



PACRIM COAL, LP

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February 18, 2010

Mr. Thomas E. Irwin, Commissioner
State of Alaska – Department of Natural Resources
550 W 7th Ave, Suite 1400
Anchorage, Alaska 99501

Re: Petition to Designate the Streambeds of Anadromous Water Bodies and Riparian Areas Within the Chuit River Watershed as Unsuitable for Surface Coal Mining Pursuant to AS 27.21.260 (Dated January 21, 2010)

Dear Commissioner Irwin:

PacRim Coal, LP ("PacRim") has received a copy of the Petition to the Commissioner of the Alaska Department of Natural Resources to Designate the Streambeds of Anadromous Water Bodies and Riparian Areas Within the Chuit River Watershed, Alaska, as Unsuitable for Surface Coal Mining Pursuant to AS 27.21.260, filed by Chuitna Citizens Coalition and Cook Inletkeeper, dated January 21, 2010. Please be advised that PacRim maintains its position that the area designated as Logical Mining Unit 1, or LMU-1, is not subject to consideration for designation as land unsuitable for surface coal mining as per 11 AAC 90.715, based upon permitting activity for this area in relation to Diamond Shamrock Chuitna Coal Joint Venture's 1985 ASCMCRA permit application. PacRim continues to hold the lease interest on this property. PacRim reserves all other rights with respect to any further proceedings on the above-referenced petition.

Sincerely,

Daniel Graham, PE
Project Manager

Cc: Eric Fjelstad, Perkins Coie