

**FINAL FINDINGS OF FACT
AND
DECISION**

September 2, 2016

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 – Mining Section (DMLW - Mining) 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 May 19, 2016. 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 authorizes the drilling and reclamation of 85 exploration holes, 10 test pits, up to 15 miles of access trails and continued maintenance of 22 monitoring wells.
4. The Exploration Permit Application was found to be complete on June 27, 2016. Public notice of the Preliminary Findings of Fact and the Exploration Application began on June 30, 2016 and ended on August 1, 2016. A legal advertisement was placed in the Fairbanks Daily News Miner on June 30, 2016. Also on June 30, 2016 the public notice was mailed directly to the DMLW-Mining mailing list of affected persons and agencies and was posted to the Department of Natural Resources website.
5. During the notice period DMLW-Mining received one comment of non-objection from the Alaska Department of Fish and Game (ADF&G) regarding issuance of 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) the DMLW-Mining has determined that the reclamation bond in the amount of \$70,418.00 is sufficient to cover the associated reclamation costs for closure of test pits, the capping and sealing of monitoring wells and the capping and sealing of drill holes. The portion of the reclamation bond for plugging and abandoning drill holes

will be released upon inspection and documentation that they are capped and sealed and meeting the requirements of the permit and 11 AAC 90.303. The remaining bond for the reestablishment of the vegetative cover will be held for a minimum of one year and until there is at least 90 percent ground cover consisting of grasses and native vegetation has been established on disturbed areas (drill pads, trenches, trails, etc).

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, the Final Findings of Fact and Decision, 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).



Russell Kirkham, Manager,
Coal Regulatory Program

September 2, 2016
Date

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. **Any request for a hearing must be received within 30 calendar days after the date of notice of this decision.** The request for a hearing may be mailed or delivered to Andrew T. Mack, 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.