



**LAND USE PERMIT
AS 38.05.850**

PERMIT # LAS 36126

Ironman Directional Drilling, LTD herein known as the Grantee, is issued this permit from the Department of Natural Resources, herein known as the Grantor, authorizing the use of state land within:

Legal Description

Section 20, Township 8 North, Range 5 West, Fairbanks Meridian

This permit is issued for the purpose of authorizing the following:

Use of a developed material site for equipment staging and employee housing. This would consist of up to 12 camping trailers, boats, fiber laying equipment, light trucks, OHV's, and large trucks.

This permit expires on October 31, 2026 unless sooner terminated at the state's discretion, effective the date of signature by the Authorized State Representative. This permit does not convey an interest in state land and as such is revocable, with or without cause. The Grantor will give 30 days' notice before revoking a permit at will. A revocation for cause is effective immediately. No preference right for use or conveyance of the land is granted or implied by this authorization.

This permit is issued subject to the following:

- Payment of the first annual use fee in the amount of \$800/year is due prior to the effective date of this permit. Subsequent annual fees are due on or before the annual anniversary of the effective date of the permit, as well as any additional fees identified in the stipulations below.
- Proof of insurance as described in stipulations below.
- Signed copy of permit.

The non-receipt of a courtesy billing notice does not relieve the Grantee from the responsibility of paying fees on or before the due date.

All activities shall be conducted in accordance with the following stipulations:

1. **Authorized Officer:** The Authorized Officer (AO) for the State of Alaska (State), Department of Natural Resources (DNR), Division of Mining, Land and Water (DMLW), is the Regional Manager or designee.
2. **Change of Contact Information:** The Grantee shall maintain current contact information with the AO. Any change of contact information must be submitted in writing to the AO.

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3. **Valid Existing Rights:** This authorization is subject to all valid existing rights and reservations in and to the authorized area. The State makes no representations or warranties, whatsoever, either expressed or implied, as to the existence, number, or nature of such valid existing rights.
4. **Preference Right:** No preference right for subsequent authorizations is granted or implied by this authorization.
5. **Inspections:** The AO shall have reasonable access to the authorized area for inspection, which may be conducted without prior notice. If the Grantee is found to be in noncompliance the authorized area may be subject to reinspection. The Grantee may be charged for actual expenses of any inspection.
6. **Public Access:** The construction, operation, use, and maintenance of the authorized area shall not interfere with public use of roads, trails, waters, landing areas, and public access easements. The ability to use or access state land or public waters may not be restricted in any manner. However, if a specific activity poses a safety concern, the AO may allow the restriction of public access for a specific period of time. The Grantee is required to contact the AO in advance for approval. No restriction is allowed unless specifically authorized in writing by the AO.
7. **Alaska Historic Preservation Act:** The Alaska Historic Preservation Act, AS 41.35.200, prohibits the appropriation, excavation, removal, injury, or destruction of any state owned historic, prehistoric, archaeological or paleontological site without written approval from the DNR Commissioner. Should any sites be discovered, the Grantee shall cease any activities that may cause damage and immediately contact the AO and the Office of History and Archaeology in the Division of Parks and Recreation.
8. **Compliance with Government Requirements:** The Grantee shall, at its expense, comply with all federal, state, and local laws, regulations, and ordinances directly or indirectly related to this authorization. The Grantee shall ensure compliance by its employees, agents, contractors, subcontractors, licensees, or invitees.
9. **Incurred Expenses:** The Grantor shall in no way be held liable for expenses incurred by the Grantee connected with the activities directly or indirectly related to this authorization.
10. **Waiver of Forbearance:** Any failure on the part of the AO to enforce the terms of this authorization, or the waiver of any right under this authorization by the Grantee, unless in writing, shall not discharge or invalidate the authorization of such terms. No forbearance or written waiver affects the right of the AO to enforce any terms in the event of any subsequent violations of terms of this authorization.
11. **Severability Clause:** If any clause or provision of this authorization is, in a final judicial proceeding, determined illegal, invalid, or unenforceable under present or future laws, then the grantor and the Grantee agree that the remainder of this authorization will not be affected, and in lieu of each clause or provision of this authorization that is illegal, invalid, or unenforceable, there will be added as a part of this authorization a clause or provision as similar in terms to

the illegal, invalid, or unenforceable clause or provision as may be possible, legal, valid, and enforceable.

12. Permit Extensions/Reissuance: Any request for permit extension or reissuance should be submitted at least 90 days prior to the end of the authorized term. A written statement requesting a one-year extension confirming there will be no changes to the development/operations plan, including photographs clearly depicting the current condition of the site and any improvements, must be submitted to the AO with any required filing fee. A new Land Use Permit application and any required filing fee is required when requesting reissuance of up to five years or for modifications to the approved development/operations plan on file with DMLW.

13. Assignment: This permit may not be transferred or assigned.

14. Reservation of Rights:

- a. The AO reserves the right to grant additional authorizations to third parties for compatible uses on or adjacent to the land under this authorization.
- b. Authorized concurrent users of state land, their agents, employees, contractors, subcontractors, and licensees, shall not interfere with the operation or maintenance activities of each user.
- c. The AO may require authorized concurrent users of state land to enter into an equitable operation or maintenance agreement.

15. Directives: Directives may be issued for corrective actions that are required to correct a deviation from design criteria, project specifications, stipulations, State statutes or regulations. Work at the area subject to the Directive may continue while implementing the corrective action. Corrective action may include halting or avoiding specific conduct, implementing alternative measures, repairing any damage to state resources that may have resulted from the conduct, or other action as determined by DNR.

16. Stop Work Orders: Stop Work Orders may be issued if there is a deviation from design criteria, project specifications, stipulations, State statutes or regulations and that deviation is causing or is likely to cause significant damage to state resources. Under a Stop Work Order, work at the area subject to the Stop Work Order may not resume until the deviation is cured and corrective action is taken. Corrective action may include halting or avoiding specific conduct, implementing alternative measures, repairing any damage to state resources that may have resulted from the conduct, or other action as determined by DNR.

17. Notification of Discharge: The Grantee shall immediately notify the Department of Environmental Conservation (DEC) and AO of any unauthorized discharge of any amount of oil to water, a discharge of any amount of a hazardous substances (other than oil), and any discharge of oil greater than 55 gallons on land. All fires and explosions must also be reported immediately.

If a discharge, including a cumulative discharge, of oil is greater than 10 gallons but less than 55 gallons, or a discharge of oil greater than 55 gallons is made to an impermeable secondary containment area, the Grantee shall report the discharge within 48 hours. Any discharge of oil

greater than one gallon up to 10 gallons, including a cumulative discharge, solely to land, must be reported in writing on a monthly basis.

Notification of discharge must be made to DEC online at ReportSpills.alaska.gov or by phone at 1-800-478-9300.

Notification of discharge must be made to the appropriate DNR Office, preferably by e-mail: Anchorage email dnr.scro.spill@alaska.gov, (907) 269-8528; Fairbanks email dnr.nro.spill@alaska.gov, (907) 451-2739; Juneau email dnr.sero.spill@alaska.gov, (907) 465-3513. The Grantee shall supply the AO with all incident reports submitted to DEC.

- 18. Returned Check Penalty:** A returned check penalty of \$50.00 will be charged for any check on which the bank refuses payment. Late payment penalties shall continue to accrue.
- 19. Late Payment Penalty Charges:** The Grantee shall pay a fee for any late payment. The amount is the greater of either \$50.00 or interest accrued daily at the rate of 10.5% per annum and will be assessed on each past-due payment until paid in full.
- 20. Use Fees:** The Grantee shall pay to DMLW an annual use fee of **\$800**. The use fee is due on or before the annual anniversary of the effective date of this permit without the necessity of any billing by DMLW. The annual use fee is subject to adjustments in any relevant fee schedule.
- 21. Request for Information:** The AO, at any time, may require the Grantee to provide any information directly or indirectly related to this authorization, in a manner prescribed by the AO.
- 22. Site Disturbance:** Site disturbance shall be kept to a minimum to protect local habitats. All activities at the site shall be conducted in a manner that will minimize the disturbance of soil and vegetation and changes in the character of natural drainage systems.
- 23. Indemnification:** The Grantee assumes all responsibility, risk and liability for its activities and those of its employees, agents, contractors, subcontractors, licensees, or invitees, directly or indirectly related to this permit, including environmental and hazardous substance risk and liability, whether accruing during or after the term of this permit. The Grantee shall defend, indemnify, and hold harmless the State, its agents and employees, from and against any and all suits, claims, actions, losses, costs, penalties, and damages of whatever kind or nature, including all attorney's fees and litigation costs, arising out of, in connection with, or incident to any act or omission by the Grantee, its employees, agents, contractors, subcontractors, licensees, or invitees, unless the proximate cause of the injury or damage is the sole negligence or willful misconduct of the State or a person acting on the State's behalf. Within 15 days, the Grantee shall accept any such cause, action or proceeding upon tender by the State. This indemnification shall survive the termination of the permit.
- 24. Insurance:** Pursuant to 11 AAC 96.065 the Grantee shall secure or purchase at its own expense and maintain in force at all times during the term of this permit, liability coverage and limits

consistent with what is professionally recommended as adequate to protect the Grantee (the insured) and Grantor (the State, its officers, agents and employees) from the liability exposures of ALL the insured's operations on state land. Certificates of Insurance must be furnished to the AO prior to the issuance of this permit and must provide for a 30-day notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. Failure to furnish satisfactory evidence of insurance, or lapse of the policy, are material breaches of this permit and shall be grounds, at the option of the State, for termination of the permit. All insurance policies shall comply with, and be issued by, insurers licensed to transact the business of insurance under Alaska Statute, Title 21. The policy shall be written on an "occurrence" form and shall not be written as a "claims-made" form unless specifically reviewed and agreed to by the Division of Risk Management, Department of Administration. The State must be named as an additional named insured on the policy with respect to the operations of the Grantee on or in conjunction with the permitted premises, referred to as LAS 36126.

25. Performance Guaranty: The AO, at this time, is not requiring the Grantee to provide a performance guaranty. The right to require such performance guaranty is being reserved in the event the Grantee's compliance is less than satisfactory. If required, such performance guaranty shall remain in effect for the remainder of this authorization and shall secure performance of the Grantee's obligations hereunder. The amount of the performance guaranty may be adjusted by the AO in the event of approved amendments to this authorization, changes in the development plan, or any change in the activities or operations conducted on the premises.

26. Fuel and Hazardous Substances:

- a. The use and/or storage of hazardous substances by the Grantee must be done in accordance with existing federal, state and local laws, regulations and ordinances. Debris (such as soil) contaminated with used motor oil, solvents, or other chemicals may be classified as a hazardous substance and must be removed and disposed of in accordance with existing federal, state and local laws, regulations and ordinances.
- b. Drip pans and materials, such as sorbent pads, must be on hand to contain and clean up spills from any transfer or handling of fuel.
- c. Vehicle refueling shall not occur within the annual floodplain or tidelands. This restriction does not apply to water-borne vessels provided no more than 30 gallons of fuel are transferred at any given time.
- d. During equipment maintenance operations, the site shall be protected from leaking or dripping hazardous substances or fuel. The Grantee shall place drip pans or other surface liners designed to catch and hold fluids under the equipment or develop a maintenance area by using an impermeable liner or other suitable containment mechanism. Secondary containment shall be provided for fuel or hazardous substances. All fuel and hazardous substance containers shall be inspected for defects and marked with the contents and the Grantee's name using paint or a permanent label. Secondary containment shall be provided for fuel or hazardous substances. All fuel and hazardous substance containers shall be marked with the contents and the Grantee's name using paint or a permanent label.

27. Waste disposal: On-site refuse disposal is prohibited unless specifically authorized. All waste generated during operation, maintenance, and termination activities under this authorization

shall be removed and disposed of at an off-site DEC approved disposal facility. Waste, in this paragraph, means all discarded matter, including but not limited to human waste, trash, garbage, refuse, oil drums, petroleum products, ashes and discarded equipment.

28. Wastewater Disposal: All grey-water and human waste must be disposed of at an DEC approved disposal site.

29. Solid Waste:

- a. All solid waste and debris, including dog waste, generated from the activities conducted under this authorization shall be removed to a facility approved by DEC on a regular basis such that the premise be maintained to ensure a healthy and safe environment.
- b. Putrescible waste (waste that can decompose and cause obnoxious odor) shall be stored in a manner that prevents the attraction of or access to wildlife or disease vectors; and
- c. Paper products may be burned on site if measures (e.g. burn barrels, clearing of burn area to mineral soil) are taken to prevent wildfires.

30. Destruction of Markers: The Grantee shall protect all survey monuments, witness corners, reference monuments, mining claim posts, bearing trees, and unsurveyed corner posts against damage, destruction, or obliteration. The Grantee shall notify the AO of any damaged, destroyed, or obliterated markers and shall reestablish the markers at the Grantee's expense in accordance with accepted survey practices of the DMLW.

31. Site Maintenance: The authorized area shall be maintained in a neat, clean, and safe condition, free of any solid waste, debris, or litter, except as specifically authorized herein. Nothing may be stored that would be an attractive nuisance to wildlife or create a potentially hazardous situation.

32. Amendment or Modification: The Grantee may request an amendment or modification of this authorization; the Grantee's request must be in writing. Any amendment or modification must be approved by the AO in advance and may require additional fees and changes to the terms of this authorization.

33. Development Plan: Development shall be limited to the authorized area and improvements specified in the approved development plan or subsequent modifications approved by the AO. The Grantee is responsible for accurately siting development and operations within the authorized area. Any proposed revisions to the development plan must be approved in writing by the AO before the change in use or development occurs.

34. Proper Location: This authorization is for activities on state lands or interests managed by DMLW. It does not authorize any activities on private, federal, native, and municipal lands, or lands which are owned or solely managed by other offices and agencies of the State of Alaska. The Grantee is responsible for proper location within the authorized area.

35. Fire Prevention, Protection and Liability: The Grantee shall take all reasonable precautions to prevent and suppress forest, structure, brush and grass fires, and shall assume full liability for any damage to state land and structures resulting from the negligent use of fire. The State

is not liable for damage to the Grantee's personal property and is not responsible for forest fire protection of the Grantee's activity. To report a wildfire, call 911 or 1-800-237-3633.

36. Accidents/Incidents: The Grantee will notify the Northern Region Land Office (NRO) in Fairbanks immediately (within 24 hours) of any serious accidents, injuries or operational problems associated with this permit including but not limited to conflicts with other operators or the general public. The NRO phone number is (907) 451-2740. The Grantee must maintain complete records of all accidents and incidents and be available for DNR review upon request.

The Authorized Officer reserves the right to modify these stipulations or use additional stipulations as deemed necessary. The Grantee will be advised before any such modifications or additions are finalized. DNR has the authority to implement and enforce these conditions under AS 38.05.850. Any correspondence on this permit may be directed to the Department of Natural Resources, Division of Mining, Land and Water, Northern Regional Land Office, 3700 Airport Way, Fairbanks, AK 99709, (907) 451-2740.

I have read and understand all of the foregoing and attached stipulations. By signing this permit, I agree to conduct the authorized activity in accordance with the terms and conditions of this permit.

Signature of Grantee or Authorized Representative		Title	Date
Grantee's Address		City	State
			Zip
Contact Person	Home Phone	Work Phone	
Signature of Authorized State Representative		Title	Date