

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER**

X Northern Region
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2740

Southcentral Region
550 W 7th Ave., Suite 900C
Anchorage, AK 99501-3577
(907) 269-8552

Southeast Region
400 Willoughby, #400
Juneau, AK 99801
(907) 465-3400

**MATERIAL SALE CONTRACT
AS 38.05.550 – 38.05.565**

Issuance Date: June 12, 2014

Expiration Date: June 11, 2024

ADL 420189

Under AS 38.05.550-38.05.565 (Disposal of Materials) and AS 38.05.810(a) (Public and Charitable Use) and the regulations implementing these statutes, the State of Alaska, **Department of Natural Resources** (DNR), the seller, whose address is 3700 Airport Way, Fairbanks, Alaska 99709, agrees to sell, and the State of Alaska, **Department of Transportation and Public Facilities** (DOTPF), the buyer, whose address is 2301 Peger Road, Fairbanks, Alaska 99709, agrees to buy the material designated in this contract, subject to the provisions that follow:

1. Description: Location, Material, Quantity, and Price.

That portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ lying east of the Elliott Highway right-of-way within Section 33, Township 4 North, Range 13 West, Fairbanks Meridian, located at MP 134.5 Elliott Highway within Kentucky Creek Subdivision.

(a) The material sale area covered by this contract consists of approximately **38.80** acres. This area is designated by the boundaries shown on the attached sale area map, which is made a part of this contract, or as designated on the ground by the seller, and described as follows:

(b) The material to be removed and the price are:

<u>Type of Material</u>	<u>No. of Units</u>	<u>Unit Price **</u>	<u>Total Price **</u>
Sand and gravel	500,000 cy	\$0.50	**

**** 11 AAC 05.010(e)(16) requires state, federal and local agencies to pay for materials used in constructing, reconstructing or maintaining a public project as follows: 1) no charge for the first 5,000 cy of material to be used on a project (each year of maintenance constitutes a separate project); and 2) material in excess of 5,000 cy will be charged at the unit price listed in the annual base price schedule established under 11 AAC 71.090 (currently \$ 0.50 cy).**

2. Payments and Deposits. No part of the materials sold under this contract may be extracted from the sale area by the buyer except in accordance with the following terms:

(a) The buyer shall remit an earnest money deposit in the amount of **\$ N/A** (consistent with 11 AAC 71.045 or 11 AAC 71.065, and no less than \$250) along with the bid for a competitive sale contract or at the time a negotiated sale buyer signs this contract. The seller will retain the deposit to cover

administrative costs incurred in offering the material sale, except that if the buyer removes and pays for at least 75% of the material volume covered by this contract, the deposit may be applied, in whole or in part, to the final payment that becomes due under this contract.

(b) Additional periodic installment payments as required in paragraph 2(c) must be made for material extracted as of the date payment becomes due but may not exceed the total purchase price.

(c) Each periodic installment payment becomes **due and payable on January 31 of each year** without prior notice to the buyer, for the value of material extracted during the calendar year of January 1 through December 31. The installment must be based on records required in paragraph 3 of this contract and must be submitted to the seller no later than January 31 of each year.

(d) **An annual report is due by January 31 of each year**, without prior notice to the buyer that details the volume of material removed during the calendar year of January 1 through December 31. This report shall be filed regardless of whether material was removed during the reporting period. Failure to file the report by the deadline may result in suspension of the contract and financial penalties. A final accounting and payment for material removed, and a completion statement, must be submitted no later than 30 days following contract completion, or when the contractor has completed removal under the contract, or following termination of the contract by the seller or by operation of law. Whether completion is satisfactory will be decided by the Director of the Division of Mining, Land & Water (DMLW) within 30 days after receiving the final accounting report and completion statement.

(e) If the buyer fails to make a payment provided for in this contract, the seller may, under paragraph 8(b) of this contract, order all material extraction suspended immediately. Materials extracted by the buyer during any period of suspension are considered taken in trespass and are to be charged to and paid for by the buyer at triple the unit contract price. Resumption of the lawful taking of materials may be authorized, in writing, by the DMLW only after the payments in arrears plus the penalty provided for in paragraph 2(f) have been paid.

(f) Material extraction in excess of the contract amount will be considered taken in trespass and at the discretion of the Director, DMLW, Lands Section, charged to and paid for by the buyer at no less than triple the current unit fair market value as established periodically by the Northern Regional Office or up to three times the pecuniary gain realized by the buyer as a result of the trespass. Said trespass penalties are in addition to any other administrative or legal proceedings imposed by state law.

(g) Late Payment Penalty will be the greater of either the fee specified in 11 AAC 05.010 or interest at the rate set by AS 45.45.010(a) will be assessed on a past-due account until payment is received by the seller.

(h) All payments and deposits must be remitted to the DMLW and must be made payable to the Alaska Department of Revenue.

(i) The following special provisions also apply to payments and deposits under this contract:

Should the administrative base price be changed during the term of this contract, the new price will be effective and apply to the material remaining to be extracted under this contract as of the effective date of the price adjustment.

3. Method of Volume Determination.

(a) The method of volume determination for purposes of payment under this contract, along with any special provisions applicable to volume determination, is:

(1) Based on a loose cubic yard quantity as determined by an "in-place" measurement multiplied by a factor of 1.3; or,

(2) Based on a loose cubic yard quantity as determined by a daily vehicle count designating type of vehicle and vehicle capacity.

(b) The buyer shall keep accurate and up-to-date records of all materials extracted. These records are subject to verification by check measure and inspection of the buyer's books by the seller at any time without notice.

(c) All measurements are to be made by or under the direct supervision of buyer personnel acceptable to the seller, including a qualified engineer where the seller deems appropriate, with quantities certified by that person.

4. Operating Requirements.

(a) Boundary Lines and Survey Monuments. No boundary mark of the sale area or any survey line or witness tree for any survey corner or monument may be severed or removed, nor may any survey corner or monument be damaged or destroyed. Any violation of this clause requires the buyer to bear the expense of re-establishing the line, corner, or monument by a registered surveyor in a manner approved by the seller.

(b) Location. The buyer is responsible for the accurate location of operations under this contract, including any survey that may be necessary for accurate location unless otherwise specified in this contract.

(c) Survey. An as built survey of the material site is not required at this time.

(d) Extraction Area. This contract authorizes removal of material only from the area defined in Section 1(a) of this contract. The buyer is responsible for properly locating the material site and the working limits within that area, as shown on the attached map.

(e) Potential Processing Activities and Other Authorizations. The issuance of this authorization does not alleviate the necessity of the purchaser to obtain authorizations required by other agencies for this activity. Any asphalt processing or related activities and associated structures will not be allowed without prior approval from DNR, the Department of Environmental Conservation and other agencies that require authorizations from the buyer.

(f) Standard of Operations. The buyer shall properly locate the buyer's operations and buyer's improvements within the sale area, and may not commit waste, whether ameliorated or otherwise. In addition to complying with all laws, regulations, ordinances, and orders, the buyer shall maintain the land in a reasonably neat and clean condition. No construction material, fill, waste asphalt, damaged culverts or any other debris shall be stockpiled within pit boundaries. Stockpiled material and/or overburden shall not be placed in wetlands. After completion, expiration, or termination of the contract, the site will be left in a condition that is acceptable to the seller, and reclaimed in accordance with the approved reclamation plan.

(g) Erosion Control and Protection of Waters. Operations in connection with this contract must be conducted so as to avoid damage to streams, lakes, or other waters and land adjacent to them. Vegetation and materials may not be deposited into any stream or other waters. Locations and improvements necessary for stream crossings for haul roads must be approved in advance by the seller. All roads to be abandoned must be treated with measures necessary to prevent erosion in a manner acceptable to the seller. Any damage resulting from failure to perform these requirements must be repaired by the buyer to the satisfaction of the seller. Waters include waters defined in 5 AAC 95.010, Protection of Fish and Game Habitat.

(h) Roads. Before constructing any main haul, secondary or spur road across state land, the buyer shall obtain written approval of the proposed location and construction standards of the road from the seller.

Road construction must be conducted so as to avoid damage to streams, lakes, or other waters and land adjacent to them.

(i) Water Quality. The buyer shall comply with the State of Alaska water quality standards pursuant to 18 AAC 70, including discharge standards when conducting material washing operations.

(j) Other Authorizations. The issuance of this authorization does not alleviate the necessity of the purchaser to obtain authorizations required by other agencies for this activity.

(k) Fire Protection. The buyer shall take all necessary precautions for the prevention of wildfires and is responsible for the suppression, and must bear the suppression costs, of all destructive or uncontrolled fires occurring in or outside the sale area resulting from any of the buyer's operations under this contract. The buyer shall comply with all laws, regulations, and ordinances promulgated by all governmental agencies responsible for fire protection in the area.

(l) Supervision. The buyer shall maintain adequate supervision at all times when operations are in progress to ensure that the provisions of this contract and all applicable federal, state, and local laws, regulations, and ordinances governing the operations are enforced. At all times when operations are in progress, the buyer, or a person authorized by the buyer to assume the responsibilities imposed by this contract, shall be present on the sale area.

(m) Agents. The provisions of this contract apply with equal force upon an agent, employee, or contractor designated by the buyer to perform any of the operations relating to extraction of the materials sold under this contract. The buyer is liable for noncompliance caused by any such agent, employee, or contractor.

(n) Access. The seller makes no representations that it will construct or maintain access to the land. Access over any route not under the seller's control is the responsibility of the buyer. The buyer agrees that any permanent access or right-of-way obtained over privately owned property will provide a permanent easement to the seller.

(o) Alaska Historic Preservation Act. The buyer will consult the Alaska Heritage Resources Survey (907) 269-8721 so that known historic, archaeological and paleontological sites may be avoided. The Alaska Historic Preservation Act (AS 41.35.200) prohibits the appropriation, excavation, removal, injury, or destruction of any state-owned historic, prehistoric (paleontological) or archaeological site without a permit from the commissioner. Should any sites be discovered during the course of field operations, activities that may damage the site will cease and the Office of History and Archaeology in the Division of Parks and Outdoor Recreation (907) 269-8721 and will be notified immediately.

(p) Vehicle Maintenance. Vehicle maintenance will be performed only over an effective impermeable barrier.

(q) Fuel and hazardous substances. No fuel or hazardous substances are to be stored on the subject parcel. Prior written approval from the seller is required for a change in this restriction. Such approval may include additional operating requirements and a change in the amount required for the performance guarantee. The disposal of hazardous substances or hydrocarbons is prohibited.

(r) Notification. The buyer will immediately notify the Department of Natural Resources and the Department of Environmental Conservation by phone of any unauthorized discharges of oil to water, any discharge of hazardous substances (other than oil), and any discharge of oil greater than 55 gallons solely to land and outside an impermeable revetment. If a discharge of oil is greater than 10 gallons but less than 55 gallons it must be reported within 48 hours by phone or fax. If a discharge is less than 10 gallons it may be reported in writing on a monthly basis. If an unauthorized discharge greater than 55 gallons is made to a secondary containment, it must be reported within 48 hours by phone or fax. All fires and explosions must also be reported. The DNR 24 hour spill report number is (907) 451-2678; the fax

number is (907) 451-2751. The DEC oil spill report number is (800) 478-9300. DNR and DEC will be supplied with all follow-up incident reports.

(s) Reclamation. Upon completion, expiration, or termination of the contract, the site will be left in a condition that is acceptable to the DMLW and reclaimed in accordance with the DNR approved Mining and Reclamation plan. Reclamation shall be to the standards of the DMLW and shall include repair of access roads to and within the site, disposal of remaining stockpiles, other procedures that will be used to stabilize and reclaim the area and any other site specific measures that may be necessary. This contract is subject to the attached approved reclamation plan in accordance with AS 27.19.

(t) SWPP and APDES. The buyer shall comply with the requirement of the Alaska Pollutant Discharge Elimination System (APES) and if applicable, to maintain and operate the site in accordance with an approved Storm Water Pollution Prevention Plan (SWPP).

(u) Use of Material. This contract authorizes the excavation and use of material for the express purpose of providing material for construction and maintenance of public projects.

(v) Project Specific Operating Requirements.

- (1) A 100-foot undisturbed buffer along the Elliott Highway right-of-way and a 50-foot buffer around the remaining perimeter of the material site will be maintained.

5. Indemnity of Seller and Bonding. Not applicable.

(a) The buyer shall indemnify and hold the seller harmless from:

- (1) all claims and demands for loss or damage, including property damage, personal injury, wrongful death, and wage or employment claims, arising out of or in connection with the use or occupancy of the land or operations by the buyer or the buyer's successors, or at the buyer's invitation; and
- (2) any accident or fire on the land; and
- (3) any nuisance on the land; and
- (4) any failure of the buyer to keep the land in a safe and lawful condition consistent with applicable laws, regulations, ordinances, or orders; and
- (5) any assignment, sublease, or conveyance, attempted or successful, by the buyer that is contrary to the provisions of this contract.

The buyer will keep all goods, materials, furniture, fixtures, equipment, machinery, and other property on the land at the buyer's sole risk, and will hold the seller harmless from any claim of loss or damage to them by any cause.

(b) At the seller's discretion, a buyer may be required to file a bond designed to ensure the buyer's performance and to help protect the seller against any liability that may arise as a result of the activities of the buyer. If required, a bond acceptable to the seller in the amount of **\$N/A** must be filed with the seller at the time of execution of this contract to ensure the buyer's performance and financial responsibility.

6. Improvements and Occupancy.

(a) Any improvements or facilities including crushers, mixing plants, buildings, bridges, roads, etc., constructed by the buyer in connection with this sale and within the sale area must be in accordance with plans approved by the seller.

(b) The buyer must, within 60 days after contract completion or termination of the contract by the seller or by operation of law, remove the buyer's equipment and other personal property from the sale area. After removal, the buyer must leave the land in a safe and clean condition that is acceptable to the seller. If the buyer can demonstrate undue hardship, the time for removal of the improvements under this paragraph may be extended at the seller's discretion.

(c) If any of the buyer's property having an appraised value in excess of \$10,000, as determined by the seller, is not removed within the time allowed, that property may, upon 30 days' notice to the buyer, be sold at public auction under the direction of the seller. The proceeds of the sale will inure to the buyer after satisfaction of the expense of the sale and deduction of all amounts then owed to the seller. If there are no other bidders at the sale, the seller may bid on the property, and the seller will acquire all rights, both legal and equitable, that any other purchaser could acquire through a sale and purchase.

(d) If any of the buyer's property having an appraised value of \$10,000 or less, as determined by the seller, is not removed within the time allowed, title to that property automatically vests in the seller.

(e) Special provisions. Special provisions applicable to improvements and occupancy under this contract are listed in paragraph 4 of this contract.

7. Inspection.

(a) The seller must be accorded access, at all times, to the sale area and to the books and records of the buyer, the buyer's contractors, and any sub-contractors relating to operations under this contract for purposes of inspection to assure the faithful performance of the provisions of this contract and other lawful requirements.

(b) At all times when construction or operations are in progress, the buyer shall have a representative readily available to the area of operations who is authorized to receive, on behalf of the buyer, any notices and instructions given by the seller in regard to performance under this contract, and to take appropriate action as is required by this contract.

8. Termination and Suspension.

(a) The seller may terminate the buyer's rights under this contract if the buyer breaches the contract and fails to correct this breach within 30 days after written notice of the breach and an opportunity to be heard.

(b) If the buyer fails to comply with any of the provisions of this contract, the seller may shut down the buyer's operations upon issuance of written notice, until corrective action, as specified by the seller in its notice, is taken. If this corrective action is not taken within 30 days after written notice is served upon the buyer, the seller may terminate the contract under paragraph 8(a) of this contract. The buyer's failure to take immediate corrective action when ordered to remedy dangerous conditions or unwarranted damage to natural resources may be corrected by the seller to prevent danger or additional damage. Any cost incurred by the seller as a result of this corrective action, or by the buyer's failure to take corrective action, must be paid by the buyer.

(c) This contract may also be terminated by mutual agreement of both parties on terms agreed to in writing by both parties.

9. Reservations. The seller reserves the right to permit other compatible uses, including the sale of materials, on the land in the sale area if the seller determines that those uses will not unduly impair the buyer's operations under this contract. Under AS 38.05.125 the seller further expressly reserves to itself, and its successors, forever,

(a) all oil, gas, coal, ores, minerals, fissionable materials, geothermal resources, and fossils of every kind, that may be in or upon the land described above, or any part of it; and

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(b) the right to explore the land for oil, gas, coal, ores, minerals, fissionable materials, geothermal resources, and fossils; and

(c) the right to enter by itself or its agents, attorneys, and servants on the land, or any part of it, at any time for the purpose of opening, developing, drilling, and working mines or wells on this or other land and taking out and removing from it all oil, gas, coal, ores, minerals, fissionable materials, geothermal resources, and fossils; and

(d) the right by itself or its agents, attorneys, and servants at any time (1) to construct, maintain, and use all buildings, machinery, roads, pipelines, powerlines, and railroads; (2) to sink shafts, drill wells, and remove soil; and (3) to occupy as much of the land as may be necessary or convenient for these purposes; and

(e) generally all rights to and control of the land, that are reasonably necessary or convenient to make beneficial and efficient the complete enjoyment of the property and rights that are expressly reserved.

10. Inclusion of Applicable Laws and Regulations. The buyer shall comply with all laws and regulations applicable to operations under this contract, including the provisions of AS 27.19 and 11 AAC 97 regarding mining reclamation, the provisions of AS 41.15 for wildfire prevention and control, the provisions of AS 38.05.550 - 38.05.565, material sale regulations 11 AAC 71, state fish and game regulations pertaining to the protection of wildlife and wildlife habitat, and state regulations pertaining to safety, sanitation, and the use of explosives. These laws and regulations are, by this reference, made a part of this contract, and a violation of them is cause for termination or suspension of this contract in addition to any penalties prescribed by law. These laws and regulations control if the terms of this contract are in conflict with them in any regard.

11. Assignment. This contract may not be assigned by the buyer without the seller's prior written consent to the assignment.

12. Permits. Any permits necessary for operations under this contract must be obtained by the buyer before commencing those operations.

13. Passage of Title. All right, title and interest in or to any material included in the contract shall remain in the State until it has been paid for; provided, however, that the right, title and interest in or to any material that has been paid for but not removed from the sale area by the buyer within the period of the contract or any extension thereof as provided for in this contract shall vest in the seller.

14. Expiration and Extension. This contract expires on the date stated at the top of the contract unless an extension is granted by the seller in accordance with 11 AAC 71.210 (material sale regulations).

15. Warranties. This sale is made without any warranties, express or implied, as to quantity, quality, merchantability, profitability, or fitness for a particular use, of the material to be extracted from the area under contract.

16. Valid Existing Rights. This contract is entered into and made subject to all valid existing rights, including easements, rights-of-way, reservations, or other interests in land, in existence on the date the contract is entered into.

17. Notices. All notices and other writings required or authorized under this contract must be made by certified mail, postage prepaid, to the parties at the following address:

To the Seller: Alaska Department of Natural Resources
Division of Mining, Land and Water
3700 Airport Way
Fairbanks, Alaska 99709-4699

To the Buyer: Alaska Department of Transportation and Public Facilities
2301 Peger Road
Fairbanks, Alaska 99709

18. Integration and Modification. This contract, including all laws and documents that by reference are incorporated in it or made a part of it, contains the entire agreement between the parties. This contract may not be modified or amended except by a document signed by both parties to this contract. Any amendment or modification that is not in writing, signed by both parties, and notarized is of no legal effect.

19. Severability of Clauses of Sale Contract. If any provision of this contract is adjudged to be invalid, that judgment does not affect the validity of any other provision of this contract, nor does it constitute any cause of action in favor of either party as against the other.

20. Construction. Words in the singular number include the plural, and words in the plural number include the singular.

21. Headings. The headings of the numbered paragraphs in this contract shall not be considered in construing any provision of this contract.

22. "Extracted," "Extraction". In this contract, use of the terms "extracted" and "extraction" encompasses the severance or removal, as well as extraction, by the buyer of any materials covered by this contract.

23. Waiver. No agent, representative or employee of the seller has authority to waive any provision of this contract unless expressly authorized to do so in writing by the director of the DMLW.

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BY SIGNING THIS CONTRACT, the State of Alaska, as seller, and the buyer, agree to be bound by its provisions as set out above.

BUYER: State of Alaska
DOT/PF

SELLER: State of Alaska
Department of Natural Resources

for Kevin L. Smith
[Signature]

[Signature]
Director, Division of Mining, Land and Water

Address:

2301 Peger Road, Fairbanks, AK 99709

STATE OF ALASKA)
4TH Judicial District) ss.

THIS IS TO CERTIFY that on June 12, 2014, before me appeared Martin Shurr, known by me to be the person named in and who executed this Material Sale Contract and acknowledged voluntarily signing it as buyer.



Veronica Garrison
Notary Public in and for the State of Alaska
My commission expires: with office

Please do not write below this line. This space reserved for Department of Natural Resources.

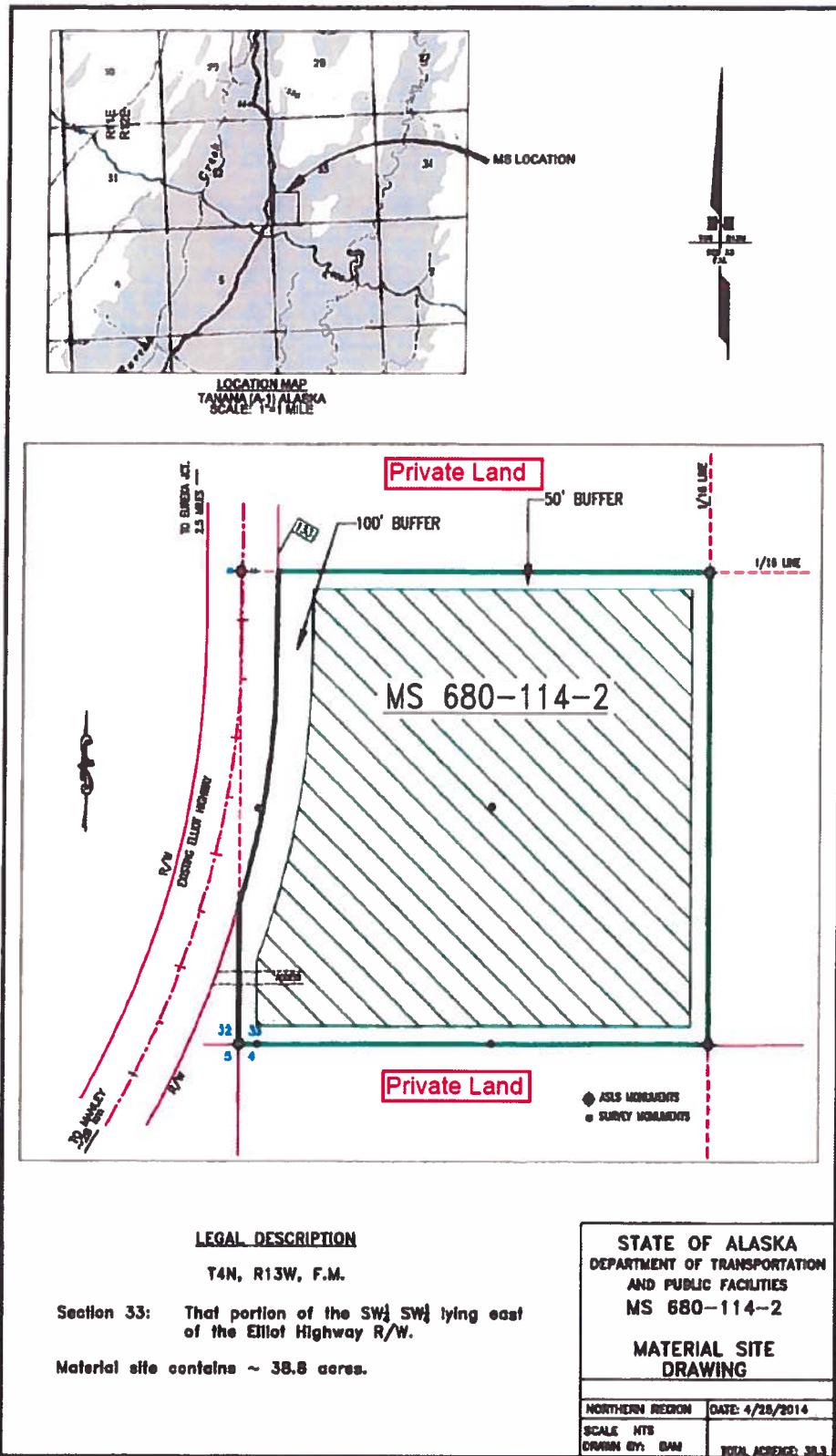
STATE OF ALASKA)
4TH Judicial District) ss.

THIS IS TO CERTIFY that on June 12, 2014, before me appeared Jeanne Poulx known by me to be the representative of the Division of Mining, Land and Water, Department of Natural Resources, who executed this Material Sale Contract on behalf of the State of Alaska, Department of Natural Resources, and who is fully authorized by the State to do so.



[Signature]
Notary Public in and for the State of Alaska
My commission expires: with office

Attachment A



STATE OF ALASKA DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER

Northern Region
3700 Airport Way
Fairbanks, AK 99709
(907) 451-2740

Southcentral Region
550 W 7th Ave., Suite 900C
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Southeast Region
400 Willoughby, #400
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MATERIAL SITE RECLAMATION PLAN OR
LETTER OF INTENT/ANNUAL RECLAMATION STATEMENT
AS 27.19.030 – 27.19.050

Non-refundable filling fee for reclamation plan: \$100

In accordance with Alaska Statute 27.10, reclamation is required of all mining operations, including sand and gravel extraction. Completion of this form will meet the law's requirements for a reclamation plan (see below for filing requirements; due date: at least 45 days before mining is proposed to begin; requires approval by the Division of Mining, Land and Water). Completion of this form will also serve as a letter of intent for operations exempt from the plan requirement (due date: before mining begins.) No approval is required for a letter of intent, but a miner who files a letter of intent must, before December 31, file an annual reclamation statement (Statement 8 of this form).

Check applicable box:

A. RECLAMATION PLAN (REQUIRED if the operation will disturb five or more acres this year, OR 50,000 cubic yards, OR if the operation has a cumulative disturbed area of five or more acres)

B. RECLAMATION PLAN – VOLUNTARY (for an operation below limits shown in Box A but wanting to qualify for the statewide bonding pool)

C. LETTER OF INTENT (less than five acres to be disturbed AND less than 50,000 cubic yards AND less than five acres unreclaimed area)

NOTE: A miner who files a letter of intent is also required to file an annual reclamation statement at the end of the year.

THIS RECLAMATION PLAN/LETTER OF INTENT IS FOR CALENDAR YEAR(S) 2014-2024.
(IF YOU CHECKED EITHER BOX A OR B ABOVE AND PROPOSE A MULT-YEAR PLAN, STATE ALL YEARS COVERED.)

MINER INFORMATION (IF THERE IS MORE THAN ONE MINER, ATTACH A LIST OF THE NAMES, ADDRESSES, AND TELEPHONE NUMBERS OF ALL OTHER OWNERS, OPERATORS, OR LEASEHOLDERS OF THE MINING OPERATION)

NAME OF MINER WHO WILL SERVE AS AGENT FOR NOTICE PURPOSES: Department of Transportation and Public Facilities.

ADDRESS (NOTIFY THE DEPARTMENT OF ANY LATER CHANGE OF ADDRESS): 2301 Peger Road

CITY: Fairbanks STATE: AK ZIP CODE: 99709 TELEPHONE: 451-5425

NAME OF LANDOWNER (IF OTHER THAN MINER) OR PUBLIC LAND MANAGEMENT AGENCY: State of Alaska

FEDERAL OR STATE CASEFILE NUMBER (IF ANY) ASSIGNED TO THE SITE: ADL 415977 (material sale contract, expires 4/17/15). MMS ADL 419274.

2. LEGAL DESCRIPTION OF PROPOSED MINING SITE

LEGAL SUBDIVISION/SECTION/QUARTER-SECTION: See P 1 TOWNSHIP: _____ RANGE: _____ MERIDIAN: F

3. DESCRIPTION OF THE MINING OPERATION (IF YOU CHECKED BOX A OR B ON P.1 OF THIS FORM AND ARE PROPOSING A MULTI-YEAR RECLAMATION PLAN, ATTACH SEPARATE SHEETS AS NEEDED SHOWING ACREAGE TO BE MINED, VOLUME TO BE MINED, AND EXISTING ACREAGE OF MINED AREA FOR EACH YEAR COVERED BY THE PLAN)

- a. 5 acres Total acreage to be mined or disturbed during the year.
- b. 350,000 cu. yds. Estimated total volume to be mined or disturbed, including overburden.
- c. See P 2 Type of material (sand, gravel, peat, etc.).
- d. 0. Existing acreage of mined area (disturbed area that has not yet been reclaimed, but counting only acreage disturbed after October 15, 1991)

4. DESCRIPTION OF THE RECLAMATION OPERATION

- a. The total acreage that will be reclaimed during the year (or each year, if for a multi-year reclamation plan) is: ~5
- b. Provide a list of equipment (type and quantity) to be used during the reclamation operation.
- c. A time schedule of reclamation measures shall be included as part of the plan.

The following measures must be considered in preparing and implementing the reclamation plan. Please mark those measures appropriate to your reclamation activity:

- Topsoil that is not promptly redistributed to an area being reclaimed will be separated and stockpiled for future use. This material will be protected from erosion and contamination by acidic or toxic materials and preserved in a condition suitable for later use.
- The area will be backfilled, graded, and recontoured using strippings, overburden, and topsoil to a condition that allows for the reestablishment of renewable resources on the site within a reasonable period of time. It will be stabilized to a condition that will allow sufficient moisture to be retained for natural revegetation.
- Stockpiled topsoil will be spread over the reclaimed area to promote natural plant growth that can reasonably be expected to revegetate the area within five years.
- Stream channel diversions will be relocated to a stable location in the flood plain.
- Exploration trenches or pits will be backfilled. Brush piles, vegetation, topsoil, and other organics will be spread on the backfilled surface to inhibit erosion and promote natural revegetation.
- All buildings and structures constructed, used, or improved on land owned by the State of Alaska will be removed, dismantled, or otherwise disposed of at the completion of the mining operation.
- Any roads, airstrips, or other facilities constructed to provide access to the mining operation shall be reclaimed (unless otherwise authorized) and included in the reclamation plan.
- Peat and topsoil mine operations shall ensure a minimum of two inches of suitable growing medium is left or replaced on the site upon completion of the reclamation activity.

- If extraction occurs within a flood plain, the reclamation activity shall reestablish a stable bed and bank profile such that river currents will not be altered and erosion and deposition patterns will not change.

NOTE: If you propose to use reclamation measures other than those shown above, or if the private landowner or public land manager of the site requires you to use stricter reclamation measures than those shown above, attach a list of those measures to this plan.

5. ALTERNATE POST-MINING LAND USE

- The mining site is public land. The land management agency's land use plan (if any) for post-mining land use is: _____.
- The mining site is public land. As allowed by AS 27.19.030(b), I propose to reclaim it to the following post-mining land use: multiple use.
- The mining site is private property. The private landowner plans to use it for the following post-mining land use: _____.

6. ATTACHMENTS

- If the mining operation has additional owners, operators, or leaseholders not shown on p. 1 of this form, attach a list of their names, addresses, and telephone numbers.
- Attach a USGS map at a scale no smaller than 1:63,360 (inch to the mile) showing the general vicinity of the mining operation and the specific property to be mined. Option: if you checked Box C on the first page of this form and the mining site is adjacent to an airport or public highway, state the name of the airport or the name and milepost of the public highway.
- Attach a diagram of the mined area (this term includes the extraction site, stockpile sites, overburden disposal sites, stream diversions, settling ponds, etc.) and the mining operation as a whole (this term includes the roads you plan to build, your power lines, support facilities, etc.). Show and state the number of acres to be mined during the year. (If you checked Box A or B on the first page of this form and your plan covers more than one year, show each year's work.) Show the location corners or property boundaries of the site in relation to the reclamation work and any other areas affected by the operation.
- Attach a list of the equipment (type and quantity) to be used during the reclamation activity.
- A time schedule of events must be attached that includes dates and activities related to this reclamation plan.
- If the site is private land not owned by the miner, attach a signed, notarized statement from the landowner indicating the landowner's consent to the operation. The landowner may also use the consent statement to notify the department that the landowner plans a post-mining land use incompatible with natural revegetation and therefore believes that reclamation to the standard of AS 27.19.020 is not feasible.
- For those miners that are required to file an annual reclamation statement, attach photographs and/or videotapes dated and described as to location of the reclamation activity that was completed.
- If you propose to use reclamation measures other than those listed on this form, or if the private landowner or public land manager of the site requires you to use stricter reclamation measures, attach a list of those measure.

7. RECLAMATION BONDING (REQUIRED ONLY IF YOU CHECKED BOX A OR B ON THE FIRST PAGE OF THIS FORM)

The total acreage of my mining operation that is subject to the bonding requirement for the current year is _____ acres (add acreages stated in section 3(a) and 3(d) of this form).

The per-acre bond amount is \$750/acre or a total bond amount of \$ _____.

Please check the appropriate bonding method that you will apply toward this reclamation plan:

- Participation in the statewide bonding pool.
- Posting a corporate surety bond.
- Posting a personal bond accompanied by a letter of credit, certificate of deposit, or a deposit of cash or gold.
- Posting a bond or financial guarantee with another government agency that has jurisdiction over the mining operation, as allowed by a cooperative management agreement between that agency and the Division of Mining, Land and Water.
- Posting a general performance bond with a state agency that meets the requirements of 11 AAC 97.400(4).

The above reclamation plan/letter of intent and all attachments are correct and complete to the best of my knowledge.



Signature of Miner

5/13/14

Date

AS 27.19.030 and AS 27.19.050 require a miner either to file a reclamation plan for approval or to file a letter of intent followed by an annual reclamation statement. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.999.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.

8. **ANNUAL RECLAMATION STATEMENT – REQUIRED IF YOU FILED A LETTER OF INTENT (CHECKED BOX C ON THE FIRST PAGE) FOR THIS OPERATION. DUE DATE: DECEMBER 31, _____. YOU MUST FILE EVEN IF THE MINING DESCRIBE IN YOUR LETTER OF INTENT DID NOT TAKE PLACE.**

This _____ (year) annual reclamation statement is for:

- a. _____ **acres** Total acreage mined.
- b. _____ **cu. yds.** Total volume mined or disturbed, including overburden.
- c. _____ **acres** Total acreage reclaimed.
- d. _____ **acres.** Cumulative total of unreclaimed acreage.
- e. Reclamation measures that were used (check appropriate measures from Section 4, DESCRIPTION OF THE RECLAMATION OPERATION, and attach list of additional or stricter measures if applicable.)

The above annual reclamation statement and all attachments are correct and complete to the best of my knowledge.

Signature of Miner

Date

AS 27.19.030 and AS 27.19.050 require a miner either to file a reclamation plan for approval or to file a letter of intent followed by an annual reclamation statement. This information is made a part of the state public land records and becomes public information under AS 40.25.110 and 40.25.120 (unless the information qualifies for confidentiality under AS 38.05.035(a)(9) and confidentiality is requested). Public information is open to inspection by you or any member of the public. A person who is the subject of the information may challenge its accuracy or completeness under AS 44.999.310, by giving a written description of the challenged information, the changes needed to correct it, and a name and address where the person can be reached. False statements made in an application for a benefit are punishable under AS 11.56.210.

**State of Alaska
Department of Transportation & Public Facilities**

**Mining and Reclamation Guidelines
Material Site 680-114-2
Elliott Highway MP 134**

These guidelines are subject to the Alaska Department of Natural Resources Material Sale Contract, ADL ____, and stipulations contained therein. For each new use or project, the user or contractor shall submit a Project Mining and Reclamation Plan to DNR for approval, subject to DOT&PF review, prior to any mining activities.

This is a designated material site, Master Material Site ADL 419274, under AS 38.05.550 (b).

Legal Description

T4N, R13W, FM: Section 33: That portion of the SW¼ SW¼ lying east of the Elliott Highway R/W. This site contains approximately 38.8 acres.

General Information

This developed site is located east of the Elliott Highway near MP 133. A 300 foot access road leads into the site. Material consists of alluvial sand and gravel with silt, cobbles and boulders. DOT&PF conducted exploratory drilling in 2005 within the pit and also undisturbed areas. Overburden was up to 9 feet thick. Site information is available at the DOT&PF Materials office, 2301 Peger Road, Fairbanks, Alaska 99709.

Mining Guidelines

Continue mining the site in cells. When the current cell is depleted, reclaim it concurrently with the development of the next cell. Perimeter slopes adjacent to buffers shall not exceed 3H:1V. Maintain a 100-foot-wide undisturbed buffer along the highway right-of-way and 50 foot buffer around the remaining perimeter.

The Project Mining and Reclamation Plan will adhere to the following guidelines.

1. The contractor or user shall locate the material site boundaries to verify work areas are within the site.
2. Establish and clearly mark buffer lines on the ground in work areas.
3. Keep the floor of the pit at least 2 feet above the water table.
4. Pit perimeter slopes (i.e. adjacent to buffers) and all final reclaimed slopes shall not exceed 3H:1V.
5. Prior to any new site clearing contact the DNR Division of Forestry to get instructions for treatment of any merchantable timber, firewood, brush or slash produced.

6. For any new clearing, stockpile surface vegetation and organic soils adjacent to buffers or use directly for reclamation of depleted areas.
7. Stockpile overburden separately from vegetation/organics for future reclamation or use directly for reclamation.
8. Do not place organics or overburden in future mining area, where it would need to be moved again.
9. After each use, grade pit floor level or slope gently to blend with earlier depth limits. Do not allow runoff to exit the site.
10. After each use, remove all equipment and man-made debris or waste from the site.
11. All mining and stockpiling activities shall be in accordance with applicable Construction General Permits (CGP) and Storm Water Pollution Prevention Plans (SWPPP).

Reclamation Objectives and Guidelines

The reclamation plan has several objectives:

1. To not preclude or hinder future development of un-mined areas.
2. To blend with previous reclamation and surrounding topography.
3. To prevent erosion and sediment transport to surrounding, undisturbed areas.
4. To allow reestablishment of native vegetation and wildlife habitat.
5. To leave the site in a safe condition that does not endanger people or wildlife.

Reclamation activities will include:

1. Grading slopes adjacent to perimeter buffers or where future development is not anticipated at 3H: 1V.
2. Spread available overburden and then organic material on reclaimed slopes. Allow to revegetate naturally.
3. Re-establishment of buffers in previously-disturbed areas may include placement of overburden and strippings: place in smooth compacted berms and allow to revegetate.

Project Mining and Reclamation Plan

Prior to use of the site for any project, the contractor or user shall submit a Project Mining and Reclamation Plan, in accordance with A.S. 27.19 and 11 AAC 97 to DNR for approval, subject to DOT&PF review. The Plan describes the proposed plan of operation and shall be in compliance with guidelines listed here. Upon approval, the Plan will be followed by the contractor or user and if applicable, the DOT&PF Project Engineer. The plan should include the following:

Sketch Map

The sketch map shall include:

1. Site boundaries and buffers
2. Proposed working limits, to be marked on the ground

3. Organic debris and overburden stockpile areas
4. Access road, work pad, stockpiles, processing facilities
5. Scale of drawing, north arrow, and specific dimensions as appropriate

Narrative

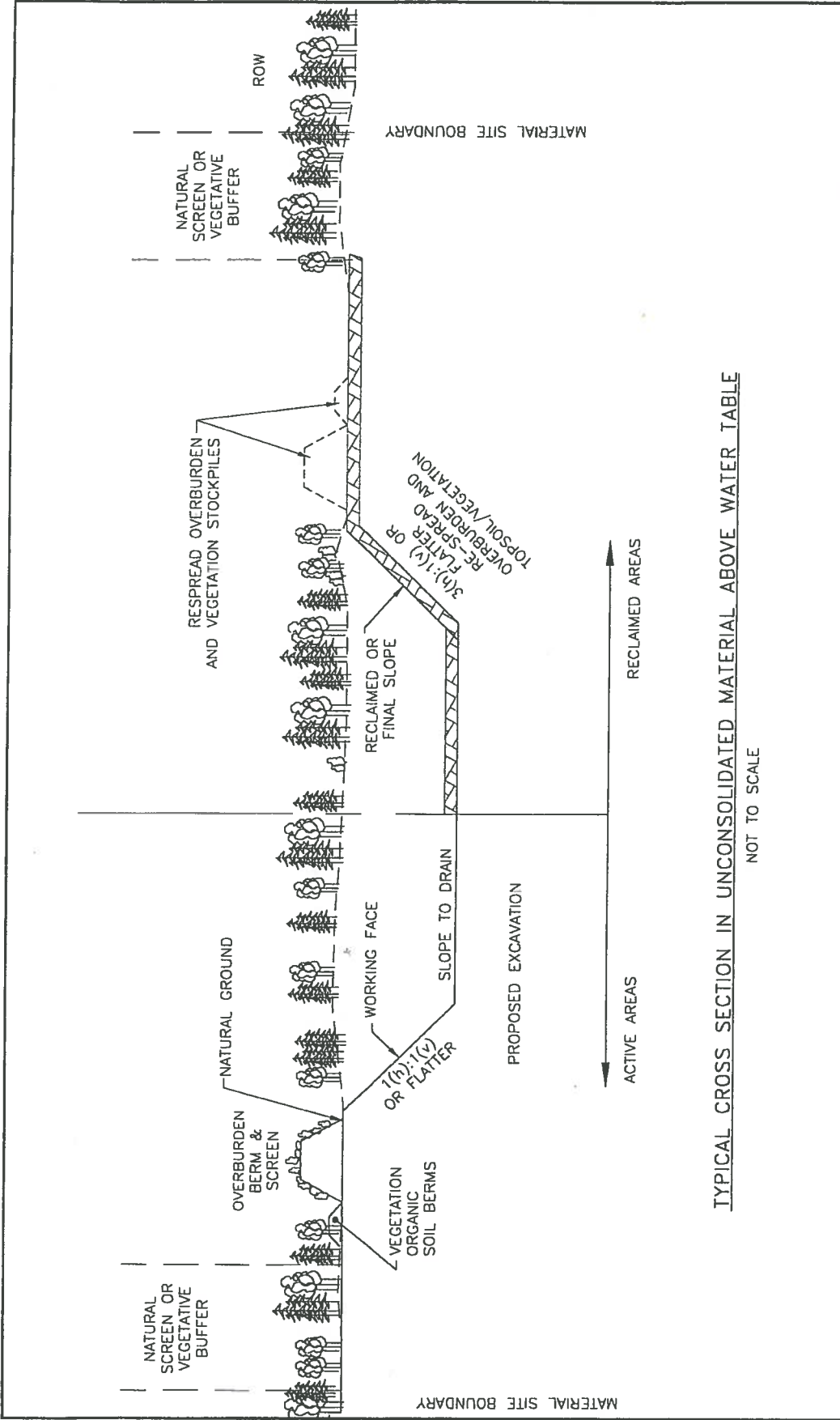
The narrative shall include:

1. Methods of operation
2. Estimated quantities for removal
3. Length and times of operation
4. Air and water pollution control measures
5. Reclamation measures

Supplements and amendments

Supplements and amendments to an approved mining and reclamation plan may be initiated by the contractor, user or the DOT&PF Project Engineer, when conditions warrant such action. Supplements and amendments must be mutually agreed upon and proper approval obtained prior to commencement of work of a changed nature.

1. Minor changes are those that affect details of the operation, but remain in compliance with the development guidelines. These changes may be authorized by the DOT&PF Project Engineer.
2. Major changes are those which cause the final outcome of the site to be significantly different from the approved mining and reclamation plan or are not in compliance with the development guidelines. These require approval by DNR prior to approval by the DOT&PF Project Engineer.



TYPICAL CROSS SECTION IN UNCONSOLIDATED MATERIAL ABOVE WATER TABLE

NOT TO SCALE

STATE OF ALASKA DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES		DATA:	MINING RECLAMATION TYPICAL SECTION
		DRAWN:	
APPROVED:		PROJECT NO.	
DATE: AUGUST 2010			

Site Map

