PRELIMINARY FINDINGS OF FACT

Surface Coal Mining Permit S-0603

The Alaska Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) has completed its completeness review of the Two Bull Ridge Mine permit major revision application, submitted by Usibelli Coal Mine, Inc., PO Box 1000, Healy, AK 99743. The DMLW found the revision application to be complete, consistent with AS 27.21 and 11 AAC 90 and makes the following Preliminary Findings.

1. A request for a major revision to the Surface Coal Mining Permit S-0603 was filed with the Division of Mining, Land and Water on December 21, 2012. Revision of the permit has been requested in accordance with AS 27.21.080(d) and 11 AAC 90.129(b).

2. The approved permit meets the requirements of AS 27.21 and 11 AAC 90, subject to the stipulations of the original permit, which can be revised to ensure that the surface coal mining and reclamation operations will comply with these requirements.

3. The request for a revision to the approve Surface Coal Mining Permit was found complete on January 8, 2013. DMLW makes no other findings as to its technical adequacy at this time.

4. Public Notice of Preliminary Findings of Fact will be published in the Fairbanks Daily News-Miner once a week for four consecutive weeks starting on January 10, 2013. Public Notice of the Preliminary Finding of Fact was posted on the DNR Public Notice website and in the Healy, Alaska Post Office. The notice was also circulated to all applicable federal, state, agencies and mailed directly to the Department's mailing list of 39 affected persons.

5. Pursuant to 11 AAC 90.205(d) DMLW has determined that reclamation bond in the amount of **$5,842,902** will be sufficient to guarantee the present obligations under this permit. The bond is conditioned upon the completion of the required reclamation and compliance with all terms, stipulations, and conditions of the original permit.

6. The application for this major revision is currently being evaluated to determine if it meets the requirement of the Alaska Surface Coal Mining Program (AS 27.21 and 11 AAC Chapter 90).

7. The proposed revision to the approved surface coal mining reclamation and operation plan will not affect known threatened or endangered species or their critical habitat.

8. Copies of the revision request 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). Comments should be sent to Russell Kirkham, at the address above, by fax to (907) 269-8930 or by E-mail to coalprogram@alaska.gov with the subject, "Two Bull Ridge Major Revision" The deadline for comments is 5:00 pm on March 4, 2013. A person who is or may be adversely affected by this revision may file written comments or objections to the revision and may include with the objection a request for an informal conference (AS 27.21.140).

Russell Kirkham, Manager,
DMLW, Coal Regulatory Program

January 9, 2013
Date