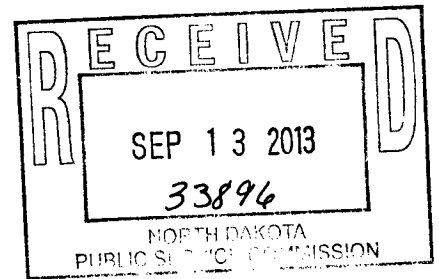


9 September 2013



Ned Pettit, Environmental Manager
Knife River Corporation
PO Box 5568
Bismarck, ND 58506-5568

Mr. Pettit:

Our family owns a few quarter sections near Gascoyne, ND. We received your August 13, 2013 letter concerning the Release No. 7 of the Bond for Surface Mine Permit KRGC-8101. My siblings and I own the NW quarter of Section 33, T131N, R99W. Kelly Schumacher from Reeder farms this quarter for us under a yearly lease.

I spoke with Kelly today. He said that earlier in the year, Knife River had contacted him about the reclamation of this parcel. There is a 'sink hole' which developed on this parcel and adversely affects the farming operations. The representative of Knife River said this depression would be repaired after harvest this fall. Now is that time.

We do not want the bond released until this reclamation work is complete and this quarter section is again restored for farming.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Gerald H. Flatz".

Gerald H. Flatz
1347 Tetonia Drive
Boise, Idaho 83705

(208) 989-2814

COPY

cc: Kelly Schumacher
Reclamation Division, Public Service Commission, State of North Dakota