

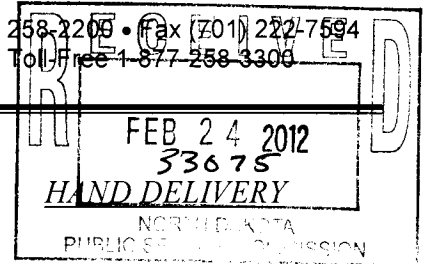
THE COTEAU PROPERTIES COMPANY

A SUBSIDIARY OF THE NORTH AMERICAN COAL CORPORATION

LAND OFFICE

2000 Schafer Street, Suite D
Bismarck, ND 58501-1204

(701) 258-2200 • Fax (701) 222-7594
Toll-free 1-877-258-3300



February 24, 2012

Mr. James R. Deutsch
Director – Reclamation Division
North Dakota Public Service Commission
State Capitol Building
600 East Boulevard Avenue – Department 408
Bismarck, North Dakota 58505-0480

Re: Case No. RC-12-79

Dear Mr. Deutsch:

In its February 15, 2012, letter, The Coteau Properties Company filed proposed Collateral Bond No. CB-9501-7. As stated in Exhibit 1 of Collateral Bond No. CB-9501-7, provision of the collateral will be accomplished via a roll-over of the current Collateral Bond No. CB-9501-6 (\$10,900,000), as well as new collateral provided to the Commission by February 28, 2012, in the amount of \$1,000,000, for total collateral under Collateral Bond No. CB-9501-7 amounting to \$11,900,000.

Accordingly, enclosed is Check No. 25274, in the amount of \$1,000,000, which represents the additional collateral required under Collateral Bond No. CB-9501-7, for Commission provision to the Bank of North Dakota subsequent to Commission approval of the bond. Coteau would appreciate a copy of the documentation related to the new Certificate of Deposit upon the Commission's receipt of such information.

Also attached are five copies of revised Exhibits 3 and 5 to the Collateral Bond Agreement, which has been revised to identify federal lands located in Section 31: NE4, T146N, R87W as unleased and mined out.

THE COTEAU PROPERTIES COMPANY

A handwritten signature in cursive script, appearing to read "Nancy L. Jensen".

Nancy L. Jensen
Land Specialist

Enc.

2 RC-12-79 Filed: 2/24/2012 Pages: 1
Letter Submitting Additional Collateral for Collateral
Bond No. CB-9501-7

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FREEDOM MINE

Coteau Properties Company