2012 Pages: 1  
Stipulation to increase self-bond filed  
Falkirk Mining Company  
Nancy Jensen