

Final
Decision
And
Findings of Compliance

May 18, 2011

Ranger Alaska LLC

RENEWAL

JONESVILLE UNDERGROUND COAL

MINING PERMIT

U-0201

Alaska Department of Natural Resources
Division of Mining, Land and Water
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Anchorage, AK 99501-3577
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RENEWAL OF SURFACE COAL MINING PERMIT

Date Approved: May 18, 2011
Permit Number: U-0201
Mine Name: Jonesville Mine

DECISION

The Alaska Department of Natural Resources, Division of Mining, Land and Water, in accordance with AS 27.21 and 11 AAC 90, hereby grants the renewal of the Jonesville Underground Permit U-0201 to conduct coal mining Ranger Alaska LLC, 110 N. Rubey Drive Suite 201; Golden, Colorado, 80403.

This decision to approve the application is based on a finding that the application for renewal is accurate and complete and that it complies with the requirements of the Alaska Surface Coal Mining Program (AS 27.21; 11 AAC 90). All written findings required under AS 27.21.180 and 11 AAC 90.125 have been made, and support permit issuance.

This permit is subject to the requirements of AS 27.21 and 11 AAC 90 for surface coal mining and reclamation operations, and the conditions and stipulations listed below.

Please be advised that the renewal of this permit does not relieve the permittee of responsibility to secure other permits required by federal, state, or local authorities, nor does this permit relieve the permittee of responsibility for compliance with any federal, state, or local law or regulation. Neither does this approval constitute certification of any property right or land status claimed by the permittee.

PERMIT CONDITIONS

1. **TERM:** This permit is for a term of five years, ending on May 18, 2016.
2. **CONFORMANCE WITH APPLICATION:** This permit authorizes surface coal mining and reclamation operations within the permit area defined in the application, located generally in Township 12S, Range 6W, Sections 17-20, and Township 12S, Range 7W, Sections 21-24, & 26-27 of the Fairbanks Meridian. All surface coal mining and reclamation operations are to be conducted as described in the permit application, and in compliance with AS 27.21, 11 AAC 90, and the conditions and stipulations of this permit.
3. **BOND:** The applicant is proposing an incremental bonding schedule as detailed in 11 AAC 90.201(c). Each area of the operation identified in the mining summary above will be

bonded separately and as succeeding increments of operations are initiated; the operator shall file the scheduled amount at least 30 days before beginning that increment. The department currently holds a reclamation bond in the amount of \$251,615.00 and is sufficient to guarantee the present obligations under this permit. The initial operations under this permit will be guaranteed by an initial reclamation bond in the amount of \$669,360.84. The initial bond will be reviewed upon receipt of the revised operation and reclamation plan. This revised bond must be submitted and approved by the Division before work can begin under this permit.

The permittee shall at all times maintain the bond, which is conditioned upon compliance with all provisions of the permit. When requested, the permittee shall increase the amount of the bond or furnish such other bond as may be required. Filing of the bond does not in any manner relieve the permittee of their responsibility for conducting surface coal mining and reclamation operations in accordance with this permit and applicable provisions of law and regulation, nor does it relieve the permittee of financial liability for acceptable completion of surface coal mining and reclamation operations.

4. **PERMIT REVISIONS:** Any variation from the plans presented in the application must be discussed, prior to implementation, with the Division, and may require a revision to this permit or a new permit under 11 AAC 90.129, prior to implementation.
5. **MIDTERM REVIEWS:** This permit will be subject to review by the Division no later than November 19, 2013(the permit midterm). Reasonable revisions may be ordered in accordance with AS 27.21.190(e).
6. **PERMIT RENEWALS:** As long as mining is conducted as described in the application, and within the boundaries illustrated on approved maps and exhibits, this permit carries with it the right of successive renewal upon expiration. Any renewal application should be filed at least 120 days prior to the expiration date for this permit in accordance with AS 27.21.080.
7. **COMPLIANCE WITH LAW:** Operations under this permit shall be conducted in conformance with applicable federal, state, and local laws and regulations now or hereafter in effect during the life of the permit.
8. **REPORTS:** Upon request, the permittee shall report in writing to the Director of the Division on matters relevant to the character, and progress, of surface coal mining and reclamation operations under this permit. Reports shall be filed with the Division of Mining, Land and Water, Surface Coal Regulatory Program.
9. **OTHER OPERATIONS ON STATE LAND:** The granting of this transfer does not preclude the issuance of other permits or leases on the same land. Valid existing prior rights acquired on the lands described herein will not be adversely affected by this permit. Where this permit grants the right to enter land owned, leased, or otherwise lawfully occupied by another, the permittee shall make provisions before entering the land to pay for all damages sustained by said owner, lessee, or lawful occupant, by reason of entering upon said land.

10. **CHANGE OF ADDRESS:** The permittee shall immediately notify the Director of the Division, in writing, of any change in the address of the permittee or the representative conducting surface coal mining and reclamation operations on site.
11. **FAILURE TO COMPLY:** If the permittee fails to comply with the conditions and stipulations contained in this permit or applicable laws or regulations, depending on the circumstances, the Director may issue a notice of violation, issue a cessation order, assess a civil penalty, seize the reclamation bond, or take other action.
12. **APPLICATION AND PERMITS TO BE MAINTAINED ON SITE:** The permittee shall maintain and have available at the site of the surface coal mining and reclamation operations, copies of the permit application, any approved revisions, and this permit. Equipment operators are to be advised of permit conditions, where appropriate.
13. **GENERAL STIPULATIONS:** In accordance with AS 27.21 and 11 AAC 90, approval of your permit transfer granted subject to the following general stipulations:
 - A. The permittee shall conduct operations only on that land which is approved for the term of this permit and that is subject to the performance bond or other equivalent guarantee in effect under 11 AAC 90.20l.
 - B. The permittee shall conduct all operations only as described in the approved application, except to the extent otherwise directed in the decision of the Commissioner of the Department of Natural Resources.
 - C. The permittee shall comply with the performance standards of 11 AAC 90.30l through 11 AAC 90.50l.
 - D. The permittee shall allow the authorized representatives of the Commissioner and the Secretary of the Interior the rights of entry specified in 11 AAC 90.60l through 11 AAC 90.603.
 - E. The permittee shall take all possible steps to minimize any adverse impact to the environment or public health and safety resulting from noncompliance with any condition or stipulation of the permit, including:
 1. any accelerated or additional monitoring necessary to determine the nature, extent, and results of noncompliance;
 2. immediate implementation of measures necessary to comply; and
 3. Warning, as soon as possible after learning of the noncompliance, any person whose health and safety is in imminent danger due to the noncompliance.
 - F. The permittee shall pay all reclamation fees required by 30 CFR Part 870 for all coal produced under this permit.

14. **SPECIAL STIPULATIONS:** In accordance with AS 27.21 and 11 AAC 90, approval of your application is granted subject to the following special stipulations:

A. Signs and Markers

- 1. The 100 foot buffer zone adjacent to Slipper Lake must be clearly marked.*
- 2. The 10 foot buffer zone adjacent to the refuse embankment must be clearly marked.*

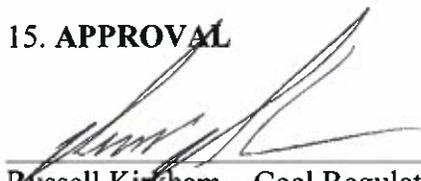
B. Water Monitoring

- 1. Maintain two piezometers in the refuse embankment previously installed within the permit area. These will be used to monitor the phreatic surface in the embankment to assure the integrity of that structure is not compromised.*
- 2. Additional base line sampling at the inlet and outlet of Slipper Lake must be conducted showing seasonal variability, prior to activity occurring within Area 3.*
- 3. At least six months prior to commencing operations, the remaining six water monitoring wells, as approved in the permit must be installed and sampled. In addition to these monitoring wells, the department may require additional monitoring wells to address potential impacts to the environment and local community.*

C. Operation and Reclamation Plan

- 1. At least 180 days prior to the anticipated startup of the underground portal face up the applicant must submit a complete operation and reclamation plan for this phase, including an estimated bond amount.*
- 2. As part of the updated operation and reclamation plan the applicant must submit detailed plans demonstrating how the operation will reduce the impacts of light and noise to the surrounding community.*
- 3. All existing structures within Area 2 of the permit must be removed as part of the post mining configuration.*
- 4. The final design of the constructed wetlands must be submitted prior to activity occurring within Area 2.*
- 5. If no mining occurs within Area 3 during the first permit term, this area will be removed from the permit allowing the AML program to complete Phase I of the Jonesville Fire Project.*

15. **APPROVAL**



Russell Kirkham – Coal Regulatory Program Manager
Division of Mining, Land and Water

Date: 18 May 2011