

PRELIMINARY FINDINGS OF FACT

Request for Coal Exploration Permit Canyon Creek Coal Exploration Project (Application # E-1601)

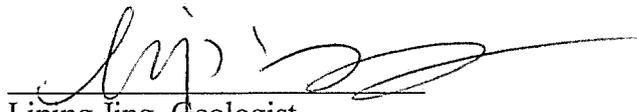
The Division of Mining, Land and Water (DMLW) has reviewed the application, submitted by Flatlands Energy Corporation, 11401 Olive Lane, Anchorage, AK 99515 requesting the issuance of a coal exploration permit for the Canyon Creek Coal Exploration program (File number E-1601). DMLW makes the following Preliminary Findings of Fact and Decision in accordance with 11 AAC 90.165.

1. An application to request Coal Exploration Permit was filed with the DMLW on April 12, 2018.
2. The exploration area is approximately 18 miles west southwest from Skwentna airport, Alaska within Sections 6,7,18, 19, 30, 31, Township 20N, Range 13W, and Sections 1, 12, 13, 24, 25, 36, Township 20N, Range 14W, Section 6, Township 19N, Range 13W, and Section 1, Township 19N, Range R14W, all within the Seward Meridian.
3. The proposed exploration activities would consist of drilling up to twenty exploration drill holes. All drill sites will be reclaimed and all drillholes not retained as monitoring wells will be sealed immediately upon completion of work at the site. All equipment used on site would be removed upon completion of the exploration program.
4. A preliminary review by DMLW staff determined further information on the project was necessary. This included more detailed information about the drilling program, updates to background information and further information on drill sites. Update of the Application was received on May 10, 2018.
5. The application contains all the information required by 11 AAC 90.163 and is sufficient for this office to make a preliminary decision. The exploration permit application was found complete on May 15, 2018.
6. Public notice of this preliminary decision will be given for the period starting on May 18, 2018 and ending on June 18, 2018. Legal ads will be placed in the Anchorage Daily News on May 18, 2018. Also, on May 18, 2018, the notice will be mailed directly to DMLW's mailing list of affected persons and agencies and will be posted to the Department of Natural Resources website.
7. The activities proposed in the application meet the requirements of AS 27.21.200 and 11 AAC 90.163 through 11 AAC 90.167, subject to the stipulations of the permit, which ensure that the exploration and reclamation will comply with these requirements
8. The approved permit area is not within an area designated unsuitable for mining under AS 27.21.260.
9. Pursuant to 11 AAC 90.167(b) UCM has proposed a reclamation bond in the amount of \$17,160.00 to cover the associated reclamation liability of twenty exploration wells.

10. Prior to any additional drilling, appropriate water use authorization must be acquired prior to withdrawing any water.

Copies of the Permit Application, Preliminary Findings of Fact, and other supporting documents 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).

A person who may be adversely affected by the issuance of this permit may file written comments. Comments should be sent to Russell Kirkham at the Anchorage address listed above, by fax to (907) 269-8930, or by email to: coalprogram@alaska.gov with the subject "Canyon Creek Exploration" in the subject line. The deadline for comments is 5:00 p.m. on June 18, 2018.


Liping Jing, Geologist
Coal Regulatory Program

May 17, 2018
Date