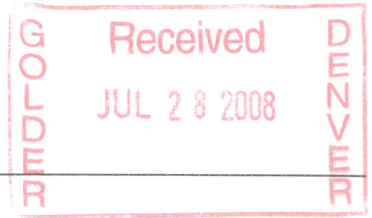




Public Service Commission
State of North Dakota



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July 23, 2008

Adam N. Hobson
Golder Associates, Inc.
44 Union Boulevard, Suite 300
Lakewood, CO 80228

Dear Mr. Hobson:

We have reviewed Revision 4 to the Alluvial Valley Floor (AVF) Study report for the proposed South Heart Mine in Stark County which was received by the Reclamation Division on July 15, 2008. Revision 4 provided clarification of surveyed elevations and digital elevation modeling in Appendix A and corrected a typographical error between the List of Figures in the Table of Contents.

Golder Associates responses to technical deficiencies brought forward with Revision 3 to the AVF Study report for the South Heart Project also were deemed to be satisfactory. This letter should serve as the final correspondence concerning an AVF determination for the South Heart Project and adjacent areas. The Reclamation Division again reconfirms our determination that no alluvial valley floors occur within or adjacent to the proposed permit area.

If you have any questions, please contact this office.

Sincerely,

James R. Deutsch
Director
Reclamation Division

cc: Edward J. Pottorff