



USIBELLI COAL MINE, INC.

PO Box 1000 • Healy, Alaska 99743
Telephone (907) 683-2226 • Facsimile (907) 683-2253

VIA E-MAIL

07/14/2014

Russ Kirkham
Coal Regulatory Program Manager
Division of Mining, Land and Water
550 West 7th Avenue, Suite 920
Anchorage, AK 99501

RE: Submittal of Revised Wishbone Hill Permits (01-89-796 and 02-89-796)

Dear Mr. Kirkham,

On June 05th, 2014 I submitted the last remaining information that I believe the Department of Natural Resources (DNR) needs to process our request to renew the Wishbone Hill permits. I have updated the permit application with the information requested by DNR during the renewal process. Enclosed is a digital portfolio containing an updated version of the entire Wishbone Hill Surface Coal Mining Permit Application.

Sincerely,

Robert Brown
Vice President, Business Development



P.O. Box 1000
Healy, Alaska 99743
Phone: 907-683-2226
Fax: 907-683-2253

May 11, 2011

Mr. Russell Kirkham
Coal Regulatory Program Manager
Division of Mining, Land & Water
550 West 7th Avenue, Suite 920
Anchorage, Alaska 99501-3577

RE: Wishbone Hill Surface Coal Mining Permit Application Update

Dear Mr. Kirkham:

As a follow-up to my letter of May 09th, 2011, I have enclosed a digital portfolio containing an updated version of the entire Wishbone Hill Surface Coal Mining Permit Application. This portfolio contains the Preface and Parts A,B,C,D and E of the application.

If you have any questions or need additional information, please feel free to contact me at your convenience.

Sincerely,

USIBELLI COAL MINE, INC.

Robert M. Brown
Project Manager



634 S Bailey St, Ste 204
Palmer, Alaska 99645
Phone: 907-745-6028
Fax: 907-745-6083

February 18, 2011

Mr. Russell Kirkham
Coal Regulatory Program Manager
Division of Mining, Land & Water
550 West 7th Avenue, Suite 920
Anchorage, Alaska 99501-3577

RE: Wishbone Hill – Minor Revisions to Permit Nos. 01-89-796 and 02-89-796

Dear Mr. Kirkham:

As part of our ongoing efforts to keep the Wishbone Hill Surface Coal Mining Permits updated, we have made some minor revisions to the applications that are on file with the division. The revisions in the attached file entitled “Minor Permit Revision – 2011 Combined” update the adjudicative items in Parts A and B and also include some minor changes to the Operation and Reclamation Plan contained in Part D of the application for permit number 01-89-796. To address regulatory changes in reclamation performance standards, some of the methodologies and procedures for the revegetation plan in Part D were also revised.

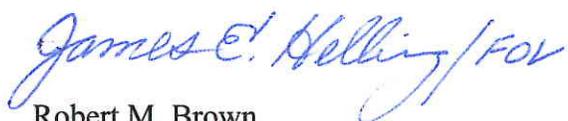
As part of this revision package, we have also updated the reclamation performance bond for the first 5-year permit term using current rates and price quotes. In accordance with 11 AAC 90.205, the estimate assumes the cost for a third party to reclaim the maximum yearly disturbance associated with the mining operation. The detailed cost projections include supporting calculations and background information relative to the type of equipment (including cost to operate and maintain), volumes in LCY, material haul distances, push distances for backfilling and grading, cost for revegetation work, and personnel cost. In addition to the direct costs list above, indirect costs were also assumed for mobilization/demobilization, contingencies, engineering redesign fees, contractor profit and overhead, and a project management fee. All of the backup materials for the cost projections are contained in the attached file entitled “Calcs & Backup for Rec Bond”. Section 13.9 (Reclamation Costs) in Part D of the mining permit application has also been revised to reflect the new cost estimate for the first 5-year permit term and is included in the minor revisions discussed above.

To facilitate your review of the permit revisions, all of the revised pages have been compiled in numerical order and combined into one pdf file. Upon completion of your review and approval, hard copies of the revised pages will be made and inserted into the nine (9) volume copy of the application that is currently on file with the division.

If you have any questions or need additional information, please feel free to contact us at your convenience.

Sincerely,

USIBELLI COAL MINE, INC.

A handwritten signature in blue ink that reads "James E. Helling / For". The signature is written in a cursive style.

Robert M. Brown
Project Manager

Attachments



634 S Bailey St, Ste 204
Palmer, Alaska 99645
Phone: 907-745-6028
Fax: 907-745-6083

July 23, 2010

Mr. Russell Kirkham
Coal Regulatory Program Manager
Division of Mining, Land & Water
550 West 7th Avenue, Suite 920
Anchorage, Alaska 99501-3577

RE: Wishbone Hill Surface Coal Mining Permit Nos. 01-89-796 & 02-89-796 – Minor Revision for Drill Hole

Dear Mr. Kirkham:

As previously discussed today, Usibelli Coal Mine, Inc. plans to complete a drill hole in the vicinity of the surface facilities area identified under surface mining permits 01-89-796 and 02-89-796. This work is being completed in conjunction with the pioneer/exploration trail system that was recently constructed under the surface mining permits and is scheduled to start on or about July 31, 2010. The drill hole will be located immediately adjacent to the existing trail system as depicted on the attached Plate 3-3. No major trail construction will be required to reach the drill site.

To facilitate drilling operations, a level area approximately 40 feet by 50 feet will be required for rig setup. After the drill hole has been completed, the surface casing (if present) will be cut off approximately three feet below the ground surface. The hole will be filled with dry cuttings or sand to within 12 feet of the surface. A mixture of 20% bentonite, 20% dry cement, and 60 % cuttings or sand will be used to fill the next 10 feet of hole. The top 2 feet will be filled with topsoil or overburden material. While filling the last 12 feet, a 4"x 4" x 4' piece of treated lumber will be placed in the hole to permanently mark the location. The post will be positioned so that approximately 6 inches protrudes above the surface. The drill hole will be surveyed to establish coordinates for future reference.

Drill hole plugging and reclamation of any disturbance associated with the drill site will require one person and a backhoe working approximately 4 hours to access the location and reclaim the drill hole. It is assumed that the disturbance area associated with the site will be approximately 0.1 acres. Based on a seeding rate of 30 lbs/acre and a price of \$7.54/ pound, the cost for seed will be approximately \$25.00. With an application rate of 300lbs per acre for fertilizer and a price of \$.39/pound, the cost will be \$12.00. The cost for cement and bentonite is estimated at \$40.00. A 30 percent contingency that includes 15% for contractor profit and overhead, 5% management fee, and a 10 % contingency is also assumed for the cost estimate. Based on the above assumptions, the total reclamation cost for the drill site is summarized below:

Item	\$/Hour	Hours	Cost
Operator	\$52.24	4	\$209
Komatsu WB 150 Backhoe + Fuel	\$54.75	4	\$219
Mob/DeMob	---	---	\$600
Cement/Bentonite, Seed, Fertilizer	---	---	\$77
		Subtotal	\$1,105
30% Contingency & Overhead	---	---	\$332
		TOTAL	\$1,437

The total reclamation liability for predevelopment work in year "0" under surface coal mining permit numbers 01-89-796 and 02-89-796 is currently at \$28,473. Upon approval by the DMLW, UCM will add \$1,437 to the existing \$28,473 bond that is currently on file bringing the total bond to \$29,910.

It is our understanding that the administrative processing of this request for a change will be handled as a "minor revision" to the surface mining permits. To facilitate your timely review of this request, I have revised the surface mining permit to reflect the minor change and attached the respective pages for your review.

We trust that this request addresses the informational requirements contained in 11 AAC 90.201 and will meet with your approval. If you have any questions or need additional information, please feel free to contact either myself or Jim Helling at your convenience.

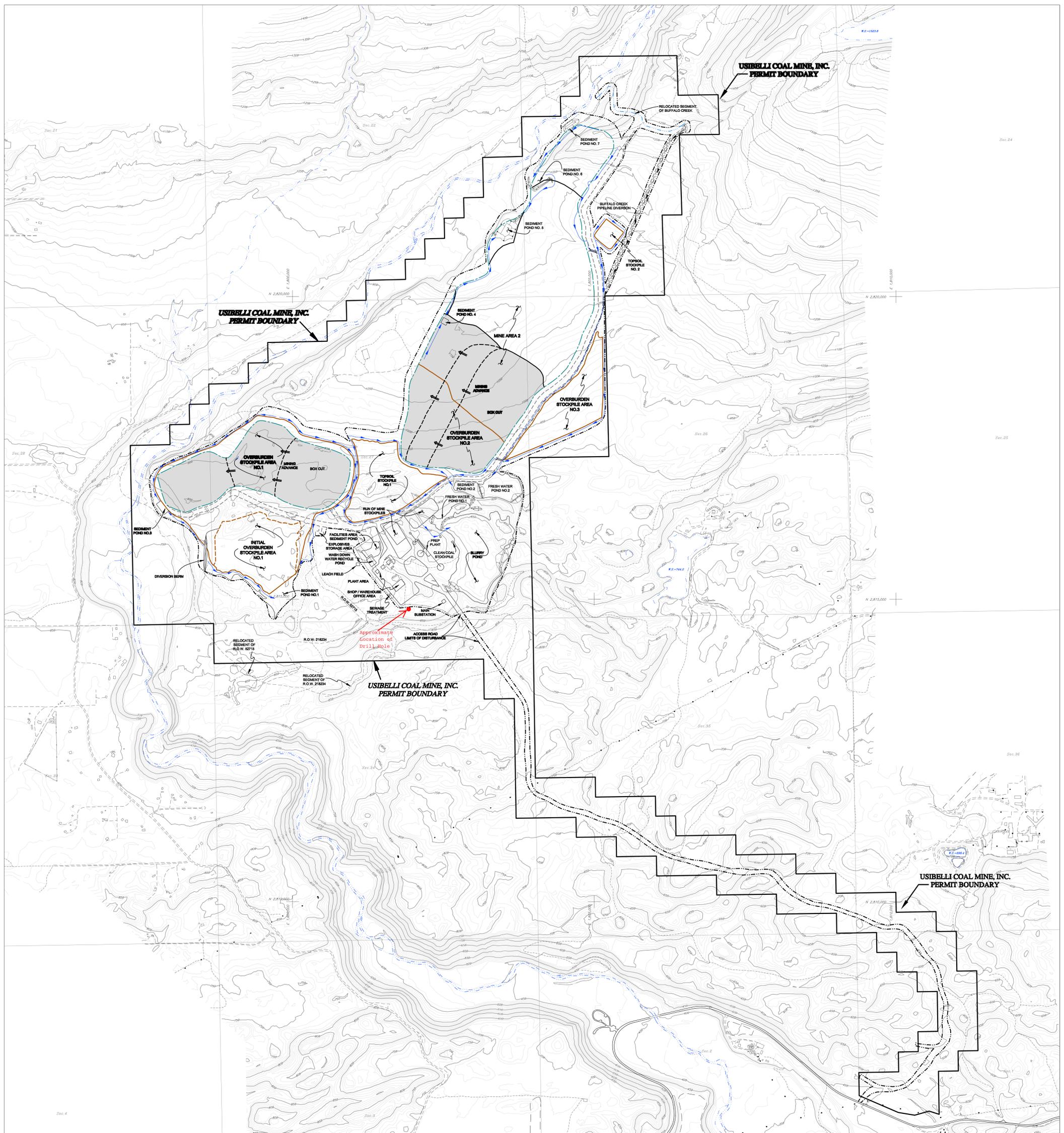
Sincerely,

USIBELLI COAL MINE, INC.



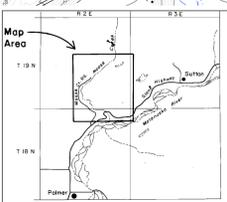
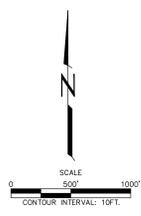
Robert M. Brown
Project Manager

Attachments



LEGEND

- | | |
|----------------------------|--|
| — PERMIT BOUNDARY | — SECTION LINES |
| - - - DISTURBANCE BOUNDARY | — EXISTING CONTOURS |
| - - - LIMITS OF MINING | — MINE ROADWAYS |
| — STOCKPILE LIMITS | — TRAIL |
| — FACILITIES AREAS | — BUFFALO CREEK RELOCATION |
| — ROADS - UNPAVED | — FENCE |
| — ROADS - PAVED | — PLY DISTURBANCE - FIRST 5 YEAR PERMIT TERM |
| — DIVERSION DITCHES | |
| — PIPELINE | |



- NOTES:
- HORIZONTAL DATUM IS ALASKA STATE PLANE, NAD83.
 - VERTICAL DATUM IS NAVD 88.
 - MAPPED FOR 1" = 200 FEET, 10 FOOT CONTOUR INTERVAL.
 - DATE OF PHOTOGRAPHY: 10-12-1997
 - THIS MAP CONFORMS TO ASPRS CLASS 1 MAP STANDARDS.
 - THE VERTICAL ACCURACY IS APPROXIMATELY ONE HALF OF THE CONTOUR INTERVAL SHOWN IN ANY GIVEN AREA ON THE MAP. CONTOURS IN VEGETATED AREAS MAY BE LESS ACCURATE. CONTOURS IN DENSE VEGETATION ARE LIKELY TO BE LESS ACCURATE.

REV.	DATE	BY	SUBJECT REVISIONS

DESIGN BY:	WISHBONE HILL MINE	PERMIT NUMBER:	01-89-796
DRAWN BY:			
CHECK BY:			
DWG FILE:			
DATE DRAWN:			

USIBELLI COAL MINE, INC.	PLATE No. 3-3	REV.
P.O. BOX 1008, WELLS, ALASKA 99787	(907) 683-2222	SHEET No. 1 OF 1

Mine Area 1 will be downgraded from the approximate 80 foot wide mine haul road to a 20 foot wide dirt road. Topsoil will be replaced on cut and fill slopes needed for the reclaimed road as well as the disturbance from the operations haul road and these areas will be revegetated. Also at the end of mining, the main haul road to Mine Area 2 will be reclaimed in the same manner.

All other mine roads needed to access the various mine facilities will be reclaimed upon completion of use of the facility. The road reclamation will occur in conjunction with the associated facility reclamation.

13.7.4 Utilities

The two utilities located at the site will be power facilities and telephone facilities. Both utilities will be brought onto the site through underground lines. Upon completion of mining activities these utilities will be disconnected leaving the underground lines in place.

13.8 Reclamation Timetable

Reclamation will occur as contemporaneously as practicable with the mining operation; however, it will be limited in the first 5 year term do to the DMLW's request to minimize the amount of disturbance within the permit area. The placement of overburden stockpile 1 and 2 on the previously mined and backfilled pit areas will minimize the amount of disturbance required for the mining operations but will also limit contemporaneous reclamation in the first 5 year term.. Reclamation will run concurrently with the mining operation once overburden stockpile 2 is complete and will continue through the mine life...

13.9 Reclamation Costs

The estimated reclamation costs for each year of the mining operation are outlined in the following incremental bond schedule. Before operations commence on each increment, a bond for the specified amount will be filed with the Division of Mine, Land and Water (DMLW). Year "0" addresses some minor predevelopment involving the construction of a pioneer trail within the permitted corridor for the mine access road and the completion of one drill hole.

<u>Year</u>	<u>Amount</u>
0	\$29,910
1	\$ 6,100,000
2	\$ 5,071,000
3	\$ 5,824,000
4	\$16,213,000
5	\$22,295,000
6	\$26,473,000
7	\$34,784,000
8	\$32,922,000
9	\$30,823,000
10	\$21,203,000
11	\$ 6,799,000
12	\$ 4,247,000



P.O. Box 1000
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March 25, 2010

Mr. Russell Kirkham
Coal Regulatory Program Manager
Division of Mining, Land & Water
550 West 7th Avenue, Suite 920
Anchorage, Alaska 99501-3577

RE: Wishbone Hill – Minor Permit Revision for the Incremental Bond Schedule

Dear Mr. Kirkham:

As a follow-up to my letter of March 1, 2010, I have revised pages D-96 and D-97 of the Wishbone Hill Surface Coal Mining Permit Application to address the minor change to the incremental bond schedule.

If you have any questions or need additional information, please feel free to contact either myself or Jim Helling at your convenience.

Sincerely,

USIBELLI COAL MINE, INC.

Robert M. Brown
Project Manager

Mine Area 1 will be downgraded from the approximate 80 foot wide mine haul road to a 20 foot wide dirt road. Topsoil will be replaced on cut and fill slopes needed for the reclaimed road as well as the disturbance from the operations haul road and these areas will be revegetated. Also at the end of mining, the main haul road to Mine Area 2 will be reclaimed in the same manner.

All other mine roads needed to access the various mine facilities will be reclaimed upon completion of use of the facility. The road reclamation will occur in conjunction with the associated facility reclamation.

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The two utilities located at the site will be power facilities and telephone facilities. Both utilities will be brought onto the site through underground lines. Upon completion of mining activities these utilities will be disconnected leaving the underground lines in place.

13.8 Reclamation Timetable

Reclamation will occur as contemporaneously as practicable with the mining operation; however, it will be limited in the first 5 year term do to the DMLW's request to minimize the amount of disturbance within the permit area. The placement of overburden stockpile 1 and 2 on the previously mined and backfilled pit areas will minimize the amount of disturbance required for the mining operations but will also limit contemporaneous reclamation in the first 5 year term.. Reclamation will run concurrently with the mining operation once overburden stockpile 2 is complete and will continue through the mine life...

13.9 Reclamation Costs

The estimated reclamation costs for each year of the mining operation are outlined in the following incremental bond schedule. Before operations commence on each increment, a bond for the specified amount will be filed with the Division of Mine, Land and Water (DMLW). Year "0" addresses some minor predevelopment involving the construction of a pioneer trail within the permitted corridor for the mine access road.

<u>Year</u>	<u>Amount</u>
0	\$15,840
1	\$ 6,100,000
2	\$ 5,071,000
3	\$ 5,824,000
4	\$16,213,000
5	\$22,295,000
6	\$26,473,000
7	\$34,784,000
8	\$32,922,000
9	\$30,823,000
10	\$21,203,000
11	\$ 6,799,000
12	\$ 4,247,000



P.O. Box 1000
Healy, Alaska 99743
Phone: 907-683-2226
Fax: 907-683-2253

March 1, 2010

Mr. Russell Kirkham
Coal Regulatory Program Manager
Division of Mining, Land & Water
550 West 7th Avenue, Suite 920
Anchorage, Alaska 99501-3577

RE: Wishbone Hill – Amendment to the Incremental Bond Schedule for Surface Mining Permits 01-89-796 & 02-89-796

Dear Mr. Kirkham:

Pursuant to the provisions of 11 AAC 90.201(C)(3), Usibelli Coal Mine, Inc. (UCM) hereby submits a request to amend the incremental bond schedule for the proposed Wishbone Hill surface coal mining operation. The amendment to the schedule simply involves adding some minor predevelopment work that will be completed before the planned startup in year 1. The previously projected bonding costs for years 1 through 12 will not change. These costs assumed that an independent contractor, under a State contract, would perform the necessary work for site reclamation and thus allow the Division of Mining, Land, & Water (DMLW) to complete mine reclamation at any time during the mine operation.

The initial predevelopment work will involve the construction of a pioneer road within the permitted corridor for the mine access road. This road will initially be used to gain access to the project area for ongoing exploration work. In subsequent years it is assumed that development work will follow the schedule previously presented in the mine permit application for permits 01-89-796 and 02-89-796.

The performance bond for the pioneer road is estimated at \$15,840. This estimate is based on the assumption that the pioneer road will be left in place to provide recreational access to the legislatively designated Matanuska Valley Moose Range (MVMR). The management plan for the MVMR specifically addresses multiple use and the need to provide public access for hunting and recreational opportunities.

The closure plan for the pioneer road contemplates completing additional stabilization and revegetation work along the roadway. The basis for the performance bond estimate is summarized below:

Equipment/Materials	Unit Charge	No. of Units	
Caterpillar D-6	*\$200/hr	24 hrs	\$4,800
Pickup	\$100/day	5 Days	\$500
Labor	\$30/hr	40 hrs	\$1,200
Mob/DeMob			\$5,000
Seeding/Fertilizing	\$725/Acre	4.0 Acres	\$2,900
		Subtotal	\$14,400
		Contingency@10%	\$1,440
		TOTAL	\$15,840

* Cost per hour includes fuel and operator

It is our understanding that the administrative processing of this request will be handled as a “minor revision” to the surface mining permits. Upon approval by the DMLW, UCM will add an additional \$5,840 to the existing \$10,000 bond that is currently on file.

We trust that this request addresses the informational requirements contained in 11 AAC 90.201 and will meet with your approval. If you have any questions or need additional information, please feel free to contact either myself or Jim Helling at your convenience.

Sincerely,

USIBELLI COAL MINE, INC.



Robert M. Brown
Project Manager