



Public Service Commission

State of North Dakota

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July 16, 2015

Jay M. Volk, Ph. D
Environmental Manager
BNI Coal, Ltd.
2360 35th Ave. SW
Center, ND 58530-9499

Dear Mr. Volk:

The Reclamation Division has completed its review of Revision 38 to Permit BNCR-9702 with regard to the worst-case reclamation cost estimate used to establish the minimum bond amount. The proposed worst-case reclamation cost estimate of \$ 31,778,202 is adequate for the consolidated bond area covering Permits BNCR-9702, BNCR-8602, BNCR-8202 and BCNR-8106. No bond adjustment is necessary as this permit area and others in the consolidated bond area currently have bonds that total \$34,139,439. Also, since the Center Mine is bonded under a worst-case scenario, the current bond amount cannot be reduced without filing a bond release application.

If you have any questions, please contact this office.

Sincerely,

James Deutsch
Director
Reclamation Division

cc: Pat Clement

Minedata/Center/Permits/BNCR-9702/Bonding/2015/Rev38_bondd_ltr_7-16-15