

**FINAL FINDINGS OF FACT
AND
DECISION**

August 5, 2013

Usibelli Coal Mine, Inc.
Hoseanna Creek and Emma Creek
Exploration Project

Final Findings of Fact and Decision
Exploration Permit
02-86-795

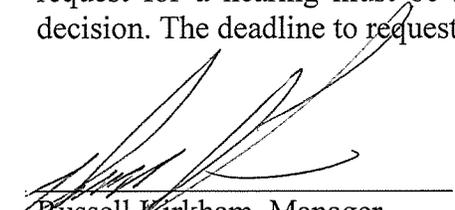
With regard to an exploration application submitted by Usibelli Coal Mine, Inc. (UCM), PO Box 1000, Healy, AK 99743, the Division of Mining, Land and Water (DMLW) has reviewed the request, all written comments, and other relevant information received regarding the application and makes the following Findings of Fact and Decision in accordance with 11 AAC 90.907(h), under the authority of AS 27.21.030 and AS 27.21.100.

1. An application to issue a Coal Exploration Permit (File No. 02-86-795) was filed with DMLW on March 25, 2013. The Hoseanna Emma Creek Exploration Permit was originally issued on July 7, 1986. The request for exploration was submitted in accordance with AS 27.21.200 and 11 AAC 90 161 and 163. This exploration permit is for a two year term.
2. The exploration area is located in the Hoseanna-Emma Creek Valleys, approximately two miles northeast of Healy, Alaska within: Sections 26-28 and 34-35, Township 10 South, Range 6 West; Sections 3-5, 7-10, 16-21 and 25-35, Township 11 South, Range 6 West; Sections 25-26, 29 and 32-36, Township 11 South, Range 7 West; Sections 3-5, Township 12 South, Range 7 West; Sections 7 and 18, Township 11 South, Range 5 West, of the Fairbanks Meridian.
3. The decision approves the continued monitoring of the 22 monitoring wells and and the drilling of 13 drill holes within the exploration area. Since 1986 the permit has been reissued fifteen times to allow for continued exploration drilling. A total of 220 drill holes have been permitted within the exploration area. Drill holes drilled in the area have either been reclaimed or mined through.
4. The Exploration Permit Application was found to be complete on May 31, 2013. Public notice of the Preliminary Findings of Fact and Application began on June 12, 2013 and ended on July 15, 2013. A legal advertisement was placed in the Fairbanks Daily News Miner on June 13, 2013. Also, on June 13, 2013 the public notice was mailed directly to the DMLW's mailing list of affected persons and agencies and was posted to the Department of Natural Resources website.
5. During the notice period DMLW received one comment in support of issuing the permit.
6. The activities proposed in the revision meet the requirements of AS 27.21.200 and 11 AAC 90.163, and 11 AAC 90.167, subject to the stipulations of the permit, which ensure that the exploration and reclamation will comply with these requirements.
7. The approved permit area is not within an area designated unsuitable for mining under AS 27.21.260.
8. The proposed coal exploration activities will not affect threatened or endangered species or their critical habitat.

9. Pursuant to 11 AAC 90.167(b) UCM has proposed a reclamation bond in the amount of \$57,729.50 to cover the associated reclamation liability of test pits, the capping and sealing of monitoring wells and the capping and sealing of drill holes.
10. The following stipulations will be included as part of the final permit:
 - a. Unless approved by DNR, drill holes must be sealed and the drill sites must be reclaimed and reseeded before disturbing a new location.
 - b. All new roads, trails, pads, trenches, and other ground disturbance will be limited to that necessary to complete exploration activities.
 - c. All new roads, trails, pads, trenches, and other disturbed areas are to be reclaimed after exploration activities are completed.
11. Issuance of an exploration permit does not relieve the applicant from the obligation to obtain approvals and permits from other federal, state, or local regulatory authorities.
12. Prior to any additional drilling, appropriate water use authorization must be acquired prior to withdrawing any water.

Copies of the Preliminary Findings of Fact and Decision, the Final Findings of Facts and Decision, and Response to Comments are available for review at the Alaska Department of Natural Resources, Division of Mining, Land and Water, 550 W. 7th Ave., Suite 920, Anchorage, AK 99501-3577, or on our website (www.dnr.state.ak.us/mlw/mining/index.htm).

The applicant or a person with an interest, which is or may be adversely affected by this decision, may request in writing a hearing under AS 27.21.150 to review the reasons for this decision. The request for a hearing may be mailed or delivered to Daniel S. Sullivan, Commissioner, Department of Natural Resources, 550 West 7th Avenue, Suite 1400, Anchorage, AK 99501; faxed to 907.269.8918; or sent by electronic mail to dnr.appeals@alaska.gov. The request for a hearing must be received within 30 days after the applicant is notified of this decision. The deadline to request a hearing is 5:00 p.m. September 4, 2013.



Russell Kirkham, Manager,
Coal Regulatory Program

August 5, 2013
Date