



USIBELLI COAL MINE, INC.

P.O. Box 1000 ■ Healy, AK 99743
(907) 683-2226 ■ fax (907) 683-2253

February 10, 2015

Mr. Russell Kirkham,
Coal Regulatory Program
State of Alaska DNR-DMLW
550 W 7th Ave., Suite 900D
Anchorage, Alaska 99501-3577

Request for Bond Release- TBR Mine S-0603

Dear Russell,

Usibelli Coal is requesting Phase 1 bond release for the 97.2 acres shown on Exhibit 1, "Phase One Bond Release Areas". In the areas shown final regrading is complete and drainages are established.

In addition, once Phase 1 bond release is approved, Usibelli is requesting a reduction in Bond. The current bond for Two Bull Mine is \$ 5,842,902 for 676 acres of disturbance. Usibelli is requesting a 60% reduction in bond for the percentage of land that is released. The following shows the calculation used to determine the accrual release amount.

$$\text{Release Amount} = \$5,842,902 \times (87.4/676) \times 60\% = \$ 453,257$$

After bond release the final bond amount for Two Bull should be \$5,389,645. If you require any additional information or have any questions please contact me.

All applicable reclamation activities have been accomplished in accordance with the requirements of AS 27.21, 11AC-90 and the approved reclamation plan.

Sincerely,

Fred W. Wallis, P.E.
V.P. Engineering

THIS IS TO CERTIFY that on this 10 day of February, 2015, before me personally appeared Fred Wallis, V.P. Engineering, Usibelli Coal Mine, Inc., who executed this letter and voluntarily signed.

IN MY TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the the day and year shown.

Notary Public in and for the State of Alaska *Nicole E. Garcia*

My commission expires *04/01/2016*

Dated this 10 day of February, 2015

