

STATE OF ALASKA

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DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND AND WATER Coal Regulatory Program

June 7, 2012

To: Distribution List

Re: Application For Wishbone Hill Coal Exploration Permit

Usibelli Coal Mine, Inc., 634 South Bailey Street, Suite 204, Palmer, Alaska 99654, has filed an application to renew their Wishbone Hill coal exploration permit. The permit would be issued for a period of two years.

The proposed exploration activities are located approximately eight miles northeast of Palmer near the Buffalo/Soapstone Community and are within all or parts of Sections 13, 14, 22-28, Township 19 North, Range 2 East and Sections 2, 3, 7-11, 15-19, Township 19 North, Range 3 East, Seward Meridian.

Authorized exploration activities will consist of drilling up to 25 exploration drill holes, geologic surface mapping and the construction of 0.6 acres of trail extensions. All drill sites will be reclaimed and all drill holes not retained as hydrologic monitoring wells would be sealed immediately upon completion of work at the site.

Pursuant to 11 AAC 90.167(b) the Division has determined that a reclamation bond in the initial amount of \$47,457.00 is sufficient to cover the associated reclamation costs. Detailed bond calculations are in the permit application.

The application complies with the requirements of the Alaska Surface Coal Mining Control and Reclamation Act (AS 27.21 and 11 AAC 90).

Copies of the application and preliminary decision are available for review at the Alaska Department of Natural Resources, Division of Mining, Land and Water, 550 West 7th Avenue, Suite 920, Anchorage, AK 99501-3577 or on our website (www.dnr.state.ak.us/mlw/mining/index.htm). Comments regarding this permit should be sent to Liping Jing at the address listed above, by fax at (907) 269-8930, or by e-mail at coalprogram@alaska.gov with the subject "Wishbone Hill Exploration". The deadline for comments is 5:00 PM, July 10, 2012.