

**PUBLIC SERVICE COMMISSION**

Reclamation Division

\*\*\*\*\*

Memorandum

TO: Commissioners Christmann, Haugen-Hoffart, and Kringstad  
Brian Johnson, Executive Director  
Christopher Martens, General Counsel

FROM: **JE**  
Jonathan Emmer

DATE: March 19, 2026

SUBJECT: Collateral bond for surface coal mining Permit GRGR-0501 held by Leonardite Products, LLC for the Stony Creek Mine, Case No. RC-26-85

On October 23, 2025, the Commission conditionally approved Revision 12 to Surface Coal Mining Permit No. GRGR-0501 for Leonardite Products, LLC's Stony Creek Mine. Revision 12 included changes to the worst-case reclamation cost estimate for determining the minimum bond amount for Permit No. GRGR-0501 during the next five-year permit term. These changes resulted in an increase in the required bond amount from \$427,029.00 to \$648,439.16. The Commission added a special condition to Permit GRGR-0501, which stated "Leonardite Products, LLC shall submit the necessary bonding instruments to increase the bonding amount for Permit GRGR-0501 to at least \$648,439.16 by the end of the first quarter of 2026."

Permit GRGR-0501 is currently covered by Collateral Bond No. CB-LC-GRGR-0501-06 in the amount of \$427,029.00 that is supported by an irrevocable letter of credit issued by BNC National Bank of Bismarck, ND. Leonardite Products, LLC has submitted Collateral Bond No. CB-LC-GRGR-0501-07 in the amount of \$221,410.16 that is also supported by an irrevocable letter of credit issued by BNC National Bank of Bismarck, ND. Collateral Bond No. CB-LC-GRGR-0501-06 and CB-LC-GRGR-0501-07 total \$648,439.16, as required by the Commission's October 23, 2025, special condition to Permit GRGR-0501.

The required financial statement was provided for BNCCORP, INC, the parent company of BNC National Bank, and they are well qualified based on the letter of credit provisions in our rules under NDAC 69-05.2-12-04(2). The bond documents have been reviewed by staff and have been properly executed. Attached for your consideration at the April 1<sup>st</sup>, 2026, Commission meeting is a motion to approve Leonardite Products, LLC's new collateral bond.

Also attached is a rider to reduce the area of Collateral Bond No. CB- LC-GRGR-0501-06 by 28.9 acres to 67.1 acres. The reduction of 28.9 acres accounts for Bond Release No. 2 to Permit GRGR-0501, which the Commission approved on September 11, 2024. Commission action is not required for this rider; however, the rider must be signed by Commissioner Christmann. Please sign and have Brian Johnson attest your signature on the attached collateral bond rider.

Leonardite Products\Permits\0501\Bonding\2026\BNC\_LOC\_apprvl\_memo\_3-19-26

RC-26-85 Filed 03/19/2026 Pages: 1  
Memorandum Regarding Bond Documents

Public Service Commission  
Jonathan Emmer