

Appendix A: DNR Responses to Public Comments Concerning The Flatlands Exploration Permit Application

The following are responses to the comments received from the public during the public comment period from March 25, 2025 to April 24, 2025.

The DNR Division of Mining, Land and Water (DMLW), Coal Regulatory Program received a total of 5 comment submittals (letters, comment forms, e-mails and other transcripts).

Of the 5 comments submitted, one comment came from a private individual, one was from a State and Local Government Agencies, one was from Community or Tribal Councils and two comment letters were from Federal Agencies. The table below breaks down comments based on where the comments originated.

Municipality of Anchorage	1
Community and Tribal Councils	1
State Agencies	1
Federal Agencies	2
Total	5

Responses to Comments:

Environmental, Resource and Habitat Issues

Comment: Commentors expressed concerns about potential impacts to water quality from drilling operation on Chinook (king) and Coho (silver) salmon. One commentor states that both species have had recent dramatic declines. Additionally, this commentor stated that the National Marine Fisheries service is evaluating the chinook salmon in this location for possible listing under the endangered species act.

Response: No drilling is proposed within 100 feet of any catalogued anadromous fish stream for this exploration project. In addition, any authorization will include a stipulation that will prohibit exploration activities that substantially disturb the environment and vegetation within one hundred feet (100') of any anadromous water body. Previous drilling operations in the area have not resulted in any impacts to resident and anadromous fish. DMLW-Mining will continue to inspect the site during exploration activities to ensure that drilling operations are conducted in a way the minimizes impacts to aquatic resources.

Alaska Dept. of Fish and Game has been included in the development of the project and is working with the applicants on obtaining the required permits for the proposed project. DMLW-Mining has inspected previous drilling activities and has not identified impacts outside the immediate area of the drilling operations.

Temporary Water Use Permit

Comment: Commentor raises concerns about the amount of water proposed to be used for drilling operation. The commenter is concerned that the proposed use of up to 20 gallons per minute (up to 28,000 gallons per day) is a lot of water to be taken from the system.

Response: The application states that the up to 20 gallons per minute (up to 28,000 gallons per day) is a maximum number and that actual use will be significantly less since drilling operations will not require continuous withdrawal of water. Additionally, the application provides limits to the amount of water withdrawal based on stream flow. Similar withdrawal rates have been used for drilling operations under previous exploration permits and have not resulted in any observed impacts on the area's water resources. A Temporary Water Use of Water application (TWUA) has been submitted to the DMLW-Water Section requesting the same withdrawal amounts as outlined in the coal exploration permit application. The maximum amount of water that the project can use will be set by this authorization. DMLW-Mining will continue to monitor exploration activities to ensure the project minimizes impacts during their drilling operations.

Comment: The applicant should be required to measure and report flow data of all flowing waters from which water is withdrawn.

Response: For small streams the project plans to measure flow rates in small streams (less than ~80gpm) to ensure they do not withdraw more than 25% of the total flow in the stream. For small streams, the project will reduce their water use to take less than 25% to minimize impacts in addition to screening the water withdrawal locations. Previous water withdrawals for drilling operations have not resulted in any noticeable impacts to the area streams.

As part of their data collection for potential mine permitting applications, Flatlands Energy Corporation will be collecting stream flow data within the watershed area to allow the applicant to understand the flow regime within the watershed and develop plans to minimize any impacts of any future mining activities.

Hydrology Effects

Comment: Commentors requested that the applicant develop and implement a robust plan to manage the water runoff from drilling sites and prevent pollution of surface waters and to protect aquatic resources.

Response: Performance Standards stipulated within the Alaska Surface Coal Mining Control and Reclamation Act and enforced by DMLW-Mining require the sealing and reclamation of drill holes and trenches and are covered under 11 AAC.90.301 – 501. They include standards for the protection of water during exploration activities. The standards require that siltation structures, topsoil replacement, confinement and isolation of subsurface water bodies (plugging and sealing of drill holes to that end) be implemented by the applicant as part of the operations plan, and as a part of reclamation. In the proposed drilling plan submitted with this application there is no drilling proposed within 100 feet of any catalogued anadromous fish stream. Previous drilling operations conducted by Flatlands Energy in the exploration area have not resulted in any impacts to resident and anadromous fish. DMLW-Mining will continue inspecting the site during exploration activities to ensure that drilling operations are conducted in a way that minimizes impacts to aquatic resources.

Drilling Activities

Comment: Concerns were raised about drilling muds being toxic to fish, other aquatic life and plants and that polluted water may effect resident and anadromous fish. Water from drilling activities should be required to be directed away from surface water with established best management practices to prevent surface water pollution.

Response: DMLW policy requires that a company conducting exploration drilling in the State must submit Safety Data Sheets (SDS) for all drilling fluids. Identified toxicity in the SDS to fish is at concentrations greater than 10,00mg per Liter (.33oz per quart). This wastewater will be disposed of in accordance with authorizations and best management practices and will not be deposited into surface waters.

Drill Waste Management

Comment: Rock/materials composition from drilling samples are unknown in composition and therefore may be acid-forming and could lead to acid rock drainage, contaminant leaching and/or metal leaching. Rock/materials from the drill sites should be required to be handled and stored with extreme caution, including no runoff into any wetlands or surface waters, to prevent acid rock drainage.

Response: Coal bearing rocks within the project area have been mapped as Tertiary Tyonek Formation and Cretaceous aged marine sedimentary and volcanic rocks. Where these rocks have been sampled in other areas they have been found to have low potential for acid generation and were not toxic forming.

No disposal of drill cutting will be allowed in any body of water in the project area. All drill cutting that are not sampled will be used to plug the drillhole. Any remaining drill cuttings after plugging the drill hole will spread over the drill pad and reclaimed. Spreading this material over the surface of the drill pad will have negligible impacts to the environment as demonstrated by drill holes reclaimed by prior drilling in the project area.

Cultural and Historical Resources

Comment: While the application states there are no known historical or archaeological sites within the lease sale area, this is the situation throughout much of Alaska and is often due to no previous or inadequate cultural resource surveys. There is a high likelihood of cultural resources in the Flatlands coal lease due to the abundance of fish and wildlife, and established trails in this area. We request that each drilling site be evaluated by a cultural resources expert before tree clearing and ground disturbance.

Response: Previous exploration work in the project area has not encountered historical or archaeological sites during drilling activities. The footprint of each drill location is minimal which reduces the possibility of encountering these resources if they are located in the project area. Drilling is helicopter supported, and the project does not need to excavate or cut trees for the drill site for each location minimizing disturbance. Any permit issued for this project will include a stipulation on how to deal with historical or archaeological resources if encountered.

Due to the limited cultural and historic information in the area Flatlands Energy will be developing a work plan to conduct cultural surveys and this will be included as part of any future mine permit application.

Comment: Comment request that the Chickaloon Village Traditional Council (CVTC) be invited to participate in the development of cultural resource survey methodologies and in the implementation of cultural resource surveys.

Response: This request has will be passed along to the applicant as they work with the State's SHPO office to develop plans for a cultural survey for the project area. DMLW-Mining will include CVTC in any public notice for additional exploration or other mining related development activities.

Other issues

Comment: Now just building a road off the proposed road (western Susitna access road) that stops at two foreign mining exploration camps on the upper Skwentna, but building a bridge across the braided upper Skwentna River, about a 1/2 mile wide, and a three- or four-mile road up to the upper Skwentna would cost about \$250 million and who pays for that? Where would the gravel come from?

Response: The comment concerning the building of the western Susitna access road is beyond DMLW-Mining's scope of review of the proposed exploration under 11 AAC 90. As the exploration permit is currently written, there is no trail or road building proposed during the exploration period. If the company as part of their project proposes road construction or other facilities associated with coal mining, those activities would require public notice and comments as part of DMLW-Mining's review of the application as well as other reviews by other state and federal agencies.

Comment: Healy mine is located right next to the railroad and has been mining coal there for as long as I have been in Alaska...over 50 years. The mining habitat is in the mountains, not over some salmon river and the reclaiming of the environment has been excellent. The Healy Coal mine lost its Asian contract and stopped mining. If it is coal we need, open up the mine and feed a coal plant on the eastern side of the Susitna where there is currently plenty of infrastructure in place.

Response: The comment concerning the coal mining in Healy is beyond DMLW-Mining's scope of review of the proposed exploration under 11 AAC 90. Usibelli Coal Mining continues to provide coal to interior power plants for electricity and district heating in Fairbanks and interior military facilities.

Comment: The western Susitna Valley is the playground for Alaska's most populous regime...Anchorage and the mat valley. People that came to Alaska for the wilderness aspect, have right at their backyard a semi wilderness where they can have their wilderness cabin, or just travel by boat or float plane or snow machine for hunting and fishing adventures. There are many businesses that work off the western Susitna valley. Why destroy this area when there is so much land that doesn't impact our larger population area, but instead great mining opportunities in

Fairbanks areas, Healy, and western Alaska and elsewhere. There is talk of covering little Mt Susitna with wind generators, Coal mines, coal plants, roads to mining camps...what next. There is also talk of a gas pipeline that would support export and all the gas, electricity and heat that the Railbelt would need for 100 years...better plan than destroying our backyard wilderness.

Response: In reviewing the request for a competitive coal lease sale, the Department of Natural Resources conducted a Best Interest Finding under AS 38.05.035. This finding determined that it was in the State's interest to hold a competitive lease sale¹. This finding review state land use planning and potential impacts to other users including recreation hunting, fishing and subsistence use in the area. The best interest finding identified potential impacts and mitigation measure to minimize these impacts. The Best Interest Finding found that the lease sale: "will allow the State and all stakeholders the opportunity to realize the multiple benefits of coal exploration and development in the Canyon Creek area. Those benefits include revenues to the State and local government through taxes and royalties; jobs for residents of Alaska; job training for Alaska residents; increased trade for local businesses and opportunities for new businesses; and gains in scientific and environmental knowledge of the lease area. The ASCMCRA (Alaska Surface Coal Mine Control and Reclamation Act (AS.27.21)) provides for the public decision process at each step in future coal development. In concert with other government regulatory agencies, the ASCMCRA will preclude development with unacceptable impacts."

Comment: Commentor wanted to know what the mining companies plans were for exploratory drilling for coal and what their plans are for the coal, transportation, actual sale of the coal, etc....

Response: The exploration application provides information on what the current plans are for coal exploration drilling. The portion of the comment concerning development plans beyond the proposed exploration is beyond DMLW-Mining's scope of review of under 11 AAC 90. The applicant is currently collecting resources and environmental information within the project area to use in the development of a potential coal mining project. Conceptual ideas for a project include coal mining with a mine mouth power plant and carbon capture for enhanced oil and gas development or sequestration.

Comment: Commentor asked if the applicant needed state funding for roads, bridges, and what is the state return.

Response: The applicant has not asked for any state funding for the coal exploration project. An applicant requests for funding from other State or Federal sources is outside of the DMLW-Mining scope of review for authorizations under 11 AAC 90.

The project area is on State of Alaska coal leases. If a future coal mine project is approved and that project begins production the leases and mining activity would generate income to the State of Alaska on coal royalties from the resources extracted, mining license tax on net income, and corporate income tax on all taxable income. The State of Alaska currently receives rental payments from all lands covered under the lease.

¹ Final Finding and Decision: Competitive Coal Lease Sale In the Canyon Creek Area, Alaska ADL 553937

Comment: Comments were received concerning the requirements of the Bald and Golden Eagle Protection Act and potential impacts to Migratory birds

Response: These comments and proposed mitigation measures were sent to the applicant for their review and implementation into their plans. The proposed drilling operation includes minimal disturbance to trees and shrubs and has no planned clearing activities.

Comment: Commentor raised concerns about Invasive Species being brought to the project area.

Response: The projects operations plan calls for the use of native seeds as recommended by the States Plant Material Center for reclamation within the project area. In addition, any permit issued for exploration will include a stipulation to use native seeds that have been certified weed free.

Comment: DMLW-Mining received notice from the U.S. Army Corps of Engineers about permitting requirements for any project that proposes to place dredged and/or fill material into waters of the United States (U.S.) including wetlands and/or perform work in navigable waters of the U.S.

Response: This information was forwarded to the project applicant.