

PRELIMINARY FINDINGS OF FACT

Coal Exploration Permit Wishbone Hill Exploration

The Division of Mining, Land and Water has reviewed the application, submitted by Usibelli Coal Mine, Inc. 634 South Bailey Street, Suite 204, Palmer, Alaska 99654, permit number (01-86-795) to renew the Wishbone Hill Exploration Permit. The Division makes the following Preliminary Findings of Fact and Decision in accordance with 11 AAC 90.165.

1. An application to renew Coal Exploration Permit (01-86-795) was filed with the Division of Mining, Land and Water (DMLW) on March 23, 2012. A copy of the permit application along with a request for comments was distributed to Alaska Department of Fish and Game, Alaska Department of Environmental Conservation, United States Army Corps of Engineers and the Federal Office of Surface Mining Reclamation and Enforcement.
2. 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.
3. The proposed renewal will consist of drilling up to 25 exploration holes. Coal exploration work will be performed to better define the complex geology; find additional recoverable coal reserves; define surface mineable reserve areas and better understand the chemical and physical characteristics of the coal. In order to acquire data on the groundwater resources within the exploration area, some of these drill holes may be retained as monitoring wells. All drill sites would be reclaimed and all drill holes not retained as monitoring wells will be sealed immediately upon completion of work at the site. All equipment and supplies used on site will be removed upon completion of the exploration program.
4. A preliminary review by DMLW staff determined that an adjusted bond amount and further information on the project was necessary. This included more detailed information about the drilling program, updates to background information and further information on drill sites. The application was deemed complete on April 13, 2012.
5. The exploration application contains all the information required by 11 AAC 90.163 and is sufficient for this office to make a preliminary decision.
6. Public notice of this application starts on June 7, 2012 and ends on July 10, 2012. A legal ad will be placed in the Anchorage Daily News on June 7, 2012. The notice will be mailed directly to the Division's mailing list of affected persons and agencies and placed on the State's public notice website.
7. The activities proposed in the application meet the requirements of AS 27.21.200 and 11 AAC 90.163 through 11 AAC 90.167, subject to the stipulations of the permit, which ensures the exploration and reclamation activities will comply with the requirements of these regulations.
8. The approved permit area is not within an area designated unsuitable for mining under AS 27.21.260.

9. The proposed coal exploration activities will not affect threatened or endangered species or their critical habitat.
10. Pursuant to 11 AAC 90.167(b) DNR has determined that the reclamation bond in the amount of \$47,457.00 is sufficient to cover the associated reclamation costs.
11. An appropriate water use authorization must be acquired prior to withdrawing any water.
12. Copies of Permit Application, Preliminary Findings of Fact and Decision, and other supporting documents 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). A person who may be adversely affected by the issuance of this permit may file written comments and may include a request for an informal conference (AS 27.21.140). Comments should be sent to Liping Jing, at the Anchorage address listed above, by fax to (907) 269-8930, or by e-mail to: coalprogram@alaska.gov with the subject "Wishbone Hill Exploration". The deadline for comments is 5:00 p.m. on July 10, 2012.