

FINAL FINDINGS OF FACT
AND
DECISION

September 11, 2025

Usibelli Coal Mine, Inc.

Healy Valley Bulk Sample Coal Project

Permit Application

E-0604-1

**Final Findings of Fact and Decision for an application for a Coal Exploration Permit
Healy Valley Bulk Sample (Application #E-0604-1)**

With regard to an exploration application submitted by Usibelli Coal Mine, Inc. (UCM), PO Box 1000, Healy, AK 99743, the Division of Mining, Land and Water – Mining Section (DMLW-Mining) has reviewed the request, all written comments, and other relevant information received regarding the application and makes the following Findings of Fact and Decision in accordance with 11 AAC 90.907(h), under the authority of AS 27.21.030 and AS 27.21.100.

1. An application to issue a Coal Exploration Permit (File No. E-0604-1) was filed with the DMLW-Mining on July 14, 2025. The request for exploration was submitted in accordance with AS 27.21.200 and 11 AAC 90.161 and 11 AAC 90.163.
2. The exploration area is approximately 7 miles east of Healy, Alaska within Township 12S, Range 6W, Sections 17-20. Fairbanks Meridian.
3. The exploration permit application was found complete on July 22, 2025. Public notice of the Preliminary Findings of Fact and the Exploration Application began on July 25, 2025 and ended on August 25, 2025. The public notice was mailed directly to the DMLW-Mining mailing list of affected persons and agencies and was posted to the Department of Natural Resources website (<https://aws.state.ak.us/OnlinePublicNotices/>).
4. There were no comments received by DMLW-Mining during the public notice period.
5. The application for a bulk sample of coal greater than 250 tons provided all of the information required under 11 AAC 163(b).
6. The application states that the bulk sampling will provide enough coal to supply the four listed power plants with one month of coal for testing. The length of the testing is necessary to identify issues with using the Healy valley area coals in the boiler, processing and feed systems at each power plant that would not be apparent when testing a smaller amount of coal (<250 tons). In addition to the extending testing at the identified power plants, UCM will be conducting chemical physical analysis (moisture content, ash percentage, fixed carbon percentage, sulfur content, calorific value, and particle size distribution) to determine if there is any differences to similar coals mined in the Hoseanna Creek Valley.
7. Based on exploration drilling, UCM estimates the minable reserves in the exploration area to be 6.7 million tons. The requested bulk sample of 25,000 tons is less than 0.4 percent of the measured total reserves.

It is expected that there will be minimal impact to the hydrologic balance withing the exploration area. All discharge from the disturbed bulk sample area will be directed to vegetated sumps and will pass through other siltation structures and vegetation before leaving the exploration area. Based on drilling it is expected that all 4-Seam coals removed as part of the bulk sample will be above the groundwater table. Coals in the area generally act as the aquifer. Coal in this area dips into the hill and there are no signs of water discharging from the coal seam. Groundwater in the 4-Seam coal in this area has not been encounter until an elevation of around 1,525 feet. The base of deepest coal to be

removed is at an elevation of 1,694 feet, approximately 170 feet above groundwater. Based on review of the application, DMLW-Mining does not expect any adverse impact to area outside of the proposed exploration area.

8. The activities proposed in the permit meet the requirements of AS 27.21.200 and 11 AAC 90.163 through 11 AAC 90.167, subject to the stipulations of the permit, which ensure that the exploration and reclamation will comply with these requirements.
9. The approved permit area is not within the area designated unsuitable for mining under AS 27.21.260.
10. The proposed coal exploration activities will not affect threatened or endangered species or their critical habitat.
11. DMLW-Mining finds that the bulk sample of great than 250 tons of coal is necessary and the amount of coal requested for the bulk sample is not the total coal reserves in the exploration area. Based on this finding, DMLW-Mining approves the collection of a bulk sample of 25,000 tons of 4-Seam coal in Healy Valley area.
12. Pursuant to 11 AAC 90.167(b) the DMLW has determined that the reclamation bond in the amount of \$77,254.49 is sufficient to cover the associated reclamation liability of associated activities. The portion of the reclamation bond for the closure and reclamation of the bulk sample pit and the associated roads meet the requirements of the permit and 11 AAC 90.163. The remaining bond, for the reestablishment of the vegetative cover, will be held for a minimum of one year or until there is at least 90 percent ground cover consisting of grasses and native vegetation that has been established on disturbed areas (drill pads, trenches, trails, etc).
13. The following stipulations will be included as part of the final permit:
 - a. All new roads, trails, pads, trenches, and other ground disturbances will be limited to that necessary to complete exploration activities.
 - b. All new roads, trails, pads, trenches, and other disturbed areas are to be reclaimed after exploration activities are completed.
 - c. UCM may not close the public easement beyond what is necessary to transport heavy equipment to the bulk sample area and to haul coal back to the Poker Flats Permit.
 - d. Fill used for the temporary crossing of Suntrana Creek Fill must be removed as soon it is no longer needed and no later than April 15th of the year
14. In accordance with 11 AAC 90.163(d) and 11 AAC 90.907(h) a written Findings and Decision was completed. The Final Findings of Fact and Decision will be distributed simultaneously to the applicant, state and federal agencies, appropriate local government agencies and placed on the State of Alaska Public Notice Website.
15. Issuance of an exploration permit does not relieve the applicant from the obligation to obtain approvals and permits from other federal, state, or local regulatory authorities.

16. Prior to any additional disturbance, appropriate water use authorization must be acquired prior to withdrawing any water.


Copies of the Preliminary Findings of Fact and Decision, and the Final Findings of Fact and Decision are available for review at the Alaska Department of Natural Resources, Division of Mining, Land and Water, 550 W. 7th Ave., Suite 920, Anchorage, AK 99501-3577, or on our website (<http://notice.alaska.gov/220780>)

The applicant, or a person with an interest, which is or may be adversely affected by this decision may request in writing a hearing under AS 27.21.150 to review the reasons for this decision. Any request for a hearing must be received within 30 calendar days after the date of publication of this decision or by October 13, 2025. The request for a hearing may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 West 7th Avenue, Suite 1400, Anchorage, AK 99501; or faxed to 907.269.8918; or sent by electronic mail to: dnr.appeals@alaska.gov.

Russell Kirkham

signing for

Stephen N, Buckley
Mining Section Chief

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September 11, 2025

Date