

PERMITS TO CONDUCT SURFACE COAL MINING
RENEWAL

Date Issued: November 27, 2006 modified June 10, 2010

Permit Numbers: 01-89-796 & 02-89-796
Mine Name: Wishbone Hill Mine

The Alaska Department of Natural Resources, Division of Mining, Land and Water, in accordance with AS 27.21 and 11 AAC 90, hereby grants renewal of permits to conduct surface coal mining to Usibelli Coal Mine, Inc., P.O. Box 1000, Healy, Alaska 99743.

The permits are subject to the requirements of AS 27.21 and 11 AAC 90 for surface coal mining and reclamation operations. The permits are also subject to the Conditions of Permits listed below, including all general and special stipulations.

Please be advised that this permit renewal does not relieve the permittee of responsibility to secure other permits required by federal, state, or local authorities, nor does this permit relieve the permittee of responsibility for compliance with any federal, state, or local law or regulation. Neither does this approval constitute certification of any property right or land status claimed by the permittee.

CONDITIONS OF PERMITS

1. **TERM:** This renewal is for a term of five years and ends on November 27, 2011
2. **CONFORMANCE WITH APPLICATION:** This renewal authorizes the surface coal mining and reclamation operations within the permit area defined in the application, located in Sections 22, 23, 26, 27, 28, 34, 35, and 36, Township 19 North, Range 2 East, and Section 1, Township 18 North, Range 2 East, of the Seward Meridian.

All surface coal mining and reclamation operations are to be conducted as described in the permit application, as amended, and in compliance with AS 27.21, 11 AAC 90, and the conditions and stipulations of the permits. Any variation from the plans presented in the application must be discussed with the division and may require further revision of the permit prior to implementation.

3. **BOND:** Operations under these permits for year 0 construction work are guaranteed by a reclamation bond in the amount of \$28,473. The permittee shall at all times maintain the bond, which is conditioned upon compliance with all provisions of the permits. When requested, the permittee shall increase the amount of the bond or furnish such other bond as may be required.

Filing of the bond does not in any manner relieve the permittee of his or her responsibility for conducting surface coal mining and reclamation operations in accordance with these permits and applicable provisions of law or regulation, nor does it relieve the permittee of financial liability for acceptable completion of surface coal mining and reclamation operations.

4. **PERMIT REVISIONS:** Any variation from the plans presented in the application must be discussed, prior to implementation, with the Division, and may require a revision to the permits or a new permit under 11 AAC 90.129, prior to implementation.

5. **MIDTERM REVIEWS:** The permits will be subject to review by the Division no later than May 27, 2009 (the permit midterm). Reasonable revisions may be ordered in accordance with AS 27.21.190(e).

6. **PERMIT RENEWALS:** As long as mining is conducted as described in the application, as amended, and within the boundaries illustrated on approved maps and exhibits, these permits carry with them the right of successive renewal upon expiration. Any renewal application should be filed at least 120 days prior to the expiration date for this permit in accordance with AS 27.21.080.

7. **COMPLIANCE WITH LAW:** Operations under this permit shall be conducted in conformance with applicable federal, state, and local laws and regulations now or hereafter in effect during the life of the permits.

8. **REPORTS:** Upon request the permittee shall report in writing to the Director of the Division on matters relevant to the character, and progress, of surface coal mining and reclamation operations under these permits. Reports shall be filed with the Division of Mining, Land and Water, Coal Regulatory Section.

9. **OTHER OPERATIONS ON STATE LAND:** The granting of this renewal does not preclude the issuance of other permits or leases on the same land. Valid existing prior rights acquired on the lands described herein will not be adversely affected by this renewal. Where these permits grant the right to enter land owned, leased, or otherwise lawfully occupied by another, the permittee shall make provisions before entering the land to pay for all damages sustained by said owner, lessee, or lawful occupant, by reason of entering upon said land.

10. **CHANGE OF ADDRESS:** The permittee shall immediately notify the Director of the Division, in writing, of any change in the address of the permittee or the representative conducting surface coal mining and reclamation operations on site.

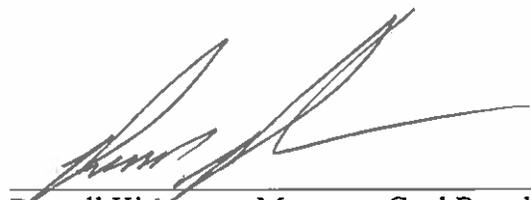
11. **FAILURE TO COMPLY:** If the permittee fails to comply with the conditions and stipulations contained in the permits or applicable laws or regulations, depending on the circumstances, the Director may issue a notice of violation, issue a cessation order, assess a civil penalty, seize the reclamation bond, or take other action.

12. **APPLICATION AND PERMITS TO BE MAINTAINED ON SITE:** The permittee shall maintain and have available at the site of the surface coal mining and reclamation

operations copies of the permit applications, any approved revisions, and this permit renewal. Equipment operators are to be advised of permit conditions and stipulations, where appropriate.

13. **STIPULATIONS:** In accordance with AS 27.21 and 11 AAC 90, approval of the application is granted subject to all the existing general and special stipulations of the original permits 01-89-796 and 02-89-796.

14. **APPROVAL:**



Russell Kirkham – Manager, Coal Regulatory Program
Division of Mining, Land & Water

June 10, 2010

Date