

**Appendix A: DMLW Responses to Public Comments Concerning  
The Ranger Alaska Jonesville Exploration Permit Application  
March 1, 2013**

Following are Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW) responses to the written comments received during the public comment period (October 24, 2012 to December 5, 2012) for the Jonesville Exploration permit. The DNR/Division of Mining, Land and Water, received a total of 117 comment submittals. Most of these individual submittals contained comments on multiple subjects.

Of the 117 comments submittals, 110 came from private individuals, four were from non-government organizations and two were from a Community or Tribal Council. One was from a state agency. There were no comments from Federal Agencies. The table below breaks down comments based on the commenter's location.

Community and Tribal Councils	2
Chickaloon Area	3
Sutton Area	10
Municipality of Anchorage	28
Mat-Su Area	42
Fairbanks-Healy	5
State Wide	13
General Area *	0
Out of State	9
Non-Government Organizations	4
Federal Agencies	0
Borough Government	0
State Agencies	1
<b>Total</b>	<b>117</b>
*No Return Address provided	

## Response to Comments

1. **Comment:** Ranger Alaska holds Jonesville Coal Lease ADL 324600 and ADL 229336. Those leases grant the lessee “the exclusive right to mine and dispose of all the coal” on the lease, as well as “the exclusive right to explore for coal within the leased area.” DNR Coal Lease ADL 324600 and ADL 229336: each lease shall be for an indeterminate period...” DNR’s regulations contain similar permission. However, the statute and regulation violate Article VIII, section 12 of the Alaska Constitution. This provision provides that “lease and permits giving the exclusive right of exploration for coal, oil, gas... for specific period ... may be authorized by law.” Alaska Constitution article VIII, § 12. Because the leases are for an indeterminate period, they violate this provision of the constitution and therefore invalid.

**Response:** As part of the review of the coal exploration permit, DMLW reviewed coal leases ADL 324600 issued by the Trust Land Office and ADL 229336 issued by DMLW. Ranger Alaska is currently up to date on their lease payments and leases are in good standing with their respective leasing agencies. These leases have been issued according to the applicable statutes and regulations.

DMLW has reviewed Ranger Alaska’s application and finds that it meets the requirement of 11 AAC 90. 161(a) (5) for right of entry to the proposed exploration area.

2. **Comment:** Ranger Alaska failed to include significant information in its exploration permit application and the information that is included is outdated. ASCMCRA requires Ranger Alaska to include information in its permit application about surface water, vegetative cover, fish and wildlife habitat, and other important baseline information under 11 AAC 90. 163(a) (2) (A).

**Response:** Ranger Alaska’s application has met the standards for an Exploration Application as outlined in 11 AAC 90. 163, which includes:

- Information required by 11 AAC 90. 161 (a) (1), (a)2, (a)5
- An exploration and reclamation plan of operations that include the requirements of 11 AAC 163. 163. (a) (2) through (a)5).

The scope of this review is to provide a summary of readily available information.

During active exploration activities DNR will be required to inspect Ranger Alaska operations at least once a month.

All information acquired by Ranger Alaska during the exploration phase(s) will be used to determine any further exploration activities and if the project applies for a mining permit.

3. **Comment:** The permit application fails to detail how the drilling mud it proposes to use in its operation will be handled so as to avoid contamination of ground or surface water. In particular, the MSDS for FEB Hyseal No.1 states that users should “not allow product to reach groundwater, water bodies or sewage system.”

**Response:** FEB Hyseal No.1 is primarily used as a waterproofing agent for drilling operations to control water within a drill hole and to seal the drill hole when it is plugged and

abandoned. The main ingredient in FEB Hyseal No.1 is Portland cement. A lesser amount of fine silica (quartz) sand and chemicals are used for activating and curing the Portland cement.

In use, a slurry of water and FEB Hyseal No.1 would be pumped into the well hole. This slurry would be used to support surface casing and to prevent other drilling muds from traveling up the annular space outside the drill casing. The slurry can also be used to prevent fluids from entering fractured or porous formations preventing fluid loss to the formation. Finally the slurry can be mixed with drill cuttings to seal an abandoned drill hole on completion of drilling.

The MSDS sheet provides the warning about the use of FEB Hyseal No.1 in the ecological information section of the MSDS. In addition it recommends that users of Hyseal not allow the product to reach groundwater, water bodies or sewage systems. The MSDS states that no ecological studies are available and that harmful affects based on significant experience with cement mortars are not expected when used in accordance with the product instructions. In addition, the MSDS goes on to classify FEB Hyseal No.1 as a low risk water hazard. Based on review of this product, DMLW finds that the use of FEB Hyseal No.1 does not adversely impact the hydrologic balance and is in compliance with 11 AAC 90.167(n). In addition, no additional information beside the comment in the MSDS was submitted to DMLW that would warrant classifying FEB Hyseal No.1 as toxic forming material as defined by 11 AAC 90.335 or 11 AAC 90.911(113).

- 4. Comment:** The exploration permit should be reviewed with the same critical review as a Mining Permit.

**Response:** The review requirements under ASMCRA are based on the anticipated surface disturbance for exploration activities. The proposed activities are consistent with exploration as defined under ASMCRA. The exploration permit application was reviewed to ensure that it meets the requirements of 11 AAC 90.163 to 11 AAC 90.167. Prior to development and mining, Ranger Alaska must meet the requirements for surface or underground mining under 11 AAC 90, including the collection of the site specific baseline environmental data.

- 5. Comment:** An estimated timetable for each phase of exploration and reclamation does not meet the requirement. The timetable provided only includes one year.

**Response:** A statement of the period of intended exploration states that the project starts on March 1, 2013 and ends on March 1, 2015 at Permit Application page seven (7). Ranger Alaska has been directed to revise the current schedule to reflect a drill plan for the first two seasons, which coincides with the two year length of the exploration permit and meets the requirements of 11 AAC 165.

- 6. Comment:** Expanded operations should only be allowed by permit amendments and after public notice and comment. Ranger Alaska indicates that it intends to utilize one 10-12 hour shift for the Phase 1 drilling but two 12 hour shifts for the Phase 2 drilling on Wishbone Hill.

Given the residential nature of the project area and the fact that there is very little light and sound pollution at night, all operations should be limited to one 10-12 hour shift each day. Any expansion in operations beyond a single daytime operation should be subject to a formal permit amendment, with public notice and comment

**Response:** The Coal Regulatory Program does not contain provisions for addressing operation hours. The Mat-Su Borough has ordinances and policies for items such as light and noise abatement on a community by community basis. Ranger Alaska may be required to obtain local or additional permits from the Mat-Su Borough, which is beyond the DNR's scope and jurisdiction.

7. **Comment:** Residents commented on their distaste for coal mining adjacent to their properties citing the threat of pollution, contamination and noise. There are several residents from the Sutton area that voiced concerns on the subject of a coal mine ruining the natural Alaska landscape and polluting the Matanuska Valley and the deterioration of their health.

**Response:** This comment is beyond DNR's scope of review of the proposed exploration application under 11 AAC 90. DNR has carefully reviewed the proposed plan of operations and has determined that the impacts are within scope allowed by 11 AAC 90. 301-501.

8. **Comment:** No new permit should be issued until the Health Impact Assessment is completed.

**Response:** This comment is beyond DNR's scope of review of the proposed exploration application under 11 AAC 90. Health Impact Assessments are not required under 11 AAC 90.

9. **Comments:** Developing this site will have negative impacts on those who live in this area, and maybe eventually to all those living in the Valley due to the strong winds we experience.

**Response:** This comment is beyond DNR's scope of review of the proposed exploration application under 11 AAC 90.

10. **Comment:** Concerns were expressed regarding ecological changes associated with mining for coal. This includes altered topography, water quality changes, and aquatic life disruptions.

**Response:** DNR is currently reviewing an application for exploration under 11 AAC 90.163. The activities described by this comment are not being proposed as part of the exploration permit.

11. **Comments:** The permit application fails to give adequate consideration to salmon habitat restoration efforts near the permit area.

**Response:** The Alaska Department of Fish and Game (ADF&G) reviewed the public notice. ADF&G comments included: Water for all drilling activities will be pumped from ponds located on the mine site or from monitoring wells. No fish resources will be impacted by withdrawing this water. Because the proposed activities are not expected to present a blockage to free fish passage and are not expected to impact any anadromous waterbodies, no permits pursuant to AS 16.05.841 or AS 16.05.871 are required for these activities. However, this determination does not lessen the possibility that the Division of Habitat may require a permit for future operations or require mitigation for the current proposal under AS 16.05.861 should future fish surveys document that either anadromous or resident fish-bearing streams are being impacted by the mining activities. AS 16.05.861 provides that upon written notification from the Commissioner, any barriers or obstructions to fish passage that are not removed by the owner within a reasonable time specified by the commissioner, shall be considered a public nuisance subject to abatement and removal.

12. **Comment:** Concerns regarding water impacts to local drinking water. The Chickaloon Tribal Allotment is located on Eska Creek, downstream of the coal mine lease area. Additionally, there are many residents of Sutton that live on the banks of Eska Creek downstream of the Jonesville lease area and whose drinking water could be affected by pollution in Eska Creek.

**Response:** Each exploration hole, borehole, well, or other exposed underground opening must comply with 11 AAC 90.303. This states that, "Closure measures must be designed to prevent acid or other toxic drainage from entering ground or surface water, to minimize disturbance to prevailing hydrologic balance, and to ensure the safety of people, livestock, fish and wildlife, and machinery."

13. **Comment:** Concern about the possible disruption of water wells due to dewatering, blasting, and drawing water from abandoned mining pits and Moose Creek.

**Response:** Protection of subsurface water is addressed in 11 AAC 90.325. This regulation addresses the requirement to prevent acid or other toxic drainage from entering ground and surface water, and to minimize disturbance to the hydrologic balance. Each aquifer will be isolated to prevent vertical movement of water between water bearing zones, should mining occur. Since the application addresses exploration, as part of operating procedure, drill holes will be sealed to keep surface waters from entering the drill hole and to minimize disturbance to the prevailing hydrologic balance. The only exception is the establishment of water monitoring holes, which will record any changes to the water table. No blasting will occur during the exploration phase of this project.

14. **Comment:** Concerns regarding a foreign company mining the land to sell coal to Asia and contribute to climate change.

**Response:** Ranger Alaska is authorized to conduct business in the State of Alaska.

15. **Comment:** The best interesting finding for the lease failed to consider climate change related to the combustion of coal mined.

**Response:** This comment is beyond DNR's scope of review of the proposed exploration application under 11 AAC 90.

16. **Comment:** The Jonesville area is no longer a coal mining area, and is strictly residential.

**Response:** The lands within the lease area are state lands that are part of the Matanuska Sustina Valley Moose Range, which was established by the legislature in 1984 (AS 16.20.340-360). The Moose Range management plan provides for multiple uses as required by legislature. The objectives identified in the plan are to maintain, improve and enhance moose populations and habitat and other wildlife resources of the area, and to perpetuate public multiple use of the area, including fishing, grazing, forest management, hunting, trapping, mineral and coal entry and development, and other forms of public use of public land not incompatible with the purpose stated in this section. Coal exploration is an acceptable land use in the Moose Range management plan.

17. **Comment:** Alaska should be investing in renewable, clean energy or alternative energy sources.

**Response:** This comment is beyond DNR's scope of review of the proposed exploration application under 11 AAC 90.

18. **Comment:** Concerns were raised that the proposed exploration activity is incompatible with the current uses in the Moose Range, and its purpose.

**Response:** (See response to 16) The lands within the lease area are state lands that are part of the Matanuska Susitna Valley Moose Range, which was established by the legislature in 1984 (AS 16.20.340-360). The Moose Range Management Plan provides for multiple uses as required by the legislature. The primary purposes of the Matanuska Moose Range are to maintain, improve and enhance moose populations and habitat and other wildlife resources of the area, and to perpetuate public multiple use of the area, including fishing, grazing, forest management, hunting, trapping, mineral and coal entry and development, and other forms of public use of public land not incompatible with the purpose stated. Coal exploration is an acceptable land use in the Moose Range.

19. **Comment:** The coal exploration permit application should be rejected as it does not meet the stated mission of the Alaska Department of Natural Resources Mining Division to "maximize use consistent with public interest."

**Response:** The authorities under which the DNR operates were approved and ratified by the legislature upon the founding of Statehood in 1959. The DNR was selected as the regulatory agency assigned to administer the ASCMCRA Act of 1983. In Article VIII, Section 12 of the Alaska State Constitution, the leasing of State lands for the location and extraction of

minerals is provided for: “The legislature shall provide for the issuance, types and terms of leases for coal, oil, gas, oil shale, sodium, phosphate, potash, sulfur, pumice, and other minerals as may be prescribed by law. Like leases and permits giving the exclusive right of prospecting by geophysical, geochemical, and similar methods for all minerals may also be authorized by law.” The Alaska legislature passed legislation that governs how coal is leased and regulated in the state. The land on which the leases have been issued is open to multiple uses and any development must minimize impacts to other uses in the area.

20. **Comment:** The revegetation plan only proposes to use a grass-seed mixture and is not consistent with the Matanuska Valley Moose Range Management Plan.

**Response:** The Application at page 58 states that a horticulturist from the University of Alaska agricultural experimental station in Palmer will be determining the appropriate seeding mix for lands disturbed during the exploration. Grass seed mixtures are used sparingly in reclaimed areas to stabilize spoil and topsoil until native species can colonize the area.

21. **Comment:** Several comments state that in the Phase 2 core drilling program, there will be a lot of carbon in the cuttings that come from these drill holes, and spreading these cuttings around the drill site will look bad, they may not revegetate well.

**Response:** Drill site reclamation will be accomplished by removing all foreign materials from each drill site and by spreading excess drill cuttings evenly across each site. Drill cuttings generated by the core drilling project will be initially contained within the mud tanks. When drilling ceases and reclamation commences, the cuttings from these tanks together with associated mud products will be pumped back down the borehole within Wishbone Formation strata. There will be approximately 5 cubic yards of cuttings per hole based on an average 2,200 foot drill depth for the holes on top of Wishbone Hill. Through past abandonment experience, drilling contractors see no more than 50% of the cuttings being brought to the surface due to loss of circulation caused by fractures and void spaces within the rock. With most of this being sent down the borehole in slurry from the mud tanks, the remaining cuttings will be spread out evenly over the disturbed drill site. All drill cuttings during coal exploration are inert sandstone, siltstone, claystone carbonaceous shale, or coal mixed with drilling mud products. There are no metal-bearing cuttings within Wishbone Hill and Chickaloon Formations that might be toxic to the vegetation. Spreading this material over the surface of the drill pad will have minimal impacts to the environment.

22. **Comment:** Labor costs should reflect the maximum liability that the state could encounter as a result of the authorized drilling program. The estimated team hours required for the hole plugging portion of the reclamation appear to be underestimated.

**Response:** Ranger Alaska has been directed to make this correction to their application and a corrected, complete application will be available at DNR offices. The total value of the bond has been recalculated to reflect the labor used for the hole plugging.

**23. Comment:** Concerns were raised that the application submitted by Ranger Alaska was incomplete, and erroneously claimed by the DNR to be complete. On this basis, the application request should be denied.

**Response:** The department found that the application was administratively complete, in accordance with 11 AAC 90.111. During the comment period, the DNR requested additional information on operation and reclamation plans in response to comments received by the public and state agencies. The revisions with the additional information were immediately posted on the Department website for the Jonesville Project (<http://dnr.alaska.gov/mlw/mining/coal/Jonesville/index.htm>). These revisions have made the proposed operation and reclamation plan more protective of the environment.

**24. Comment:** DNR must comply with the national Historic Preservation Act and consult with Chickaloon Native Village before approving any exploration activities. The Alaska's State Historic Preservation Office (SHPO) warned the MHT with information on compliance with both the NHPA and the Alaska Historic Preservation Act (AHPA). The commenter does not feel that UCM is properly complying with the acts, including the requirements of Section 106 of the NHPA.

**Response:** Most of the eastern Wishbone Hill area where the proposed exploration will take place has been previously disturbed by mining activities associated with earlier operations. Descriptions of these operations together with pictures of the old mines in the Matanuska Valley and a culture resource survey of the mine areas were conducted by the Culture Resource Division of Matanuska Susitna Borough in two matching grant awards during 1989 and 1991. The lead archeologist on these surveys was Fran Seager-Boss. Attributes of setting, location, and resource availability suggest that the potential for locating prehistoric culture resource sites in the area is poor. This was documented by Ms. Seager-Boss in the Surveys. The area was probably used by native people in the past for travel and hunting, but the expected types of sites resulting from such usage would be small, difficult to locate, and highly subject to alteration and destruction by the natural and past mining processes. The Division of Parks also reviewed the Jonesville Mine site area in 1990 in advance of a submission of an underground coal mining application by Hobbs Industries, Inc. There are no places listed in the National Register of Historic Places either within or adjacent to the proposed exploration area and coal lease area.

Section 106 of the NHPA is applicable whenever a project involves federal funding, federal jurisdiction or federal authorization. This project does not involve federal funding or a federal authorization that triggers a Section 106 consultation. MHT's interactions with SHPO are beyond DNR's scope of review of the proposed exploration application under 11 AAC 90.

**25. Comments:** One commenter questioned what kind of fire danger is involved in this mining area if they experienced a fire. The commenter also asks if the Jonesville coal site is in the Fire Department's service area.

**Response:** The exploration area is partially within Mat-Su Borough Sutton Fire Service Area #4. Any wildland fires outside of the borough fire service area would be the responsibility of the DNR Division of Forestry (DOF). However, the DOF and the MSB would team up on any fire situations that threatened life or property.

26. **Comments:** There was one comment received in support of the Jonesville Project.

**Response:** This comment is acknowledged by DNR.