

**PRELIMINARY FINDINGS OF FACT**  
Renewal of Surface Coal Mining Permit S-0603

**Executive Summary:**

This summary outlines the request for renewal of the Two Bull Ridge Permit #S-0603. This permit was originally issued on October 23, 1997, and has been renewed five times. The current permit is set to expire on October 4, 2026. The permit authorizes surface coal mining and related activities in compliance with AS 27.21 and 11 AAC 90.

The renewal of this permit will allow Usibelli Coal Mine Inc (UCM) to continue operations without disruption, support local economic activity, and ensure continued compliance with all applicable laws. As part of our review of UCM's request to renew this permit, the public is invited to comment on the Preliminary Findings. The deadline for comments is October 4, 2026; see the Public Notice section in this finding for details on how to send comments and where they should be sent.

- I. **Requested Action:** A request to renew Surface Coal Mining Permit S-0603 was filed with the Division of Mining, Land and Water (DMLW) on April 6, 2026. Renewal of the permit has been requested in accordance with AS 27.21.080(d) and 11 AAC 90.129(b).  
  
This renewal request is for an additional five-year term and includes the permit areas previously approved in the existing permit. No revisions have been requested as part of this permit renewal. The originally approved permit meets the requirements of AS 27.21 and 11 AAC 90 subject to the stipulations of the original permit.
- II. **Authority:** Renewal of the permit has been requested in accordance with AS 27.21.080 Renewal of Permit and 11 AAC 90.129(b) Permit revisions and Renewals. Authority to make this finding were delegated by the Commissioner of the Department of Natural Resources via Departmental Order 003 dated June 30, 2016, to the Division of Mining Land & Water. This authority is further delegated to the Mining Section via DMLW Director's delegation dated September 28, 2001 and delegated to the Coal Program Manager on April 27, 2021.
- III. **Description of Project:** The Two Bull Ridge Permit authorizes a surface coal mining operation in the Lignite (Hoseanna) Creek Watershed. Mining operations consist of a combination of dragline and truck shovel mining. Extracted coal is either shipped directly to Golden Valley Electric Association's Healy -1 or -2 power plants or shipped by rail to other power plants in the interior of Alaska.
- IV. **Location:** The Two Bull Ridge Mine permit consists of a 2,522-acre mine site located approximately five (5) miles northeast of Healy, Alaska (63.913N 148.924W). The permit is located within the Denali Borough. The land ownership of the project consists of General State and Mental Health Trust Lands.
- V. **Geographical Features:** The mining area is located within the Lignite Creek valley which is characterized by steep rolling hills. The elevation of the permit area ranges between 1,200 feet and 2,600 feet above mean sea level. Vegetation is a northern interior boreal forest ecosystem with abundant spruce, birch, and poplar trees, featuring localized permafrost that experiences active thawing. The area is typical of subarctic regions having short warm summers and long cold winters. Land use in the area is classified for resource development and wildlife.

- VI. **Property description:** The mine is located within: Township 11 South, Range 7 West, Sections 26-28 and 32-35, Fairbanks Meridian; and Township 12 South, Range 7 West, Sections 3-5, Fairbanks Meridian. Land affected by this proposed revision is owned by the State of Alaska.
- VII. **Right of entry:** Provide the applicable Coal Lease and other rights of entry (surfaces leases from SOA or another entity and private property)
- VIII. **Background:** The Two Bull Ridge Mine was originally permitted in 1997. Since that time the permit has been renewed five times in 1999, 2005, 2011, 2016, and 2021. During this time UCM has applied for, and received, four Major Revisions and fifteen Minor Revisions to the Operations and Reclamation Plan. This is in addition to four field revisions and multiple Permit Revisions Orders that also amended the permit. Of the 2,577 acre mine site, there are currently 58.6 acres under Phase I Bond Release, 41.9 acres under Phase II Bond Release, and 32.2 acres under Phase III Bond Release. The current mining pits are nearing completion and when they are mined out the permit will be in reclamation status unless the operator elects to mine in other approved, yet undisturbed, areas on the permit.
- IX. **Proposed action and requested revision:** This renewal request is for an additional five-year term and includes areas previously approved in the current permits. No additional mining areas or revisions to the existing boundaries are proposed.
- X. **Current and proposed reclamation bond:** The Current reclamation bond for the Two Bull Ridge Permit is \$5,424,532.00. Pursuant to 11 AAC 90.205(d) DMLW will revise the reclamation bond to ensure it is sufficient to guarantee the present obligations under these permits. The bond is conditioned upon the completion of the required reclamation and compliance with all terms, stipulations, and conditions of the original permits and this renewal.
- XI. **Right of Renewal / Right to continue operations:** Under AS 27.21.080, the applicant has the right to renew the existing surface coal mining permits and all areas within the approved permit boundary for an additional five-year permit term.
- An applicant for renewal who submits the application at least 120 days before the end of the permit term has the right to continue coal mining operations under the existing permit until the final administrative decision on the renewal is made. UCM submitted the request for renewal on April 6, 2026, more than 120 days before the end of the permit term.
- XII. **Compliance History:** During the permit term, DMLW issued two notices of violations against UCM. These violations were issued in 2002 and 2003. Both violations were abated in a timely fashion. Except for the two violations UCM has maintained compliance with all of the requirements of the approved operation and reclamation plan and the Performance Standards adopted under 11 AAC 90.
- XIII. **Findings:** DMLW found the renewal application to be complete and consistent with AS 27.21 and 11 AAC 90 and makes the following Preliminary Findings of Fact.
- a. The originally approved permits meet the requirements of AS 27.21 and 11 AAC 90 subject to the stipulations of the original permits, which are revised to ensure that the surface coal mining and reclamation operations will comply with these requirements.

- b. The application for renewal was received on April 6, 2026, more than 120 days before the end of the permit term. UCM has the right to continue surface coal mining operations under the existing permit until a final decision is made on their request for renewal.
- c. The renewal request contains all the information required and is sufficient for this office to make a completeness finding.
- d. This renewal does not change the scope or the environmental impacts of the project. The activities proposed in the renewal do not differ from the originally approved permits and meet the requirements of AS 27.21 and 11 AAC 90 subject to the stipulations of the original permits, which ensure that the surface coal mining reclamation and operation plan comply with these requirements.
- e. Any changes to the approved activities will require approval and modification of the posted reclamation bond.
- f. The permit areas have not changed and are not within an area designated unsuitable for mining under AS 27.21.260 Areas Unsuitable For Surface Coal Mining.

The Preliminary findings presented above has been reviewed and considered. I find that the application for renewal is complete and is hereby approved to proceed to public notice pursuant to AS 27.21.130 Public Notice of Application and 11 AAC 90.113 Public Notice.

**DocuSigned by:**  
  
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 Russell Kirkham  
 Coal Program Manager, DMLW-Mining Section

8/12/2026

Date

**Public notice:** Public notice of this renewal application will start August 14, 2026, and end October 5, 2026. Legal ads will be placed in the Fairbanks Daily News Miner on October 14, and will be noticed once a week for four consecutive weeks.

Public notice was posted on the to the State of Alaska Online Public Notice System (<http://notice.alaska.gov/224778>) from August 14, 2026, and end October 5, 2026. Additionally, public notice was mailed or emailed the notice will be mailed directly to the Division's mailing list of affected persons and agencies and posted in the Healy post office.

**Application location:** Copies of existing Permit, Renewal Request, and Preliminary Findings of Fact are available for review at the Alaska Department of Natural Resources, Division of Mining, Land and Water – Mining Section, 550 W. 7th Ave., Suite 920, Anchorage, AK 99501-3577 or on our website (<http://notice.alaska.gov/224778>).

**Request for comments:** A person who is or may be adversely affected by the issuance of this permit may file written comments or objections and may include, with an objection, a request for an informal conference (AS 27.21.140). Written comments should be sent to the Anchorage address above or by e-mail to [coalprogram@alaska.gov](mailto:coalprogram@alaska.gov) with the subject, "Two Bull Ridge Mine Renewal". The deadline for written comments is 5:00 PM on October 5, 2026.

The state is prepared to accommodate individuals with disabilities by providing auxiliary aids, services, or special modifications in order to participate in this review. Individuals who may need

such assistance should contact the Department's Public Information Center in Anchorage between the hours of 10:00 am and 5:00 pm, Monday through Friday, at 269-8400 by telephone or by TDD at 269-8411."