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February 4, 2019

Mr. Russell Kirkham,  
Coal Regulatory Program  
State of Alaska DNR-DMLW  
550 W 7<sup>th</sup> Ave., Suite 900D  
Anchorage, Alaska 99501-3577

*Request for Phase II Bond Release on 48.2 Acres TBR Mine S-0603*

Dear Russell,

Usibelli Coal is requesting Phase II bond release for the 48.2 acres shown on Exhibit 1," Phase Two Bond Release Areas 2019". In the areas shown Vegetation is established.

In addition, once this Phase II bond release is approved, Usibelli is requesting a reduction in bond. The current bond for Two Bull Mine is \$ 5,592,936 for 694 acres of disturbance. Usibelli is requesting a 20% reduction in bond for the percentage of land that is released. The following shows the calculation used to determine the accrual release amount.

$$\text{Release Amount} = \$5,592,936 \times (48.2/694) \times 20\% = \$ 77,688$$

After bond release the final bond amount for Two Bull should be \$5,515,248. If you require any additional information or have any questions please contact me.

Although the regarding, establishment of drainages and revegetation were completed in the early 2000's, UCM is now applying for Phase II bond release. The work accomplished supports the approved reclamation plan of backfilling of mine pits, elimination of depressions that could impound significant quantities of water, establishment of stable post-mining slopes and drainage configurations, and establishment of a stable, self-sustaining vegetation community consistent with the proposed post-mining land use of wildlife habitat. Public recreation will be a related secondary land use. These post-mining uses are consistent with the Tanana Basin Area Plan for State Lands.

Grading was achieved with CAT D10 dozers after Dragline operations stripped overburden and conventional truck/shovel operations removed coal. These areas have robust vegetation and have remained stable for over a decade.

All applicable reclamation activities have been accomplished in accordance with the requirements of 11 AAC 90. 211 (b) (3) and the approved reclamation plan for the Two Bull Ridge Mine.

Sincerely,

A handwritten signature in black ink, appearing to read "J. S. Ad", is written over a horizontal line.

Fred W. Wallis, P.E.  
V.P. Engineering

THIS IS TO CERTIFY that on this 4<sup>th</sup> day of February, 2019, before me personally appeared Fred Wallis, V.P. Engineering, Usibelli Coal Mine, Inc., who executed this letter and voluntarily signed.

IN MY TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year shown.

Notary Public in and for the State of Alaska Kristen E. Randall

My commission expires 03-21-2020

Dated this 4<sup>th</sup> day of February, 2019

