



P.O. Box 1000
Healy, Alaska 99743
Phone: 907-683-2226

November 4, 2020

Mr. Russell Kirkham
Coal Regulatory Program Manager
Division of Mining, Land & Water
550 West 7th Avenue, Suite 920
Anchorage, Alaska 99501-3577

RE: Coal Exploration Permit No. 02-86-795-Hoseanna and Emma Creeks 2020 Renewal Request

Dear Mr. Kirkham:

Usibelli Coal Mine, Inc. (UCM) requests renewal of Coal Exploration Permit No. 02-86-796 for permit term April 1 2021 to March 31, 2023. A payment of \$500.00 is attached. The cost for public notice will be submitted under a different cover letter for the requisite filing fee upon receipt of DNR's invoice.

During the last permit term UCM completed 6 of the proposed 13 drill holes and monitoring wells at Jumbo Dome. The enclosed permit renewal application includes an updated proposed exploration map for Jumbo Dome. UCM proposes to increase the current bond amount of \$56,443 to \$70,418 to cover the additional reclamation requirements. Please see attached Reclamation Estimate.

Sincerely,

Richard Sivils
Reclamation Engineer
Usibelli Coal Mine, Inc.

Attachments:

1. Exploration Permit Application Dated November 2, 2020
2. Exploration Map Dated November 2, 2020
3. Reclamation Cost Estimate Updated November 2, 2020

**ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING LAND & WATER
COAL EXPLORATION
Notice of Intent to Explore
and
Exploration Application**

New Permit

The Alaska Surface Coal Mining Control and Reclamation Act requires that any person who intends to conduct coal exploration which **will not** substantially disturb the natural land surface complete and file with the Department of Natural Resources a notice of intent to explore. **The completion of Parts A (including submission of the required permit fee), B, D, and E of this form will meet these requirements.** This form must be received at least thirty (30) days prior to commencement of the exploration.

The Act requires that any person who intends to conduct coal exploration which **will** substantially disturb the natural land surface must file a complete application for exploration. **The completion of Parts A (including submission of the required permit fee), C, D, and E of this form will meet the applicant's submission requirements.** The application should be submitted approximately three months prior to the anticipated commencement of exploration.

Substantial disturbance means an impact on land, water, or air resources by activities such as blasting; mechanical excavation (excluding the use of light, portable field equipment); drilling or enlarging coal or water exploratory holes or wells; and construction of roads, structures, trails, aircraft landing and marine docking areas.

Please submit one hard copy and one electronic copy of all application materials as specified by the Department.

Reference: Alaska Statute 27.21.200; 11 AAC 90.161 to 11 AAC 90.167.

PART A: GENERAL INFORMATION **Ref: 11 AAC90.161; 11 AAC 90.163**

- 1.1 Name of Applicant: Usibelli Coal Mine Hoseanna and Emma Creek Exploration
Contact: Richard Sivils
- 1.2 Address of Applicant: PO Box 1000, Healy, AK 99743
- 1.3 Telephone Number: (907) 683-9740
- 1.4 If applicable, provide the following information for the representative who will be present and responsible for the exploration activities.
- 1.5 Name of Representative: Alan Renshaw
- 1.6 Address of Representative: PO Box 1000, Healy, AK 99743
- 1.7 Telephone Number: (907) 683-9739
- 1.8 Email Address: alan@usibelli.com

2.0 Location of the Exploration

- 2.1 Legal Description (attach additional pages as needed):
Fairbanks Meridian, T12S, R7W, sections 21-28, T11S, R6W, sections 10-21.

Township	Range	Section	Aliquot Part	Meridian	Acres
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Township	Range	Section	Aliquot Part	Meridian	Acres
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- 2.2 Number of Acres in Exploration Area:

26,158.73

Permit # / Notice # _____

2.3 Number of Acres of Federal Land (if applicable): 0

2.4 USGS 1:250,000 or 1:63,360 Quadrangle Names: Healy D-4

2.5 Distance and Direction to Nearest Community (in miles): 13.5 SW

2.6 Attach map of exploration site and adjacent area.

3.0 Period of Exploration

3.1 Begin (Month/Day/Year): 04/01/2021

3.2 End (Month/Day/Year): 03/31/2023

4.0 Ownership of Surface/Subsurface Mineral Estate

If the surface or the mineral estate is owned or leased by someone other than the applicant, answer 4.1 - 4.5, as appropriate (**attach additional pages as needed**).

4.1 Surface Owner

Name: See attached tables

Address: _____

Telephone Number: _____

4.2 Mineral Estate Owner

Name: _____

Address: _____

Telephone Number: _____

4.3 Surface Land Leaseholder

Lease #: _____

Name: _____

Address: _____

Telephone Number: _____

4.4 Mineral Estate Leaseholder

Lease #: _____

Name: _____

Address: _____

Telephone Number: _____

4.5 Adjacent Surface & Mineral Estate Leaseholders

Lease #: _____

Name: _____

Address: _____

Telephone Number: _____

4.6 Right to Enter: Provide a statement describing the basis by which the applicant claims the right to enter the land for the purposes of conducting exploration and reclamation. Reference relevant federal, state, and local government prospecting permits or lease documents. Attach copies of supporting documents, as appropriate.

5.0 Fees

Ref: 11 AAC 90.011

- 5.1 Permit Fee \$500.00 _____ Attach receipt. (Refer to fee schedule below)
 Exploration - notice of intent \$100
 Exploration - substantial disturbance \$500 + cost of all public notices

PART B: NOTICE OF INTENT TO EXPLORE

Ref: 11 AAC 90.161

6.0 Intention to Explore

- 6.1 Describe intended exploration activities, including major pieces of equipment and their use.
- 6.2 Will exploration activities substantially disturb the natural surface of the land?
☒ YES ☐ NO
 If yes, proceed to Part C; if no, answer 6.3 and proceed to Part D. (See definition on page 1 of this form.)
- 6.3 Describe practices to be used to protect the environment from adverse impacts resulting from exploration activities.

PART C: EXPLORATION PERMIT APPLICATION

**Ref: 11 AAC 90.163;
 11 AAC 90.167**

7.0 Exploration Area Description

Note: all technical data in this application must be accompanied by:

- 1) names of persons and organizations who gathered and analyzed data;
 - 2) dates of data collections and analysis;
 - 3) description of procedures used; and
 - 4) names, addresses and positions of officials of each agency consulted.
- 7.1 Indicate type(s) of surface disturbance: ☐ blasting. ☐ mechanical excavation ☒ Drilling, altering coal or water exploration holes and wells, ☒ road or trail construction or modification ☐ aircraft landing construction/modification ☐ marine docking facility construction/modification ☐ construction of structures ☒ placement of excavated material or debris on surface ☐ other, specify _____
- 7.2 Provide a map of at least a scale of 1:63,360 enlarged 2.5 times (~1:25000), showing the following existing surface features:
- a. existing roads and trails;
 - b. occupied dwellings and other structures;
 - c. pipelines, airfields and marine docking facilities;
 - d. bodies of water; .
 - e. historic, archeological and cultural features;
 - f. topographic and drainage features; and

g. habitats of endangered or threatened species.

- 7.3 Using existing information, briefly describe, with cross references to the map in 7.2, the surface topography, geology, surface waters, predominant land use, and other physical features.
- 7.4 Using existing information, briefly describe, with cross references to the map in 7.2, vegetation cover and important habitats of fish, wildlife and plants.
- 7.5 Does the exploration area include critical habitat of threatened or endangered species; or species such as eagles, migratory birds or other animals protected by state or federal law; or habitats of unusually high value for fish and wildlife?

☐ YES ☒ NO

If yes, describe impact, control measures, management techniques and monitoring methods to be utilized to protect these species and habitats.

- 7.6 Does the exploration area include known archeological resources; or districts, sites, structures or objects listed on the National Register of Historic Places?

☐ YES ☒ NO

If yes, identify and describe, and describe protection measures to be implemented.

8.0 Exploration and Reclamation Methods

- 8.1 Provide a map of at least a scale of 1:63,360 enlarged 2.5 times, showing the following exploration and reclamation features (if appropriate, this may be combined with the map required under 7.2):
- a. the area to be disturbed by exploration and reclamation; .
 - b. access routes, including new roads, trails or other transportation facilities to be constructed, and existing facilities to be used or modified;
 - c. proposed excavations and trenches;
 - d. water or coal exploratory holes to be drilled or altered;
 - e. earth or debris disposal areas; f. sediment control measures, such as sediment ponds and structures for diverting overland flow, if required; and
 - g. other exploration or reclamation features.
- 8.2 Provide a description of exploration and reclamation methods and a discussion of how the exploration will comply with the performance standards in 11 AAC 90.167. Cross-referencing the map in 8.1, describe, at a minimum, the following:
- a. types and uses of equipment;
 - b. design, construction, maintenance and removal of any proposed new roads, trails or other transportation facilities;
 - c. alteration and restoration of existing transportation facilities;
 - d. blasting procedures;
 - e. earth or debris disposal;
 - f. backfilling and regrading of all excavations, artificial flat areas, embankments or other disturbed areas to their approximate original contour;
 - g. topsoil removal, storage and redistribution;
 - h. seed mix, application rates, seeding method and other procedures to be implemented in the establishment of a vegetative cover on all disturbed areas;
 - i. procedures for plugging and abandoning exploration holes, boreholes, wells or other exposed underground openings;

- j. procedures and control practices to be implemented to minimize disturbance to the prevailing hydrologic balance, including, if necessary, sedimentation control;
 - k. handling and disposal of known acid-forming or toxic-forming materials, if any; and
 - l. removal of all facilities and equipment.
- 8.3 Provide a time table for each phase of exploration and reclamation including starting and ending date, type of disturbance, area of disturbance, and reclamation measures.
- 8.4 Give an estimate of the quantity of coal to be removed during the exploration. Specify method used to measure quantity.
- 8.5 Give a detailed estimate of the cost of reclamation of all areas to be affected by exploration activities.

PART D: EXPLORATION ON LANDS UNSUITABLE FOR MINING

Ref: 11 AAC 90.165

9.1 Does the proposed exploration area include any area previously designated as unsuitable for all or certain types of mining by the Commissioner of Natural Resources?

☐ YES ☒ NO

If yes, respond to 9.2 and 9.3. . .

9.2 Indicate petition name and number: _____

9.3 Describe the basis for the designation of the area as unsuitable for mining and why exploration in the area is not incompatible with the values or features which led to the designation of the area.

PART E:

The applicant states to the best of his or her knowledge and belief that all statements made in the notice of intent to explore or in the application to explore are true and correct.

Applicant's Name: Fred Wallis Title: V.P. of Engineering

Address: PO Box 1000, Healy, AK 99743

Applicant's Signature: [Signature] Date: 11/4/2020

Subscribed and sworn before me by Fred Wallis this the 4 day of NOV, 2020

Notary Public: [Signature] My commission expires April 4, 2023



Note: Attach a copy of power of attorney, or resolution of Board of Directors that grants such authority)

Hoseanna and Emma Creek Exploration 2020 Permit Renewal Revised Bond Calculation**Direct Costs**

Drillhole Closure Costs	# of Holes	20	
	Acres of Pad Disturbance	0.92	
Material Costs:	Length of Trails in ft	3000	
Bentonite 40% equals 1/2 bag per hole PQ=5" diameter	20 holes		\$500.00
2'-12'			

Labor Costs:	1 hour per hole \$63.60/hr	\$1,272.00
Basis: Davis Bacon General Decision AK 160001 date 9/01/19 for Group 3A laborer includes drillers.		
Base rate \$35.89 + \$27.71 fringe benefits= \$63.60		
Equipment	12 hours pickup at \$25/day	\$25.00
(A)	Total Drillhole Closure Cost	\$1,772.00

Revegetation Costs

Material Cost:		
Grass Seed	\$102/acre for seed mix #1 @ 43 lbs per acre \$4.30/lb	
20 drill pads at 40' x 40' and 40' of 1C	(0.046ac/pad)(# 20pads) (43 lbs/ac)(\$4.3/lb)	\$ 170.11
Trails-3000 feet of additional trails	(3000')x(30')/43560=	2.1 \$ 183.60

Labor and Equipment:

Labor	(#2 labors)(# 4hrs) (\$58.42/hr)	\$467.36
Davis Bacon General Decision AK 160001 date 9/1/19 for Group 1 landscape planter		
Base rate \$30.71+ \$27.71 fringe benefits= \$58.42		
Equipment	1/2 day pickup truck at \$25/day	\$25.00
Grading	2.1 acres of trails, 0.92 acres of drill pads @ \$215/acre	\$645.00
	totals 3.0 acres	
(B)	Total Revegetation Cost	\$1,491.07

Indirect Costs	10%	\$326.31
Mob/Demob	10%	\$177.20
Contingency	15%	\$489.46
Contractor Profit/Overhead	4%	\$130.52
Project Management Fee	5%	\$163.15
Engineering Redesign Fee		
(C)	Total Indirect Cost	\$1,286.64

Grand Total - Reclamation Bond	(A)+(B)+(C)=	TOTAL COST	\$4,549.71
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