



Public Service Commission State of North Dakota

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July 13, 2020

Cherie Harms, President
Leonardite Products, LLC
PO Box 548
Williston, ND 58802-0548

Dear Ms. Harms:

We have reviewed the worst-case reclamation cost estimate submitted June 4, 2020 as part of the application for Revision 9 to Permit GRGR-0501. The minimum bond amount of \$230,675 proposed with Revision 9 can be reduced to \$227,311 based on our calculation of the spoil replacement volumes. According to our calculations, the *Final Mining Subarea Spoil Replacement* should be increased from 39,355 to 39,970 cubic yards and the *Drainage Taper and Grading* should be decreased from 27,169 to 24,717 cubic yards. The bond amount must be increased by \$57,209 to meet the new minimum bond amount of \$227,311; however, you may submit a bond of \$230,675 if you prefer.

Permit GRGR-0501 is currently covered by Collateral Bond No. LC-GRGR-0501-04 (Letter of Credit with BNC National Bank) in the amount of \$170,102. Since the bond amount of a collateral bond cannot be increased with a rider; a new letter of credit for the minimum bond amount, a new collateral bond agreement for a letter of credit (SFN 54102), and a new collateral bond indemnity agreement (SFN 17709) must be executed. *Alternatively*, Leonardite Products LLC could retain the current letter of credit and provide a new surety or collateral bond to cover the increase of \$57,209. The appropriate state forms are available on our website under Coal/Forms.

Please submit the new bond documents by **October 12, 2020**. All bond riders must be correctly executed and accepted by the Commission prior to the approval of Revision 9 and Renewal 3 to Permit GRGR-0501. The permit term expires on November 2, 2020. If you have any questions, please contact this office.

Sincerely,

Dean K. Moos
Director
Reclamation Division

Minedata/Leonardite/Permits/GRGR-0501/Revisions/No.9/Bond_Determination_Itr_7-13-20