

Ben Ziegman Mining Engineer P.E Usibelli Coal Mine, Inc. PO Box 1000 Healy, Alaska 99743 (907) 683-9716

July 18th, 2025

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

RE: Request for a Coal Exploration Permit to Bulk Sample in Healy Valley Submittal #2

Dear Mr. Kirkham:

In response to DNR's comments on the original submittal for the Healy Valley bulk sample exploration permit, the following changes have been made:

PDF page	Section	Comment
36	CII-5	Updated plate to show bulk sample area
12-13	8.2	More detailed explanation of route
12-13	8.2	More detailed explanation of Suntrana creek crossing and traffic control
24	C(5)	Added missing word
23-24	C(1-5)	More detailed explanation of testing and parameters
41-42	3400	Added two new plates for haul route

Sincerely,

Ben Ziegman Mining Engineer



Ethan Trickey Senior Mine Engineer P.E Usibelli Coal Mine, Inc. PO Box 1000 Healy, Alaska 99743 (907) 683-9724

July 14th, 2025

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

RE: Request for a Coal Exploration Permit to Bulk Sample in Healy Valley

Dear Mr. Kirkham:

Usibelli Coal Mine, Inc. (UCM) requests a new coal exploration permit for a bulk sample of 25,000 tons in Healy Valley. We are also requesting the commissioners' written approval for a bulk sample over 250 tons. A detailed sampling plan and justification are attached. The cost for public notice will be submitted under a different cover letter for the requisite filing fee upon receipt of DNR's invoice.

Sincerely,

Ethan Trickey

Senior Mine Engineer

Attachments:

Exploration Permit Application 2025 Permit Application Addendum

Exhibit 2025-1 Reclamation Bond Cost Estimate

Plate - CII-5 Drill Hole Location Map Version 5

Plate - A-1 Surface and Subsurface Ownership Map Rev. 6

Plate - Bulk Sample Plan

Plate - Regrade Plan

Plate - Sediment Control Plan

Permit #	/ Notice #	
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ALASKA DEPARTMENT OF NATURAL RESOURCES DIVISION OF MINING LAND & WATER

X New Permit

Reauthorization of **Existing Permit**

COAL EXPLORATION

Notice of Intent to Explore and **Exploration Application**

The Alaska Surface Coal Mining Control and Reclamation Act requires that any person who intends to conduct coal exploration which will not substantially disturb the natural land surface complete and file with the Department of Natural Resources a notice of intent to explore. The completion of Parts A (including submission of the required permit fee), B, and D of this form will meet these requirements. This form must be received at least thirty (30) days prior to commencement of the exploration.

The Act requires that any person who intends to conduct coal exploration which will substantially disturb the natural land surface must file a complete application for exploration. The completion of Parts A (including submission of the required permit fee), B, C, and D of this form will meet the applicant's submission requirements. The application should be submitted approximately three months prior to the anticipated commencement of exploration.

Substantial disturbance means an impact on land, water, or air resources by activities such as blasting; mechanical excavation (excluding the use of light, portable field equipment); drilling or enlarging coal or water exploratory holes or wells; and construction of roads, structures, trails, aircraft landing and marine docking areas.

Please submit one hard copy and one electronic copy of all application materials as specified by the department.

Reference: Alaska Statute 27.21.200; 11 AAC 90.161 to 11 AAC 90.167.

PART	A: GENERAL INFORMATION	Ref: 11 AAC90.161; 11 AAC 90.163
1.1	Name of Applicant: <u>Usibelli Coal Mir</u>	ne
	Contact: <u>Ethan Trickey</u>	
1.2	Address of Applicant: 100 River road,	Healy Alaska, 99743
1.3	Telephone Number: <u>907-683-9724</u>	
1.4	If applicable, provide the following infi present and responsible for the explo	formation for the representative who will be ration activities.
1.5	Name of Representative: <u>Fred Wall</u>	is, VP Engineering
1.6	Address of Representative: 100 River	road, Healy Alaska, 99743
1.7	Telephone Number: <u>907-683-9749</u>	
1.8	Email Address: <u>fredw@usibelli.com</u>	
2.0 L	ocation of the Exploration	

Township 12 South, Range 6 West, N 1/2, Fairbanks Merdian, 640 Acres

Aliquot Part

Aliquot Part

Section

Section

2.1 Legal Description (attach additional pages as needed):

Range

Range

Township

Township

Acres

Acres

Meridian

Meridian

2.2	Number of Acres in Exploration Area: 7 Acres
2.3	Number of Acres of Federal Land (if applicable):
2.4	USGS 1:250,000 or 1:63,360 Quadrangle Names: <u>Healy D-4 SW</u>
2.5	Distance and Direction to Nearest Community (in miles): ~7 miles East of Healy
2.6	Attach map of exploration site and adjacent area.
3.0 P	eriod of Exploration
3.1	Begin (Month/Year): July 2025
3.2	End (Month/Year): July 2027
4.0 O	wnership of Surface/Subsurface Mineral Estate
	e surface or the mineral estate is owned or leased by someone other than the applicant, answer 4.1 - as appropriate (attach additional pages as needed).
4.1	Surface Owner Name: Trust Land Office Address: 2600 Cordova Street,Suite 201 Anchorage, AK 99503 Telephone Number: 907 269 8658
4.2	Mineral Estate Owner
	Name: Same Address:
	Telephone Number:
4.3	Surface Land Leaseholder
	Lease #:Name: Address:
	Telephone Number:
4.4	Mineral Estate Leaseholder
	Lease #: ADL 22721 Name: Usibelli Coal Mine Address: PO Box 1000 Healy ,AK 99743 Telephone Number: 907 683 2226
4.5	Adjacent Surface & Mineral Estate Leaseholders
	Lease #:Name: Address:
	Telephone Number:

Permit # / Notice # _____

Permit # / Notice #	
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4.6 Right to Enter: Provide a statement describing the basis by which the applicant claims the right to enter the land for the purposes of conducting exploration and reclamation, Reference relevant federal, state, and local government prospecting permits or lease documents. Attach copies of supporting documents, as appropriate.

5.0 Fees Ref: 11 AAC 90.011

5.1 Permit Fee \$ 1,200 Attach receipt. (Refer to fee schedule below)

Exploration - notice of intent \$80

Exploration - substantial disturbance \$1,200 + cost of all public notices

PART B: NOTICE OF INTENT TO EXPLORE

6.0 Intention to Explore

- 6.1 Describe intended exploration activities, including major' pieces of equipment and their use.
- 6.2 Will exploration activities substantially disturb the natural surface of the land? YES X NO

If yes, proceed to Part C; if no, answer 6.3 and proceed to Part D. (See definition on page 1 of this form.)

6.3 Describe practices to be used to protect the environment from adverse impacts resulting from exploration activities.

PART C: EXPLORATION PERMIT APPLICATION Ref: 1

Ref: 11 AAC 90.163; 11 AAC 90.167

7.0 Exploration Area Description

Note: all technical data in this application must be accompanied by:

- 1) names of persons and organizations who gathered and analyzed data;
- 2) dates of data collections and analysis:
- 3) description of procedures used; and
- 4) names, addresses and positions of officials of each agency consulted.
- 7.1 Indicate type(s) of surface disturbance: blasting. mechanical excavation Drilling, altering coal or water exploration holes and wells, road or trail construction or modification aircraft landing construction/modification marine docking facility construction/modification construction of structures placement of excavated material or debris on surface other specify

material or debris on surface other, specify _____

- 7.2 Provide a map of at least a scale of 1:63,360 enlarged 2.5 times (~1:25000), showing the following existing surface features:
 - a. existing roads and trails;
 - b. occupied dwellings and other structures;
 - c. pipelines, airfields and marine docking facilities;

- d. bodies of water; .
- e. historic, archeological and cultural features;
- f. topographic and drainage features; and
- g. habitats of endangered or threatened species.
- 7.3 Using existing information, briefly describe, with cross references to the map in 7.2, the surface topography, geology, surface waters, predominant land use, and other physical features.
- 7.4 Using existing information, briefly describe, with cross references to the map in 7.2, vegetation cover and important habitats of fish, wildlife and plants.
- 7.5 Does the exploration area include critical habitat of threatened or endangered species; or species such as eagles, migratory birds or other animals protected by state or federal law; or habitats of unusually high value for fish and wildlife?

If yes, describe impact, control measures, management techniques and monitoring methods to be utilized to protect these species and habitats.

7.6 Does the exploration area include known archeological resources; or districts, sites, structures or objects listed on the National Register of Historic Places?

YES NO X

If yes, identify and describe, and describe protection measures to be implemented.

8.0 Exploration and Reclamation Methods

- 8.1 Provide a map of at least a scale of 1:63,360 enlarged 2.5 times, showing the following exploration and reclamation features (if appropriate, this may be combined with the map required under 7.2):
 - a. the area to be disturbed by exploration and reclamation; .
 - b. access routes, including new roads, trails or other transportation facilities to be constructed, and existing facilities to be used or modified;
 - c. proposed excavations and trenches;
 - d. water or coal exploratory holes to be drilled or altered;
 - e. earth or debris disposal areas; f. sediment control measures, such as sediment ponds and structures for diverting overland flow, if required; and
 - g. other exploration or reclamation features.
- 8.2 Provide a description of exploration and reclamation methods and a discussion of how the exploration will comply with the performance standards in 11 AAC 90.167. Cross-referencing the map in 8.1, describe, at a minimum, the following:
 - a. types and uses of equipment;
 - b. design, construction, maintenance and removal of any proposed new roads, trails or other transportation facilities;
 - c. alteration and restoration of existing transportation facilities;
 - d. blasting procedures;
 - e. earth or debris disposal;
 - f. backfilling and regrading of all excavations, artificial flat areas, embankments or other disturbed areas to their approximate original contour;
 - g. topsoil removal, storage and redistribution;

Permit #	/ Notice #	

- h. seed mix, application rates, seeding method and other procedures to be implemented in the establishment of a vegetative cover on all disturbed areas;
- i. procedures for plugging and abandoning exploration holes, boreholes, wells or other exposed underground openings;
- j. procedures and control practices to be implemented to minimize disturbance to the prevailing hydrologic balance, including, if necessary, sedimentation control;
- k. handling and disposal of known acid-forming or toxic-forming materials, if any; and
- I. removal of all facilities and equipment.
- 8.3 Provide a timetable for each phase of exploration and reclamation including starting and ending date, type of disturbance, area of disturbance, and reclamation measures.
- 8.4 Give an estimate of the quantity of coal to be removed during the exploration. Specify method used to measure quantity.
- 8.5 Give a detailed estimate of the cost of reclamation of all areas to be affected by exploration activities.

PART	D: EXPLORATION ON LANDS UNSU	JITABLE FOR MINING	
		Ref: 11 A/	AC 90.165
9.1	Does the proposed exploration area incursuitable for all or certain types of mire Resources?		
	YES XNO		
	If yes, complete section 9.2 and 9.3		
9.2	Indicate petition name and number:		
9.3	Describe the basis for the designation of exploration in the area is not incompate designation of the area.		
	pplicant states to the best of his or her landice of intent to explore or in the app		
Applica	ant's Name: <u>Fred Wallis</u>		Title: VP Engineering
Addres	s 100 River Road, Healy AK 99743		
	ant's Signature: 50 Mallio	Date:	Subscribed
	orn before me by <u>tred Wallis</u> Public: Kunten 5 Randall	this the 14 day of July My commission expires 03/	
		KRISTEN E RANDALL Notary Public State of Alaska My Commission Expires March 21, 2028	[SEAL]

Note: Attach a copy of power of attorney, or resolution of Board of Directors that grants signature authority)

Submertion Permit Application 8/25 version: 2/4/2020

CERTIFICATE OF RESOLUTION

IT IS HEREBY RESOLVED: That the Board of Directors for USIBELLI COAL MINE, INC. authorizes Alan E. Renshaw, V.P. Operations, and Frederick W. Wallis, V.P. Engineering, authority to sign all documents relating to the Alaska Surface Mining Control and Reclamation Act (ASMCRA) on behalf of Usibelli Coal Mine, Inc.

I, A. Kirk Lanterman as secretary of USIBELLI COAL MINE, INC. hereby certify that the Board adopted this Resolution on the 3 of my, 2010.

A. Kirk Lanterman, SECRETARY USIBELLI COAL MINE, INC.

Usibelli Coal Mine

Healy Valley Bulk Sample Permit Application Addendum

July 2025

Part A, Section 2.0: Location of Exploration

The proposed area of exploration is outlined on Plate CII-5, along with the relevant lease boundaries. Usibelli's Coal lease (ADL 22721) with the State of Alaska and Mental Health Trust Lands Office encompasses the project.

Part A, Section 4.0: Ownership of Surface/Subsurface Mineral Estate

SURFACE ESTATE WITHIN THE PROPOSED PERMIT AREA

Owners of Record

State of Alaska Department of Natural Resources Mental Health Trust Land Office 3601 C Street, Suite 880 Anchorage, Alaska 99503-5935

Leaseholders

None

SUBSURFACE (MINERAL) ESTATE WITHIN THE PROPOSED PERMIT AREA

Owners of Record

State of Alaska Department of Natural Resources Mental Health Trust Land Office 2600 Cordova Street, Suite 201 Anchorage, Alaska 99503

Leaseholders

Usibelli Coal Mine, Inc. P.O. Box 1000 Healy, Alaska 99743

Part A, Section 4.6: Right to Enter

The section above provides the basis for UCM's legal right to enter upon and conduct surface coal mining and reclamation operations on lands within the proposed permit boundary (see Plate D4-2). Listed above are existing rights which provide the legal right

to enter and operate as described part C of this application. None of the rights listed below are subject to pending litigation.

1) Coal Lease ADL 22721 between the State of Alaska and UCM

RELEVANT PERMIT LANDS

That portion of the permit area lying in Township 12 South, Range 6 West, F.M.

Section 19: NE1/4

Section 20: N1/2

Section 17: S1/2 S1/2

2) Coal Leases MHT9400553,MHT9400281 Between the Mental Health Trust Land Office and UCM

RELEVANT PERMIT LANDS

That portion of the access road lying in Sections 23 & 24 T12S, R7W, F.M., and Section 19,T12S, R6W, F.M. That portion of the mine area lying outside the NE 1/4, Section 19, T12S, R6W, F.M.

3) Contract #7997 Between the Alaska Railroad Corporation and UCM

RELEVANT PERMIT LANDS

That portion of the access road lying in Sections 21, 22, 23, 26, & 27 T12S, R7W, F.M.

Part C, Section 7.0: Exploration Area Description

REGIONAL TOPOGRAPHY

The exploration area lies in the northern foothills of the central part of the Alaska Range east of the town of Healy. The terrain is generally rolling, with streams eroding deep cuts with steep sides. Elevations range from 1200 to 3250 feet above sea level. The major body of water in the area is the Nenana River which flows northwest. Hoseanna and

Healy Creeks, both of which flow to the west, are the two main tributaries of the Nenana River in this area. Plate CII-5 "Drill Hole Locations Map" shows the original topography of the area.

REGIONAL GEOLOGY

The Nenana Coal Field lies at the foothills of the Alaska Range and extends in an easterly, westerly direction for approximately 200 km. This coal field, in turn, is composed of ten smaller coal fields, the one of interest being the Healy Creek Field. The top portion of this coal producing region is a layer of gravel hundreds of feet thick believed to have been deposited by gravel laden rivers and glaciers. Beneath this, to varying depths, lies the coal producing layer known as the Usibelli group. This layer, of Tertiary age, consists of five formations: Grubstake, Lignite, Suntrana, Sanctuary and Healy Creek. Of these formations, only the Lignite, Suntrana, and Healy Creek formations are coal producing, with the Healy Creek formation being the oldest (Late Oligocene to early Miocene). The Healy Creek formation consists of layered sandstone, siltstone, clay and coal all deposited upon an unstable layer of schist.

In the old Suntrana mining area, located approximately four miles east of the Healy Creek/ Nenana River junction, the coal has been found to exist in twenty-three separate seams, with most coal being mined from the sixth seam (coal seams being sequentially numbered from the bottom of the formation upward). In the Healy Creek Basin the coal is found to lie in a radically faulted fashion (syncline), with the northern part of the coal dipping down seventy degrees to vertical and the southern section of coal being inclined forty degrees upward, making the southern section closer to the surface and therefore a more cost-productive coal source.

VEGETATION

Vegetation of the general Healy area consists of a mosaic of communities transitional between boreal forest and alpine tundra (McKay and Joyce 1979). The 1979 study identified such communities as: open spruce forest, closed spruce forest, floodplain riparian, birch forest, alder/shrub, sub-alpine meadow and alpine tundra in higher elevations. Studies conducted by Dr. Helm looked specifically at premining vegetation. The most predominant vegetation was of the forest type, including Open White Spruce, Paper Birch and closed Paper Birch groves. Resin Birch and shrub scrublands were also found extensively throughout the area. In addition to these forest types, ground cover included numerous species of vascular plants, several types of meadows and various mosses and lichens. Dr. Helm (1982) also conducted a study of the Poker Flats area before mining operations were begun and found vegetative cover which is very comparable to that of the Gold Run Pass region.

SOILS

Extensive soils analysis studies by Dr. Ping 1992 found widely varied soil types to exist within the Hoseanna Creek Basin, which lies approximately three miles to the north of Healy Creek (Ping, 1992). The goal of the study being to identify soils through chemical composition and physical properties. Soils were then mapped according to their type,

depth, and distribution throughout a given area. Soils found to exist within this region were broken down into five major categories including:

- 1. Nonsoils escarpments, existing mining pits, reclaimed soils and sandbars
- 2. Entisoils recently deposited soils supporting little vegetative growth
- 3. Histosols saturated organic soils supporting vegetative cover such as lichens, mosses and dwarf spruce.
- 4. Inceptisols younger soils which still resemble their original composition and have only been slightly changed through exposure to the elements over time.
- 5. Spodosols surface soils appearing gray in color due to the slow leaching of iron and aluminum to lower soils through the water drainage process.

OCCUPIED DWELLINGS AND OTHER STRUCTURES

There are no known occupied dwellings within the proposed region

WILDLIFE, THREATENED AND/OR ENDANGERED SPECIES

No endangered or threatened species were observed in the biological studies that were conducted in the Healy area during 1978 through 1991. In addition, on June 13, 1997, the U.S. Fish and Wildlife Service also stated in a letter to UCM that to their knowledge no endangered or threatened species occur within the vicinity of the proposed Rosalie mine. They also confirmed that mining operations are not likely to adversely affect any threatened or endangered species (see Exhibit 1). The primary wildlife protection strategy will be to limit the amount of surface disturbance and restore disturbed areas to productive habitat as soon as possible following disturbance with emphasis on reclamation and enhancement of moose habitat. In addition, disturbance to wildlife during exploration will be minimized and employees will be educated on appropriate actions if sick, injured or dead wildlife are encountered.

Bird protection strategies as required by The Bald and Golden Eagle Protection Act (16 U.S.C. 668-668c) and the Migratory Bird Treaty Act (16 U.S.C 703-712) will include practicable attempts to avoid "take" of protected birds and/or their nests. These efforts may include nest surveys and restricting vegetative clearing during migratory bird nesting periods prior to disturbance. If take of an eagle is unavoidable, a permit will be obtained in accordance with 50 CFR Parts 13 and 22.

ARCHEOLOGICAL/HISTORIC SITES

There are no known public park areas or cultural or historic sites in or adjacent to the permit area. A plan for protection of these areas is therefore not included in this permit application.

If evidence of cultural or historic sites are discovered during mining, disturbance to the area will be suspended until it has been cleared by the State Historic Preservation Office.

Part C, Section 8.0: Exploration and Reclamation Methods

8.2 EXPLORATION ACTIVITIES

The proposed UCM exploration plan for 2025-2027 consists of a large bulk sample extracted using conventional dozer stripping and truck-shovel methods. The principal goals of this sample are to:

- 1. Confirm viability of the Rosalie reserves for blending with UCM's other pits
- 2. Characterize the coal's compatibility with each individual boiler and feed system
- 3. Reveal any potential issues in the resulting ash

This will be accomplished by removing 25,000 tons of 4 seam coal left intact in the highwall between Hanger Pit and French Gulch. Overburden removed from the coal will be used in construction of 7% ramp to footwall within existing disturbance. Coal will be removed using an excavator and Cat 777 haul trucks

Specific activities which fall under these two headings are as follows:

- A. ACTIVITIES NOT SUBSTANTIALLY DISTURBING THE LAND SURFACE
 - A) None
- B. ACTIVITIES SUBSTANTIALLY DISTURBING THE LAND SURFACE
 - B) Bulk Sampling

Existing Roads and Trails

Plate CII-5 "Drill Hole Locations Map" shows the locations of existing roads and trails throughout the proposed exploratory area and haulage route. A road system is already in place, allowing access to, and movement within, the exploratory region. Many of these roads are found to date back to the early 1920's when the Healy River Coal Corporation began exploration and production of the Suntrana Mine. The existence of these roads should eliminate the need for construction of any additional new roads.

Haulage Route

Major upgrading of the existing access routes is not anticipated under this permit. Minor grading may need to be performed to eliminate excessive ruts in certain areas while encroaching vegetation may need to be trimmed in other areas. All existing roads and trails will be left in as good or better shape than they were found. Where no access is available trails will need to be constructed. The trails will be built using a small dozer and will be kept to a minimum size and disturbance level.

Coal haulage from the bulk sample site will go over the exisiting roads within UCM's permits, UCM's coal leases, UCM's private easements and ADL 23976 which is a public right of way. UCM has a special permit authorization for oversized trucks in the public ROW.

The planned haulage route will be as follows, starting at the bulk sample pit: Mile 0 to 0.3 – Descend proposed 7% ramp within the bulk sample permit area Mile 0.3 to 0.4 – Continue south on existing unimproved road Mile 0.4 to 5.7 – Travel west on main road until intersection with GVEA power plant Mile 5.7 to 9.6 – Travel north 3.9 miles on UCM haul road to UCM's coal processing plant

Most of the heavy equipment traffic will take place during winter months to avoid conflicts on the public right of way (ADL 23976). Pilot cars will be used while traveling on the public right of way (between mile 2.8 and 5.7 of the haulage route) and notifications will be posted at intersections.

Existing roads will be prepped for heavy loads and repaired to their current condition or better. A temporary winter crossing will be constructed upstream of the AML bridge at Suntrana Creek (mile 2.8 of haul route) to avoid the existing bridge installed by AML (abandoned mine lands). The crossing will be removed before break up.

Hydrological Balance

All excavation will take place above the groundwater table. In 2024 UCM drilled 4 holes near the bulk sample site. 24 EXP1 was a hole targeting the 3 seam directly under the 4 seam bulk sample site. While drilling they encountered water sitting right on top of 3 seam, the drillers did not believe it was ground water. The elevation of the water encountered was 1682. EXP 4 was a drill hole targeting 2 and 1 seam coal in the same area. They encountered ground water 79 feet in the hole at an elevation of 1651. The Bulk sample pit would only be excavated to 4 seam footwalls, the lowest elevation in the proposed pit would be 1694. All excavation will be above ground water level in the area based on exploration drill holes from 2024.

Stormwater Protection

Sediment and drainage will be managed with a combination of sediment controls, ditches, sumps and a clean water diversion. Footwall of the coal to be excavated is above the groundwater table so all water entering the area will be surface. A clean water diversion will direct water uphill of the sample pit to an existing channel starting at around the 1840' elevation to carry it around the bulk sample and ramp area. Drainage from the pit will travel to the east through sediment controls (sed fence and wattles) and disperse into a vegetated area. Disturbed slopes will be seeded to prevent erosion.

USES AND TYPES OF EQUIPMENT

Types and uses of equipment will be listed by activity.

I) ACTIVITIES NOT SUBSTANTIALLY DISTURBING THE LAND

None

II) ACTIVITIES SUBSTANTIALLY DISTURBING THE LAND SURFACE

A) COAL BULK SAMPLING – In anticipation of taking the current Rosalie permit out of temporary cessation, a coal bulk sample will be taken for testing purposes. UCM will submit a request in accordance with Alaska Statute 27.21.200; 11 ACC 90.163 for the commissioner's written approval.

The Bulk sample will be taken near the outcropping of coal to minimize the disturbance, while also making sure slopes are laid back in accordance with UCM ground control plan. Excavation will be done with a D8, D10, and a backhoe. It is currently assumed that excavation can happen without the use of explosives. However, if we cannot efficiently remove the overburden with equipment, small scale blasting procedures may be required. DNR will be notified in advance of the blasting work and given a description of the planned procedures. During excavation work, appropriate erosion measures will be used to make certain that excessive sediment is not transported off site. Control measures may include ditching, silt fences, waddles, and the use of sumps. Topsoil will be removed and marked with topsoil signs and have BMPs around the piles. Overburden removed will be seeded once the excavation is complete to minimize runoff with sediment controls below and will be maintained until the reclamation procedures are commenced.

RECLAMATION PROCEDURES

DOZER RECLAMATION

Dozers will be utilized to reclaim the bulk sample area. A balanced cut/fill will regrade the pit edge towards the highwall at a 3:1 slope. The slope will then be seeded and monitored for stability.

The ramp will be seeded leaving a single lane into the pit site for reclamation access until the regrade project is complete. Following completion, the single lane will also be seeded.

SEEDING PROCEDURES

Table contains the formula for the seed mix which will be used to revegetate any disturbed areas. The mix will be applied at a rate of 43 pounds of seed per acre, while 20-20-10 fertilizer will be applied at a rate of 100 pounds per acre. Both will be applied using manually operated equipment, with a second application of the fertilizer taking place one year after the initial application.

TABLE 1 PROPOSED REVEGETATION SEED MIX 2

Common Name	Percent of Seed Mix
'Boreal Red Fescue'	50%
'Annual Rye'	50%
Total	100%

REMOVAL OF FACILITIES AND EQUIPMENT

Upon completion of activities at each site and of the entire exploration area, the applicant will make every effort to remove all equipment and supplies brought into the area by any and all of the applicant's crews. A conscientious effort will be made to avoid any littering during the program and to clean up any litter inadvertently deposited. No permanent or temporary overnight camps are planned in any of the areas of exploration, as to avoid any undue environmental impact.

COAL REMOVED

Up to 25,000 tons will be removed in the bulk sample as approved by the commissioner.

TIMETABLE OF ACTIVITIES

Table 2 is a timetable summarizing the anticipated beginning and ending dates for each phase of this exploration program.

Table 2: GENERAL TIMETABLE OF BULK SAMPLE 2025-2026

July	August -	October-	December-	March-	May-July
	October	January	March	May	

Part D, Section 9.0: Exploration on Lands Unsuitable for Mining

No lands contained within the proposed exploration area are designated, or under study for, designation as 'unsuitable for mining.

Works Cited

Ping, C.-L. (1992). *Soil Resource in the Hoseanna/Lignite Valley Area, Healy, AK*. University of Alaska Fairbanks, School of Agriculture and Land Resources Management, Fairbanks.

EXHIBIT 1 FISH & WILDLIFE SERVICE LETTER



United States Department of the Interior

FISH AND WILDLIFE SERVICE

NORTHERN ALASKA ECOLOGICAL SERVICES 101 12th Ave. Box 19, Room 110 Fairbanks, AK 99701 June 13, 1997



Alan E. Renshaw Manager, Permitting and Regulatory Compliance Usibelli Coal Mine, Inc. P.O. Box 1000 Healy, AK 99743

Dear Mr. Renshaw:

This responds to your 16 May 1997 request for information concerning the occurrence of threatened or endangered species in the vicinity of T11 and 12 S, R6 and 7W, Fairbanks Meridian. To our knowledge, no endangered or threatened species occur in this area, although American peregrine falcons, which are endangered, could pass through the area during migration. Therefore, mining operations in this area are not likely to adversely affect any threatened or endangered species.

You also requested a list of Alaska's State and Federally listed threatened and endangered species. The Federal list includes the following species:

American peregrine falcon Aleutian Canada goose Short-tailed albatross Eskimo curlew Spectacled eider Steller's eider Aleutian shield fern

Of these, the Eskimo curlew and short-tailed albatross are on the Alaska State endangered species list. The American peregrine falcon, Aleutian Canada goose, and spectacled eider are classified by the State as "species of special concern." The State of Alaska does not list plant species; therefore the Aleutian shield fern is not recognized.

Thank you for your interest in endangered species.

Sincerely,

Patrick Sousa Field Supervisor

EXHIBIT 2

Justification for Sampling Greater than 250 Tons

Usibelli Coal Mine

Healy Valley Bulk Sample Justification

July 2025

11 AAC 90.163

- (b)Extraction of more than 250 tons of coal under an exploration permit is allowed only with the commissioner's prior written approval, based on a demonstration by the applicant that:
- (1) coal testing is necessary for the development of a surface coal mining and reclamation operation for which a permit application will be submitted in the near future;

The bulk sampling area is located within Usibelli's Rosalie Exploration Permit No. E0603 which is in the renewal process and the Rosalie Mining permit which has been in temporary cessation since 2018. Bulk sampling will help prove the viability of Rosalie as a source for blend coal to supplement Usibelli's active pits.

(2) any sale or commercial use of the coal is for testing purposes only

Burning of the bulk sample in the listed boilers is necessary to characterize the coal's compatibility with each individual boiler and feed system along with the resulting ash to determine the feasibility of incorporating Rosalie into Usibelli's blending plan.

(3) the amount of coal proposed to be extracted is the minimum necessary for testing.

25,000 tons will supply enough blend coal for approximately one month of testing. This extended test period is necessary to expose any potential issues the boiler or processing feed systems may experience.

- (c) The demonstration required in (b) of this section must also include:
- (1) the location where the coal will be tested;

The bulk sample will be tested at:

- -UAF's Combined Heat and Power Plant
- -Eielson Air Force Base Combined Heat and Power Plant
- -Fort Wainwright Central Heat and Power Plant
- -Aurora Energy's Chena Power Plant

Proximate and sieve analysis will be performed in-house by UCM's lab for each shipment. This includes moisture content, ash percentage ,fixed carbon percentage, sulfur content, calorific value and particle size distribution.

(2) the name of the testing firm;

The respective plant owners and UCM's in-house laboratory.

- (3) a statement from the testing firm, intended end user of the coal, or, if applicable, the agent or broker handling the transaction, that describes:
- (A) the specific tests that will be conducted and the amount of coal necessary for these tests; and
- (B) the reason for testing, including, if applicable, that the coal may differ from the user's other coal supplies.

See Attachment 1 - Customer Statements

Plant owners will observe and report the burn, feed and ash handling characteristics. These are important factors in power output, maintenance requirements and shutdown intervals unique to each plant.

UCM's lab will analyze moisture, ash, fixed carbon and sulfur content along with calorific value and particle size distribution for a representative sample of each shipment. These values are used to determine the quality of coal in terms of regulatory compliance, energy output and plant compatibility.

(4) evidence that sufficient reserves of coal are available to the applicant for future commercial use or sale to the intended end user to demonstrate that the amount of coal to be removed is a sample of a larger reserve and not the total reserve; and

UCM has identified 6.7 million tons of recoverable reserves. (Rosalie permit, section D1)

(5) an explanation of why other means of exploration are not adequate to determine the quality of the coal or the feasibility of developing a surface coal mining operation.

A bulk sample is the only exploration method that can obtain the quantity of coal required for plant testing. Lab testing of cores or channels would not definitively determine how the coal will perform in each customer's boiler, especially as part of a blend.

Attachment 1 – Customer Statements



Glen A. Weaver VP Finance / CFO Usibelli Coal Mine, Inc. PO Box 1000 Healy, Alaska 99743 (907) 683-2226

July 2, 2025

RE: UCM Rosalie Mine bulk sample testing plan

Dear Customers: Phillip

As we phase out of the Two Bull Ridge Mine, Usibelli Coal Mine, Inc. (UCM) is currently permitting a 25,000-ton bulk sample of coal for testing purposes from the Rosalie Mine area in Healy. UCM previously mined and sold coal from the Rosalie Mine several decades ago, and the coal seams at Rosalie are the same as we've mined/shipped from the Poker Flats, Two Bull Ridge and Jumbo Dome mines. While the current Jumbo Dome Mine has sufficient reserves to satisfy our current contracts for several decades, we have always strived to have multiple Mine sources available to cover our contracts. This policy provides us with multiple sources for blending purposes, but also an alternate supply in the event access to our primary pit is ever compromised. Our intent is to identify the viability of Rosalie Mine as a supplement to our reserves at Jumbo Dome while continuing to provide deliveries which meet our customers' respective contract specifications.

Our testing plan includes mining a sample of Rosalie coal to provide a 10% blend (90% from the Jumbo Dome Mine) to rail customers for approximately 30 days anticipated to take place next winter. We will notify you in advance of initiating these shipments. We ask that during these test shipments you note any unusual feed characteristics, feed rates, burn characteristics and variation in ash handling. As with all shipments, Usibelli will be performing sieve analysis and proximate analysis and providing that data to you.

UCM is conducting this testing as required by our permit and in compliance with Alaska Statutes and current coal mine regulations (11 AAC 90.163). We ask that you sign and return this letter by July 18, 2025, to acknowledge notification of the sampling and testing program described above. Please reach out if you have any questions.

Sincerely,

Glen A. Weaver VP Finance / CFO

Acknowledged:

Phillip Begley, General Manager

Aurora Energy, LLC

Date: 7/2/25



Glen A. Weaver **VP Finance / CFO** Usibelli Coal Mine, Inc. PO Box 1000 Healy, Alaska 99743 (907) 683-2226

July 2, 2025

RE: UCM Rosalie Mine bulk sample testing plan

Dear Customers: KurT

As we phase out of the Two Bull Ridge Mine, Usibelli Coal Mine, Inc. (UCM) is currently permitting a 25,000-ton bulk sample of coal for testing purposes from the Rosalie Mine area in Healy. UCM previously mined and sold coal from the Rosalie Mine several decades ago, and the coal seams at Rosalie are the same as we've mined/shipped from the Poker Flats, Two Bull Ridge and Jumbo Dome mines. While the current Jumbo Dome Mine has sufficient reserves to satisfy our current contracts for several decades, we have always strived to have multiple Mine sources available to cover our contracts. This policy provides us with multiple sources for blending purposes, but also an alternate supply in the event access to our primary pit is ever compromised. Our intent is to identify the viability of Rosalie Mine as a supplement to our reserves at Jumbo Dome while continuing to provide deliveries which meet our customers' respective contract specifications.

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Sincerely,

Glen A. Weaver VP Finance / CFO

DocuSigned by:

kurt knitter 8C5C8B81E4494C3

July 10, 2025

Date:

Acknowledged:

Kurt Knitter, Director of Utilities

UAF Power Plant



Glen A. Weaver VP Finance / CFO Usibelli Coal Mine, Inc. PO Box 1000 Healy, Alaska 99743 (907) 683-2226

July 2, 2025

RE: UCM Rosalie Mine bulk sample testing plan

Dear Customers: Tim

As we phase out of the Two Bull Ridge Mine, Usibelli Coal Mine, Inc. (UCM) is currently permitting a 25,000-ton bulk sample of coal for testing purposes from the Rosalie Mine area in Healy. UCM previously mined and sold coal from the Rosalie Mine several decades ago, and the coal seams at Rosalie are the same as we've mined/shipped from the Poker Flats, Two Bull Ridge and Jumbo Dome mines. While the current Jumbo Dome Mine has sufficient reserves to satisfy our current contracts for several decades, we have always strived to have multiple Mine sources available to cover our contracts. This policy provides us with multiple sources for blending purposes, but also an alternate supply in the event access to our primary pit is ever compromised. Our intent is to identify the viability of Rosalie Mine as a supplement to our reserves at Jumbo Dome while continuing to provide deliveries which meet our customers' respective contract specifications.

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Date: 7/8/2025

Sincerely,

Glen A. Weaver VP Finance / CFO

HY.GEORGE.1186080480 GE.1186080480

WEATHERSPOON.TIMOT Digitally signed by WEATHERSPOON.TIMOTHY.GEOR Date: 2025.07.08 14:36:33 -04'00'

Acknowledged:

Timothy Weatherspoon, Contracting Officer, DLA Energy

EXHIBIT 3

Special Permit Authorization for Oversized Trucks

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

DIVISION OF MEASUREMENT STANDARDS

P.O. BOX 111686 ANCHORAGE, ALASKA 99511

PHONE: 907-345-7750

July 1, 1984

Usibelli Coal Mine, Inc. Pouch 1 Healy, Alaska 99743

SPECIAL PERMIT AUTHORIZATION

This permit authorizes Usibelli Mines to operate oversize and/or overweight vehicles or vehicles with loads on those roads built by Usibelli which are physically located east of the Golden Valley Mine Mouth Plant near Healy, more specifically, rights of way numbers; ADL 23976, ADL 80471, ADL 68139, and ADL 24520.

The issuance of this permit implies that Usibelli will exercise reasonable care in the use of the roads and will repair any and all roads damaged as a direct result of such movements.

The issuance of this permit also implies that Usibelli will exercise reasonable care when moving large size pieces of equipment so as to provide protection to other traffic that may be on the road.

This permit does not authorize the movement of oversize and/or overweight vehicles or vehicles with loads on any other roads or highways in the state.

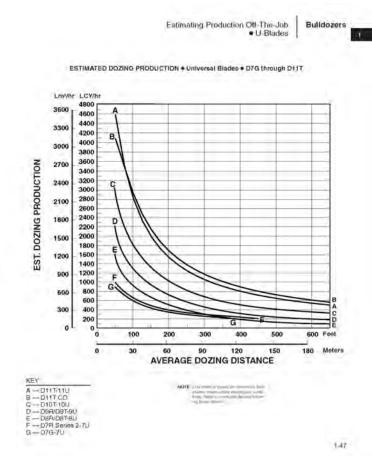
A copy of this permit must be carried in each oversize and/or overweight vehicle and must be made available for inspection upon request by an enforcement officer.

This permit is issued pursuant to AS 44.33.020(25).

Soe Swanson, Director

JS:cl

		Exhibit 2025-	<u>1</u>				
	<u>:</u>	2025 Healy Valley Bulk Sample	Bond	Calculation			
Direct Costs							
Regrade Cost							
Task	Equipment	Operating Costs	- 1	Labor Costs	Total Hours	Quantity CY	Sub Total
Regrade Sample pit 3:1	D10R Bulldozer	\$405.06		\$66.03	77	77,000	\$36,333
Spread Topsoil	D10R Bulldozer	\$405.06		\$66.03	8	5,647	\$3,902
(A)	Total Regrade Cost						\$40,234.97
	Costs based on 2025 UCM	seed price					
Revegetation Costs							
Material Cost:							
Grass Seed		@ 43 lbs per acre \$10.63/lb					
7 Acres of seeding	((43 lbs/ac)(\$10.63/lb)	\$	3,199.63			
7 Acres of fertilizer	(400 lbs/ac)(\$0.54/lb)			1,512.00			
7 Acres of mulch	(6 bales /ac)(\$31.00/bale)			1,302.00			
Labor and Equipment:							
Hydroseeding	(\$613/ad	cre)(7 Acres)(1.15 Alaska Facto	r)	\$4,934.65			
Source Nevada SRCE 1.4.1 ,Misc u	nit costs tab						
Equipment	1 day pickup truck at \$55.9	6/day (Aug 1, 2024 SRCE)		\$55.96			
(B)	Total Revegetation Cost			\$11,004.24			
Indirect Costs Mob/Demob	10%			ĆE 122.02			
•	==			\$5,123.92			
Contingency Contractor Profit/Overhead	15%			\$7,685.88 \$2,049.57			
Project Management Fee	4% 5%			\$2,561.96			
rroject ividilagement ree	5%			\$2,501.96			
(C)	Total Indirect Cost			\$17,421.33			
Grand Total - Reclamation Bond	(A)+(B)+(C)=	TOTAL COST		\$68,660.54			



FROM CAD CUT FILL REPORT:

Total Work (Distance * Volume)	11,964,146.3
Average Distance Moved	190.0
Total Cut	75,208.5
Total Fill	75,294.1
Total In-Cell Movement Volume	12,231.7

Rate Calculation																
			Regrade	Push	Grade	Base	Material		Material	Slot		Work		Equipme		
Task	Area	Length	Volume	Distance	(%)	Rate	Weight	Operator	Factor	Dozing	Visibility	Hour	Grade	nt	Net Rate	Hours
Dozer																
Regrade 1			77,000	190	-30	1100	0.81	0.75	1	1.2	1	0.83	1.5	D10R-SU	998	77
*Push topsoil			5,647	250	-30	750	0.81	0.75	1	1.2	1	0.83	1.5	D10R-SU	682	8

^{*}Assuming 3.5 acres spread 1 ft thick

Equipment Costs (input by DNR, edited by UCM)

	AIX I	Rental	AK factor	subtotal	Fuel (g/hr) \$/gal	\$/I	nr	TOTAL
D10R Bulldozer (w/EROPS*)	\$	339.61	1.00	\$339.61	18.7	3.5	\$65.45	\$405.06
D8R Bulldozer (w/EROPS)	\$	184.90	1.00	\$ 184.90	9.75	3.5	\$34.13	\$219.03
D6R Bulldozer (w/EROPS)	\$	165.00	1.00	\$ 165.00	6.5	3.5	\$22.75	\$187.75
966F Loader	\$	96.24	1.00	\$ 96.24	4.05	3.5	\$14.18	\$110.42
15 cy Truck	\$	170.53	1.00	\$170.53	3.2	3.5	\$11.20	\$181.73

EQUIPMENT	OPERATING -COST	LABOR COST**	UCM Labor Cost	UNIT COST	TOTAL HOURS	QUANTITY SUBTOTAL
D10	410.67	78.79	66.03			
D8	221.95	78.79	66.03			
966 Loader	111.63	78.79	67.79			
15 cy Truck	182.69	76.57	66.03			
Riprap Screened (\$/cy)					8	
Topsoil Respread				1.7	5	
Labor		71.86	60.17			
Geocloth (\$/yd)				1.7	5	
**AK Dept. Labor, Laborers & Mechanics minimum Rates of	Pay, 2023					

Rental Cost

Rental Rate	Nevada SRCE (a	august 1 2024) W/1.15	alaska factor	
	\$ pe	r hours \$/hr	AK factor	
D10R	47,250	160 29	5.3125 1.15	339.6094
D8R	25725	160 160	.78125 1.15	184.8984
966G	13390	160 8	3.6875 1.15	96.24063
10-12 CY truck	20988	160 1	31.175 1.3	170.5275 Extra factor for larger truc

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3 Cost Data File

The below headings provide information on the approach used in inputting rates and unit costs into the SRCE. Rates for labor, equipment, and materials reference current 2022 labor,

GRP Bond update 12312024d from DNR CALEB WORKING FILE.xlsx

equipment and material rates developed for projects in Alaska. When unit rates were not readily available, the most current rates from NVbond.org (SRCE model source) were applied. Rates for labor were updated as noted below. NVbond.org rates are increased by a factor of 1.15 to account for cost differences between Alaska and Nevada. This adjustment factor is based on the multipliers provided by RS Means for region specific estimating. Experience with estimating reclamation costs in both Nevada and Alaska suggests that the 1.15 premium applied between Alaska and Nevada is reasonable. Inflation from previous cost data developed for 2020 has been increased by 18% using the Consumer Price Index (CPI) where noted adjustment factor from January 2020 to August 2022.

LICUP Manhichon_BOE_500000.070_REV1.20200105.dock January.2023

Fuel Consumption

Cat handbook Pg 25-9

Medium D10T tier 4 Avg. Medium D8R Avg. medium 966k short haul Dump truck

25-35

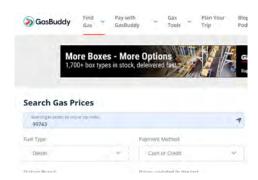
https://www.equipmentworld.com/regulations/equipment/article/14948071/the-owning-and-operating-costs-of-dump-trucks

Fuel Cost

Shoreside Quote 9/11/24 2.8446 \$/gallon 0.6554

ULSD

Gasbuddy 10/23/24



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3.3.2 Diesel Price

The diesel material unit cost has been estimated by using public data (GasBuddy October 2022) and subtracting on-road tax and surcharge (20 cents per Alaska Dept. of Revenue Tax Division).

Relevant CDF Sheet(s): Reclamation Material Costs.

Submitted via e-mail 7/18/25

