APPLICATION FOR EXEMPTION FOR THE EXTRACTION OF
COAL INCIDENTAL TO THE EXTRACTION OF
OTHER MINERALS

CORDOVA CLAY COMPANY, INC.
RICETON NO. 3 CLAY MINE
E-0055
WALKER COUNTY, ALABAMA

Prepared by:
PERC Engineering Co., Inc.
P. O. Box 1712
Jasper, Alabama 35502-1712
Phone: (205) 384-5553
Fax: (205) 384-9491

May, 2016
APPLICATION FOR EXEMPTION

(Exemption for Coal Extraction Incidental to the Extraction of Other Minerals)

800-X-2E

UNDER THE
ALABAMA SURFACE MINING CONTROL & RECLAMATION ACT

ASMC Exemption Application No. E-0055

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APPLICATION FOR EXEMPTION
(880-X-2E)
ALABAMA SURFACE MINING COMMISSION

SECTION I
ADMINISTRATIVE INFORMATION

GENERAL INFORMATION

1. Applicant Name Cordova Clay Company, Inc. Phone 483-7385
   Business Street Address 1091 Brick Plant Road, Cordova, AL 35550
   Business Mailing Address Post Office Box 100, Cordova, AL 35550
   The applicant assumes responsibility for mail delivered to the
   business street address and will notify ASMC of changes in this
   address.)
   As Applicable: Social Security Number (Voluntary)________________
   Employer Identification Number 63-0696939

2. Identify the operator.
   Name Cordova Clay Company, Inc. Phone 483-7385
   Business Street Address 1091 Brick Plant Road, Cordova, AL 35550
   Business Mailing Address Post Office Box 100, Cordova, AL 35550
   Employee Identification Number 63-0696939

3. Mine Name/Number Riceton No. 3 Clay Mine
   Location (County) Walker
   Acreage to be exempted 2.5 Acres
   Estimated Disturbed Acreage 2.5 Acres

4. USGS Quadrangle (Name and Number) Cordova, AL 33087-G2-TF-024
   Latitude 33°-46'-08"  Longitude 87°-09'-29"
   Designation of nearest intersection of two public roads: From the
   intersection U.S. Highway 78 East & County Road 22 (River Road), go
   south 3.1 miles on County Road 22 to a gravel road on the right
   (west). This is site entrance.
   Nearest Community Cordova Major Watershed Mulberry Fork

5. Consulting firm providing data:
   Firm PERC Engineering Co., Inc.
   Address P.O. Box 1712 Jasper, AL 35502-1712
   Person to Contact Pete Parrish Phone (205)384-5553
6. **Verification**

I, the undersigned operator do hereby submit this as my application for exemption from coal mining regulations and certify that the information in the application is true and correct to the best of my information and belief. This application is submitted in conformance with the rules and regulations of the Commission and it is agreed that any operations pursuant to the exemption will be conducted in accordance with those rules and regulations. I further certify that I will keep the Commission advised of and change of facts as may pertain to this exemption application.

Date: 3-1-16

[Signature]

Joey Beaird

_Vice-President_

Title

STATE OF ALABAMA  )
WALKER COUNTY     )

Before me, the undersigned authority, personally appeared Joey Beaird who being duly sworn upon oath, deposed and said, that he has read the foregoing application, that he is the responsible official of the applicant who executed the application, that the facts and matters contained therein are true and correct to the best of his information and belief, and that he executed the same for the purposes therein expressed.

Sworn to and subscribed before me, this 1st day of March, 2016

[Signature]

Janet M. Adams

NOTARY PUBLIC

My Commission Expires: 5-21-2018
7. A. Does the applicant have pending or active permits or exemptions for lands contiguous to this proposed exemption area?

(X) Yes ( ) No

If yes, provide the following information.

<table>
<thead>
<tr>
<th>Application /Exemption or Permit No.</th>
<th>Applicant or Permittee</th>
<th>County</th>
<th>Type of Acreage</th>
<th>Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>NPDES AL0047198</td>
<td>Cordova Clay Company, Inc.</td>
<td>Walker</td>
<td>Clay</td>
<td>133</td>
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</table>

B. Has the proposed exemption area been previously permitted or exempted?

(X) Yes ( ) No

If yes, provide the following information.

<table>
<thead>
<tr>
<th>Exemption or Permit No.</th>
<th>Permittee</th>
<th>County</th>
<th>Type of Acreage</th>
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<td>Clay</td>
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</table>

Delineate the boundaries of the previously permitted or exemption areas of the Mining Area Map [2]. Please note that both the ADEM & DIR Permits are revolving and were renewed in March and August, respectively.

8. All operators who have extracted coal or other minerals prior to filing an application for exemption must also submit as attachments: See Attachment I-8

A) Any relevant document(s) the operator has received from the Alabama Surface Mining Commission documenting its exemption from the requirements of the Act.

B) The cumulative production of both the coal and other minerals from the area being mined; and

C) Estimated tonnage of any stockpiled coal and other minerals.
NATIONAL POLLUTANT
DISCHARGE ELIMINATION
SYSTEM INDIVIDUAL PERMIT

PERMITTEE: Cordova Clay Co, Inc.
Post Office Box 100
Cordova, Alabama 35550

FACILITY LOCATION:
Riceton Hill Mine
3781 River Road
Cordova, Alabama 35550
Walker County
T14S, R6W, S3
T15S, R6W, S3

PERMIT NUMBER: AL0047198

004-1 Receiving Water
004-1 Unnamed Tributary to Mulberry Fork

In accordance with and subject to the provisions of the Federal Water Pollution Control Act, as amended, 33 U.S.C. §§1251-1378 (the "FWPCA"), the Alabama Water Pollution Control Act, as amended, Code of Alabama 1975, §§ 22-22-1 to 22-22-14 (the "AWPCA"), the Alabama Environmental Management Act, as amended, Code of Alabama 1975, §§22-22A-1 to 22-22A-16, and rules and regulations adopted thereunder, and subject further to the terms and conditions set forth in this Permit, the Permittee is hereby authorized to discharge into the above-named receiving waters.

ISSUANCE DATE: July 28, 2011
EFFECTIVE DATE: August 1, 2011
EXPIRATION DATE: July 31, 2016

Gianna L. Dean
Alabama Department of Environmental Management
NPDES AL0047198
ISSUANCE DATE: JULY 28, 2011
EFFECTIVE DATE: AUGUST 1, 2011
EXPIRATION DATE: JULY 31, 2016

Permit Boundary
Sediment Basin
PERMIT TO ENGAGE IN SURFACE MINING OF Clay

Issued to

Cordova Clay Company, Inc. P.O. Box 100 Cordova, Alabama 35550

Pursuant to Sections 4, 5 & 6, Alabama Surface Mining Act of 1969, a permit is hereby granted to engage in Surface Mining in the State of Alabama at the following location:

County: Walker  Section(s): 3  Township(s): 15S  Range(s): 6W
NE 1/4 of NW 1/4 & NW of NW 1/4

Access: Travel west on US Hwy 78, turn left at Lynns Park onto County Road 22. Travel 2.75 miles and turn right into screening yard. Follow access to site.

This permit may be suspended or revoked upon violation of any or all of the conditions set forth in the Alabama Surface Mining Act of 1969 and such Rules and Regulations as are promulgated pursuant thereto by the Act.

Issued this 22nd day of February 2016.

[Signature]
Commissioner, Alabama Department of Labor
A) Not Applicable

B) No coal or clay has been extracted from the proposed exemption area.

C) Coal stockpiled: 0 Tons
   Clay stockpiled: 21,285 Tons
   Shale stockpiled: 0 Tons

See the attached Cordova Clay Annual Report for Exemption Permit E-0051-12/4 2012 & E-0054 9/9/2014, Report for Period Ending 6/30/2015. Additional clay has been stockpiled.
9. Attach any other information pertinent to the qualification of the operation as exempt. Not Applicable

10. A general description of mining and mineral processing activities for the mining area in a brief narrative. Discuss coal and other mineral extraction, handling, and stockpiling. Discuss equipment to be used, method of overburden removal, whether blasting will be involved, and sequence of mining events. See Attachment 10

11. Public Notice  Newspaper Notice

A. Complete the newspaper notice provided below, and place this notice in a newspaper of general circulation in the locality of the mining operations with exemption. DO NOT run the notice prior to notification by ASMC that this application is administratively complete.

******************************************************************************
PUBLIC NOTICE OF EXEMPTION FOR COAL EXTRACTION INCIDENTAL TO THE EXTRACTION OF OTHER MINERALS

Cordova Clay Company, Inc., 1091 Brick Plant Road, Cordova, Alabama 35550, has submitted to the Alabama Surface Mining Commission (ASMC) an application for exemption for coal extraction incidental to the extraction of other minerals at the Riceton No. 3 Clay Mine area in the NW 1/4 of NW 1/4 and NE 1/4 of NW 1/4 of Section 3 in Township 15 South, Range 6 West, Walker County, Alabama. Access to the site by road is as follows: from the intersection U.S. Highway 78 East & County Road 22 (River Road), travel south 3.1 miles on County Road 22 to a gravel road on the right (west). This is site entrance. This is exemption application number E-0055. This application is available for public review at the Alabama Surface Mining Commission Web Site: http://www.surface-mining.state.al.us/Permit Applications Tab and at the Alabama Surface Mining Commission Office, 1811 Second Avenue, Jasper, Alabama during their normal hours of operation. For a period of 30 days following the date of publication, ASMC will accept written comments, objections, or requests for informal conferences relative to this application. Any person having an interest which is or may be adversely affected by the decision of the application may make such written comments during the public review period as specified in 880-X-2E-.04(4). Written comments are to be submitted at the Alabama Surface Mining Commission, 1811 Second Avenue, P. O. Box 2390, Jasper, Alabama 35501. In making comments, refer to the application number.

B. Included with this advertisement shall be a map or description that clearly shows or describes the precise location and boundaries of the proposed exemption area and is sufficient to enable local residents to readily identify the area. This public notice will be published in the DAILY MOUNTAIN EAGLE newspaper of Jasper, Alabama.
The area to be exempted under this application consists of approximately 2.5 acres. Part of Exemption E-0054 (south of this proposed exemption area) has been underground mined (Boyce Mining Co., 1922. See the attached Underground Workings Map). Traditional room and pillar mining results in a recovery rate of approximately 55%, leaving approximately 45% of coal in place. We estimate 70% recovery of the Mary Lee Seam Pillars, resulting in an estimated area recovery rate of 31.5%. This recovery rate for 2.5 acres of the exemption area will be utilized for the Mary Lee Seam in the exemption area.

The area mining method of surface mining will be utilized to mine this exemption request area. The sequence of mining will generally be to construct sediment control facilities, clear and grub, remove overburden, remove coal (where present), remove clay, regrade and revegetate. This sequence will be repeated until reaching the property boundary or reserve limits with the exception of the construction of sediment control facilities and regrading and revegetation. Blasting will take place at this facility on an as needed basis. Sediment control facilities will be constructed for a watershed area initially and this phase will not be required to be repeated until just prior to entering a new watershed. Mobile equipment will be used to remove the existing overburden and the clay seam which lies immediately below the Mary Lee coal seam. Spoil and overburden material will be placed within the previously mined areas within the exemption area and within subsequent open pits as mining operations progress. The mobile equipment will remove the clay to stockpiles where it will be stored until it is shipped to the various end users. When the Mary Lee coal seam is encountered, the mobile equipment will remove the coal, if it is of a marketable quality, and place the coal in stockpiles until it is shipped offsite to the various end users. If the coal is determined to be an unmarketable product, it will be treated as spoil and placed within the spoil area. The spoiled coal will be
placed a minimum of 10 feet vertically above the pit floor of the Mary Lee seam to be mined, and 4 feet below the final reclaimed surface of the mined area. None of this material will be placed within 100 feet of a drainage course or 30 feet of a final mining highwall. This is done to prevent the contamination of surface water and groundwater. Regrading will commence immediately upon adequate advancement of the active mine area to allow regrading without the newly regraded area being reaffected by the spoil of the active cut. Likewise, revegetation will be performed based on the progression of the regrading efforts and the timing of suggested planting seasons for the vegetation species being used. It may be necessary to stockpile the clay and coal on site until it can be shipped to market. Stockpile locations are shown on the Mine Area Map accompanying this application. The clay and coal will be sold "mine run" and no mineral processing activities are proposed for this operation.

General major items of equipment to be used in the mining and reclamation process is comprised of mobile equipment including (2) 560-B front end loaders, (1) 80-B front end loader, a D9-H bulldozer, (2) 350B rock trucks, a service truck and a mechanic truck.
Submit to the ASMC, under separate cover, no later than 4 weeks after the date of publication, a copy of the newspaper advertisement of the application and a notarized affidavit of publication for the publication date.

See Attached Proof of Publication.
Affidavit of Publication of Legal Notice

State of Alabama
Walker County

Before me, a notary public in and for the county and state above listed, personally appeared James Phillips, who, by me duly sworn, deposes and says that: "My name is James Phillips". I am the Publisher of the Daily Mountain Eagle. The Newspaper is printed in the English language, has a general circulation and its principal editorial office in the county above listed and has been mailed under a publication class mailing privilege of the United States Postal Service from the post office where it is published at least 51 weeks a year.

The Newspaper published the attached legal notice in the issue(s) of: ______________ (date(s) of publication). If the post office address of the person to whom the notice is directed can be ascertained, a copy should be mailed by the person or official placing the advertisement to the person to whom the notice was directed.

The sum charged for these publication(s) was $98.03. The sum charged by the Newspaper for said publication(s) does not exceed the actual lowest classified rate paid by commercial customers for an advertisement of similar size and frequency in the same newspaper(s) in which the public notice appeared.

There are no agreements between the Newspaper and the officer or attorney charged with the duty of placing the attached legal advertising notices whereby any advantage, gain or profit accrued to said officer or attorney.

____________________________
AFFIANT

____________________________
Sworn and subscribed this 1 day of June, 2016

____________________________
Barbara Haynes

Notary Public
My Commission Expires 08/02/2016
13. Geologic Information - The logs, cross sections, and maps, must be based on the geology of the proposed exempted area, down to and including the stratum immediately below the lowest coal seam of other mineral to be mined.

a. Provide stratigraphic cross section(s) based on test boring(s) or other information, showing for both coal and other minerals.
   - Relative position,
   - Approximate thickness
   - Density(ies) of coal(s)
   - Density(ies) of other minerals

Bulk Densities/Unit Weights for Clay and Coal were taken from the following sources:

- Clay: 168 pcf (PERC Engineering Co., Inc.)
- Mary Lee Coal: 85.44pcf (PERC Engineering Co., Inc.)

b. On same cross section(s), provide the relative position and thickness of any material, not classified as other minerals (overburden or spoil), that will also be extracted during the conduct of mining activities.

See attached Generalized Fence Diagram A-A’.

c. Attach copies of test boring logs and other information.

d. Identify on the Mining Area Map the location of the test boring(s).

14. List the minerals sought to be extracted other than coal in the exempted mining area.

<table>
<thead>
<tr>
<th>Clay</th>
<th>Clay</th>
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NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6-3/4" DRILL BIT
SURFACE ELEVATION: ±355.0 ft. M.S.L.

INTERVAL:

0 - 12'
SHALE, weathered, with CLAY lenses

12' - 18'
SHALE, slightly weathered

18' - 21'
SANDSTONE, very fine grained

21' - 25'
SHALE

25' - 26'
CLAY, soft (mud slpit)
OLD WORKS (MARY LEE SEAM)

26' - 27'

Cordova Clay Company, Inc.
Riceton Clay Mine
Walker County
DH-1

Drawn by: K.E.S.

Date: 6/12/09

Approved by: A.P.H.

Scale: 1" = 10' vertical
INTERVAL: DESCRIPTION:

0 - 8' NO SAMPLE
8' - 8.67' NEW CASTLE COAL SEAM
8.67' - 38' NO SAMPLE
38' - OLD WORKS (MARY LEE SEAM)

NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6-3/4" DRILL BIT
SURFACE ELEVATION: ±361.0 ft. M.S.L.
INTERVAL:  

0 - 7'  SHALE (weathered from surface to 6')

7' - 7.83'  NEW CASTLE COAL SEAM

7.83' - 36'  SHALE (mud slip Φ 26 to 27')

36' - 38.33'  OLD WORKS (MARY LEE)

38.33' - 42.7'  UNDER CLAY

NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6-3/4" DRILL BIT
SURFACE ELEVATION: ±365.0 ft. M.S.L.
NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±372.0 ft. M.S.L.

INTERVAL:                           DESCRIPTION:

0 - 22'                              SPOIL

22' - 39'                             No Sample

39' - 41.33'                          COAL (MARY LEE SEAM)

CORDOVA CLAY COMPANY, INC.
RICETON CLAY MINE
WALKER COUNTY
DH-4

DRAWN BY: K.E.S.  DATE: 6/12/09
DWG. NAME: CCRCDH-4
APPROVED BY: A.P.H.
SCALE: 1" = 10' vertical
NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±359.0 ft. M.S.L.
DRILLED FROM NEW CASTLE BENCH

NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±359.0 ft. M.S.L.
DRILLED FROM NEW CASTLE BENCH

INTERVAL: SHALE
0 - 15'

INTERVAL: SANDSTONE, very fine grained
15' - 18'

INTERVAL: SHALE
18' - 27'

INTERVAL: COAL (MARY LEE SEAM)
27' - 29.16'

INTERVAL: UNDER CLAY
29.16' - 34.16'

NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±359.0 ft. M.S.L.
DRILLED FROM NEW CASTLE BENCH
NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±359.0 ft. M.S.L.
DRILLED FROM NEW CASTLE BENCH
5' OFFSET FROM DRILLHOLE D-5

NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±359.0 ft. M.S.L.
DRILLED FROM NEW CASTLE BENCH
5' OFFSET FROM DRILLHOLE D-5

INTERVAL:  

0 - 15' SHALE  

15' - 18' SANDSTONE, very fine grained  

18' - 27' SHALE  

27' - OLD WORKS (MARY LEE SEAM)
NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±359.0 ft. M.S.L.

CORDOVA CLAY COMPANY, INC.
RICETON CLAY MINE
WALKER COUNTY
DH-6

INTERVAL: DESCRIPTION:
0 - 26' NO SAMPLE
26' - OLD WORKS (MARY LEE SEAM)
Cordova Clay Company, Inc.  
Riceton Clay Mine  
Walker County  
DH-7

NOTE:  
DRILL: CHICAGO PNEUMATIC 650 SS  
6 3/4" DRILL BIT  
SURFACE ELEVATION: ±360.0 ft. M.S.L.

INTERVAL:  

0 - 18' SHALE

18' - 22' SANDSTONE, very fine grained

22' - 25' SHALE

25' - OLD WORKS (MARY LEE SEAM)

DRAWN BY: K.E.S.  
DWG. NAME: CCRCIDH-7  
DATE: 6/12/09

APPROVED BY: A.P.H.  
SCALE: 1" = 10' vertical
NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±361.0 ft. M.S.L.

INTERVAL:                             DESCRIPTION:

0 - 27'                                NO SAMPLE

27' -                                  OLD WORKS (MARY LEE SEAM)

CORDOVA CLAY COMPANY, INC.
RICETON CLAY MINE
WALKER COUNTY
DH-8

DRAWN BY: K.E.S.                             DATE: 5/27/09
DWG. NAME: CCRCDH-8
APPROVED BY: A.P.H.               SCALE: 1" = 10' vertical
INTERVAL:  

0 - 30'  

DESCRIPTION:  

0 - 30'  

NO SAMPLE  

30' -  

OLD WORKS (MARY LEE SEAM)
NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±378.0 ft. M.S.L.

INTerval:

0 - 25.5' NO SAMPLE

25.5' - 28'
COAL (MARY LEE SEAM)

28' - 32.5'
UNDER CLAY

DRAWN BY: K.E.S.
DWG. NAME: CCRCDH-10
DATE: 5/27/09

APPROVED BY: A.P.H.
SCALE: 1" = 10' vertical
NOTE:

DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±378.0 ft M.S.L.

INTERVAL: 0 - 21'

DESCRIPTION: SHALE (weathered from surface to 6')

INTERVAL: 21' - 25'

DESCRIPTION: SANDSTONE

INTERVAL: 25' - 25.5'

DESCRIPTION: SHALE

INTERVAL: 25.5' -

DESCRIPTION: OLD WORKS (MARY LEE SEAM)
NOTE:
DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±374.0 ft. M.S.L.

INTERVAL: DESCRIPTION:

0 - 10' SHALE (weathered from surface to 6')
10' - 11' COAL (NEW CASTLE SEAM)
11' - 12' CLAY & SHALE
12' - 22' SHALE
22' - 25' SANDSTONE
25' - 37' SHALE
37' - 39.25' COAL (MARY LEE SEAM)
39.25' - 44' UNDER CLAY

CORDOVA CLAY COMPANY, INC.
RICETON CLAY MINE
WALKER COUNTY
DH-11

DRAWN BY: K.E.S.   DATE: 6/12/09
DWG. NAME: CCRCDDH-11
APPROVED BY: A.P.H.   SCALE: 1" = 10' vertical
NOTE:

DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT
SURFACE ELEVATION: ±382.0 ft. M.S.L.

INTERVAL:                          DESCRIPTION:

0 - 10'                              NO SAMPLE

10' - 11'                             COAL (NEW CASTLE SEAM)

11' - 37'                             NO SAMPLE

37' - 39.25'                          COAL (MARY LEE SEAM)

39.25' - 44'                          UNDER CLAY

Cordova Clay Company, Inc.
Riceton Clay Mine
Walker County

DH-12

DRAWN BY: K.E.S.   DATE: 5/27/09
DWG. NAME: CCRCDH-12
APPROVED BY: A.P.H.
SCALE: 1" = 10' vertical
NOTES:
DRILL HOLES DRILLED & LOGGED BY J. BEAIRD OF CORDOVA CLAY COMPANY, INC.

DRILL: CHICAGO PNEUMATIC 650 SS 6 3/4" DRILL BIT

INTERVAL: DESCRIPTION:

0 - 24.17' SHALE

24.17' - 26.33' COAL (MARY LEE SEAM)

26.33' - 30.83' UNDER CLAY
NOTES:
DRILL HOLES DRILLED & LOGGED BY J. BEAIRD OF CORDOVA CLAY COMPANY, INC.

DRILL: CHICAGO PNEUMATIC 650 SS 6 3/4" DRILL BIT

INTERVAL: 0 - 24.67'

DESCRIPTION:
0 - 24.67' SHALE
24.67' OLD WORKS (AIR LOSS)
NOTES:
DRILL HOLES DRILLED & LOGGED BY J. BEAIRD OF CORDOVA CLAY COMPANY, INC.

DRILL: CHICAGO PNEUMATIC 650 SS 6 3/4" DRILL BIT

INTERVAL:                     DESCRIPTION:
0 - 26'                       SHALE
26' - 28.17'                  COAL (MARY LEE SEAM)
28.17' - 32.67'               UNDER CLAY
NOTES:
DRILL HOLES DRILLED &
LOGGED BY J. BEAIRD
OF CORDOVA CLAY COMPANY, INC.

DRILL: CHICAGO PNEUMATIC 650 SS
6 3/4" DRILL BIT

INTERVAL: DESCRIPTION:

0 - 27' SHALE

27' OLD WORKS (AIR LOSS)
NOTES:

DRILL HOLES DRILLED & LOGGED BY J. BEAIRD OF CORDOVA CLAY COMPANY, INC.

DRILL: CHICAGO PNEUMATIC 650 SS 6 3/4” DRILL BIT

INTERVAL: DESCRIPTION:

0 – 27’ SHALE

27’ – 29.17’ COAL (MARY LEE SEAM)

29.17’ – 33.67’ UNDER CLAY

CORDOVA CLAY COMPANY, INC.
RICETON NO. 3 CLAY MINE
WALKER COUNTY
DH-17
NOTES:
DRILL HOLES DRILLED & LOGGED BY J. BEAIRD OF CORDOVA CLAY COMPANY, INC.

DRILL: CHICAGO PNEUMATIC 650 SS 6 3/4" DRILL BIT

INTERVAL: DESCRIPTION:

0 - 27' SHALE

OLD WORKS (AIR LOSS)
Company: Cordova Clay
Mine: Riceton Hill
Date: 5/27/2009
Technician: Jerry Key

Drill Hole # 1
27' to old works
No coal
N 33 46 02.6
W087 09 25.5

Drill Hole # 2
8" of new castle @ 8'
Hard cuttings @ 38'
Appeared that mine roof had settled to the floor
N 33 46 03.7
W087 09 27.0

Drill Hole # 3
10" of new castle @ 7'
Old works @ 34'
N 33 46 05.0
W087 09 26.9

Drill Hole # 4
22' of spoil
No new castle
28" of mary lee @ 39'
N 33 46 06.2
W087 09 26.5

Drill Hole # 5
New castle already mined
26" of mary lee @ 27'
60" of clay under mary lee seam
N 33 46 08.3
W087 09 27.9

Drill Hole # 6
26' to old works
No coal
N 33 46 08.8
W087 09 28.7
Company: Cordova Clay
Mine: Riceton Hill
Date: 5/27/2009
Technician: Jerry Key

Drill Hole # 7
25’ to old works
No coal
N 33  46  10.0
W087 09  29.4

Drill Hole # 8
27’ to old works
No coal
N 33  46  11.2
W087 09  29.4

Drill Hole # 9
30’ to old works
No coal
N 33  46  16.8
W087 09  31.1

Drill Hole # 10
No new castle
30” of mary lee @ 25.5’
54” of clay under mary lee seam
N 33  46  15.8
W087 09  30.8

Drill Hole # 11
11” of new castle @ 9’
28” of mary lee @ 37’
57” of clay under mary lee seam
N 33  46  13.8
W087 09  28.4

Drill Hole # 12
12” of new castle @ 10’
27” of mary lee @ 37’
57” of clay under mary lee seam
N 33  46  14.4
W087 09  29.6
### SPECIFIC GRAVITY

**COMPANY:** Cordova Clay  
**LOCATION:** Riceton Clay Mine  
**DATE TAKEN:** 10/20/2011  
**DATE ANALYZED:** 10/24/2011  
**ANALYZED BY:** JRK  

<table>
<thead>
<tr>
<th>LAB ID</th>
<th>MATERIAL TYPE</th>
<th>SPECIFIC GRAVITY</th>
<th>POUNDS PER CUBIC FOOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>7902</td>
<td>Mary Lee Clay</td>
<td>2.705</td>
<td>168.26</td>
</tr>
</tbody>
</table>

**TESTING DONE ACCORDING TO ASTM STANDARDS.**
SPECIFIC GRAVITY

COMPANY: Cordova Clay
LOCATION: Ricelon Clay Mine

DATE TAKEN: 6/14/2011
DATE ANALYZED: 7/14/2011
ANALYZED BY: JOHNNY COLLIER

<table>
<thead>
<tr>
<th>LAB ID</th>
<th>MATERIAL TYPE</th>
<th>SPECIFIC GRAVITY</th>
<th>POUNDS PER CUBIC FOOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>7826</td>
<td>Mary Lee</td>
<td>1.374</td>
<td>85.44</td>
</tr>
</tbody>
</table>

TESTING DONE ACCORDING TO ASTM STANDARDS.
D

LEGEND

- COAL
- MARY LEE
  (OLD WORKS)
- SHALE
- CLAY (MARY LEE; MARKETABLE CLAY)

B.O.H.: BOTTOM OF HOLE

NOTE: LITHOLOGIES DASHED WHERE INFERRED.

SCALE:
HORIZONTAL 1"=50'
VERTICAL 1"=10'

Cordova Clay Company, Inc.
Hickston No. 2 Clay Mine
Cross-Section D-D'
Exemption Permit

ENG. NO.: P79784

DRAWN BY: A.P.H.
REVIEWED BY: M.A.
APPROVED BY: J.A.H.

PERC
ENGINEERING CO, INC.
CERTIFICATION STATEMENT:

The preceding exploratory drill holes drilled by Cordova Clay Company, Inc. and geologic information contained herein were performed for the exclusive use of this Exemption Permit Application for the Cordova Clay Company, Inc. Riceton No. 3 Clay Mine facility and logged by Paul Henry, Professional Geologist, under my supervision. I hereby certify that it is true and correct to the best of my knowledge, information and belief.

Leslie G. Stephens, P.E. & P.L.S.
Alabama Reg. No. 14117-E
15. Estimate the annual production (tonnage) of coal and other minerals within each mining area over the anticipated life of the mining operation. If additional space is required, list on separate sheet.

| Clay   | 18,590 Tons | Coal  | 2,110 Tons |

Note: An additional permit might be requested at a later date at this general location based on the future demand of coal & clay.

16. Estimate the annual revenues to be derived from bona fide sales of coal and other minerals within the mining area. If additional space is required, list on separate sheet.

<table>
<thead>
<tr>
<th>Clay</th>
<th>18,590 Tons @ $10.00/Ton = $185,900</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal (Mary Lee)</td>
<td>2,110 Tons @ $51.50/Ton = $108,665</td>
</tr>
</tbody>
</table>

17. If coal and/or the other minerals are to be used rather than sold, estimate the annual fair-market value at the time of projected use of the coal and other minerals to be extracted from the mining area. If additional space is required, list on a separate sheet.

Not Applicable

18. Attach the basis for all annual production, revenue, and fair market value estimates. Include all calculations and figures necessary to support your estimates.

See Attachment 18.
The area to be exempted under this permit consists of approximately 2.5 acres. There has been previous mining within the proposed exemption area. Clay and coal reserves for the subject area were estimated, based on drilling performed by Cordova Clay Company, Inc. of Cordova, Alabama on May 27, 2009; June 12, 2009 and August 19, 2015. The attached drill hole logs dated June 12, 2009 were prepared based on field observation and lithologic identification by a PERC qualified professional (Alexander P. Henry, Professional Geologist) during the exploratory drilling performed on June 12, 2009. These drill holes are identified by DH-3 through DH-7. The attached drill log (DH-6) dated May 27, 2009 was prepared based on field observation (under the supervision of a Professional Geologist) by a PERC field technician (Jerry Key) during the exploratory drilling program performed May 27, 2009.

The scope of the May 27, 2009 exploratory drilling was to determine the depth and thickness of coal, the depth of old works encountered, and the depth and thickness of the Mary Lee Clay. The scope of the June 12, 2009 exploratory drilling was to drill adjacent to the previously drilled drill holes (May 27, 2009) to determine the overburden lithology and confirm the depth and thickness of coal, the depth of old works encountered, the depth and thickness of the Mary Lee Clay, and to verify the extent of underground coal workings.

The drill holes that were drilled on August 19, 2015 were drilled and logged by Joey Beaird (Cordova Clay Company, Inc.). These drill holes are identified by DH-13 through DH-18. The scope of this exploratory drilling was to determine the depth and thickness of coal, the depth of old works encountered, and the depth and thickness of the Mary Lee Clay.
Copies of the drill hole logs are enclosed as a part of this exemption application and the approximate lithologic thickness of the marketable minerals (coal and clay) is as follows:

<table>
<thead>
<tr>
<th>DRILL HOLE/TEST PIT</th>
<th>NEW CASTLE COAL THICKNESS (FT)</th>
<th>MARY LEE COAL THICKNESS (FT)</th>
<th>MARY LEE CLAY THICKNESS (FT)</th>
<th>NEW CASTLE SHALE THICKNESS (FT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DH-1</td>
<td>NONE</td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-2</td>
<td>0.67</td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-3</td>
<td>0.83</td>
<td>OLD WORKS</td>
<td>4.4</td>
<td>6.0</td>
</tr>
<tr>
<td>DH-4</td>
<td></td>
<td>2.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-5</td>
<td></td>
<td>2.16</td>
<td>4.0</td>
<td></td>
</tr>
<tr>
<td>DH-5A</td>
<td></td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-6</td>
<td></td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-7</td>
<td></td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-8</td>
<td></td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-9</td>
<td></td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-10</td>
<td></td>
<td>2.5</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>DH-10A</td>
<td></td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-11</td>
<td>1.0</td>
<td>2.25</td>
<td>4.75</td>
<td>6.0</td>
</tr>
<tr>
<td>DH-12</td>
<td>1.0</td>
<td>2.25</td>
<td>4.75</td>
<td></td>
</tr>
<tr>
<td>DH-13</td>
<td></td>
<td>2.16</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>DH-14</td>
<td></td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-15</td>
<td></td>
<td>2.17</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>DH-16</td>
<td></td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DH-17</td>
<td></td>
<td>2.17</td>
<td>4.5</td>
<td></td>
</tr>
<tr>
<td>DH-18</td>
<td></td>
<td>OLD WORKS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AVG.</td>
<td>0.88'</td>
<td>2.25</td>
<td>4.49</td>
<td>6.0'</td>
</tr>
</tbody>
</table>

* Not applicable in this area due to absence of New Castle Shale and New Castle Coal.
Clay reserves for the subject area were estimated, based on test pit excavation samples collected by Cordova Clay and analyzed by Dal-Tile in December 2011. Copies of these logs are enclosed as a part of this exemption application and the approximate lithologic thickness of the marketable minerals (clay) is as follows:

<table>
<thead>
<tr>
<th>Hole No.</th>
<th>Thickness</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>36&quot;</td>
</tr>
<tr>
<td>2</td>
<td>40&quot;</td>
</tr>
<tr>
<td><strong>AVERAGE</strong></td>
<td><strong>38&quot; (3.17')</strong></td>
</tr>
</tbody>
</table>

*Marketable Thickness is 3.17', based on drilling*

With a marketable clay thickness of 3.17 feet, and a clay density of 168 pcf, in mind the following calculations were performed to determine an approximate area mined to date:

\[
\text{Tons of Clay per Acre} = (\text{Clay Density}) \times (\text{Clay Thickness}) \times \left(\frac{43,560}{2000}\right)
\]

\[
= (168.26) \times (3.17) \times \left(\frac{43,560}{2000}\right)
\]

\[
= 11,617 \text{ Tons of Clay per Acre}
\]

\[
\text{Tons of Coal per Acre} = (\text{Coal Density}) \times (\text{Coal Thickness}) \times \left(\frac{43,560}{2000}\right) \times \text{(31.5\% Recovery)}
\]

\[
= (85.44) \times (2.25) \times \left(\frac{43,560}{2000}\right) \times (0.315)
\]

\[
= 1,319 \text{ Tons of Coal per Acre}
\]

It is our opinion that the drilling does not conflict with recovery rates from the adjoining Exemption Permit E-0054. Actual recovery rates at E-0054 is the best prediction for recovery rates for this proposed Riceton No. 3 Clay Mine Exemption Permit.
CORDOVA CLAY COMPANY, INC.
RICETON NO. 3 CLAY MINE
ASMC EXEMPTION APPLICATION
ATTACHMENT 18

The following quantities are from the Cordova Clay Annual Report for Exemption Permit E-0051-12/4 2012 & E-0054 9/9/2014, Report for Period Ended 6/30/2015:

Tons of Coal per Acre:
2,082.42 Tons / 2.4 Acres = 868 Tons of Coal per Acre

Tons of Clay per Acre:
14,867 Tons / 2.4 Acres = 6,195 Tons of Clay per Acre

868 Tons of Coal per Acre / 868 Tons of Coal per Acre + 6,195 Tons of Clay per Acre yields a coal tonnage ratio of 12.3%.

Based on this information, it is shown that the additional cumulative production of coal to be extracted from the proposed exemption area should not exceed 16 2/3 % of the total cumulative production of coal and other mineral (CLAY) removed during such period for purposes of bona fide sale or reasonable commercial use.

Currently, Cordova Clay Company, Inc. has a commitment from the following customers:

Florida Brick & Clay Co., Inc.: to purchase approximately 1,000 tons of clay per year or 67 tons per month (at a minimum) and 6,000 tons of shale per year or 500 tons per month (at a minimum).

Taylor Clay Products Company: to purchase approximately 12,000 to 17,000 tons (14,500 tons, average) of clay per year, or 1,208 tons per month (at a minimum, average), plus an additional 8,500 tons per year.
As stated earlier, the clay from this operation will be sold for $10.00 per ton and the Mary Lee coal from this operation will be sold for $51.50 per ton, all picked up at the mine site.

Total yearly project revenue =
- Clay: Estimated 18,590 TPY @ $10.00/T = $185,900
- Coal: 2,110 TPY @ $51.50/T = $108,665 (Mary Lee)

(However, with the projected clay sales revenue from the 18,590 tons per year (contract sales), this equates to 1.6 mined acres per year (18,590 TPY / 11,617 Tons of Clay per Acre). Since 1.6 mined acres per year is estimated, the following is a monetary breakdown of each mineral:

- Mary Lee Coal:
  (1.6 acres)(1,319 Tons/Acre) = 2,110 Tons
  (2,110 Tons) ($51.50 per Ton) = $108,665

- Mary Lee Clay:
  (1.6 acres)(11,617 Tons/Acre) = 18,590 Tons
  (18,590 Tons) ($10.00 per Ton) = $185,900

The following calculates the estimated revenue and tonnage produced from the mining and sale of the coal from the site versus the cumulative revenue and tonnage of the sale of coal, clay and shale that will not exceed the allowable 50% and 16 2/3% respectively:

The estimated ratio of revenue produced from the sale of the coal for the 1.6 Acre example versus the cumulative revenue of the sale of coal and other minerals is Mary Lee Coal ($108,665) + Clay ($185,900) = $294,565. Coal Revenues of $108,665 / Total Revenues of $294,565 = 36.9% of Revenues from Coal, which is less than the allowable 50%.

The estimated ratio of tonnage of Mary Lee Coal produced from the site for the same 1.6 acre example versus the cumulative tonnage of coal, clay, and shale is 2,110 tons of coal / (2,110 tons of coal + 18,590 tons of clay) = 2,110 / 20,700 = 10.2% of tonnage from coal, which is less than the allowable 16 2/3%.
Based on the ASMC Annual Report (Report for Period Ending June 30, 2015) for the adjacent Exemption Permit E-0054, year end Sales Totals were as follows:

Coal Tons/Coal & Clay Tons  
2,082.42 / 2,082.42 +14,867.44 = 12.29%  

Coal Revenue/Coal & Clay Revenue  
$107,441.54 / $107,441.54 + $136,184.84 = 44.1%  

The cumulative revenue from the coal extracted from the additional mining area determined annually will not exceed 50 percent of the total cumulative revenue derived from coal and other minerals (CLAY and SHALE) for purposes of bona fide sale or reasonable commercial use. As shown above, this should meet the criteria.

19. Attach on a separate sheet a summary of sales commitments and agreements for future delivery, if any, which the applicant has received for other minerals to be extracted from the mining area, or a description of potential markets for such minerals. Attached.

20. If the other minerals are to be commercially used by the applicant, provide a description specifying the use below. If additional space is required, use a separate sheet. Not Applicable
REPORT FOR PERIOD ENDED 6/30/2015

ALABAMA SURFACE MINING COMMISSION
P.O. BOX 2390
JASPER, AL 35502-2390

ANNUAL REPORT

For mine sites extracting coal pursuant to an approved exemption for the extraction of coal incidental to the extraction of other minerals.

PART I


Name of Operator: Cordova Clay Company, Inc.
Address: 1091 Brick Plant Road
City: Cordova  State: Alabama  Zip: 35550

Contact Person: Joey Gail Baaird  CELL 215-316-02
Telephone: (205)483-7444  483 -1358 EEP

Identify by type (e.g. clay, shale) all minerals other than coal produced from the exemption site: Clay and Shale

PART II

A. On what date (month, day, year) did coal extraction commence within the approved exemption area?
   4/2013

B. On what date (month, day, year) did the extraction of minerals other than coal commence within the approved exemption area?
   1/2013

C. Enter the earlier of the above dates as the beginning date for reporting cumulative production: 1/2013

D. Place an X by the date that represents the last day of the calendar quarter during which coal extraction commenced at this exemption site:
   March 31, June 30  X, September 30, December 31
   This is your ending date for reporting purposes.

PART III

ANNUAL PRODUCTION INFORMATION

Provide the following information for the 12-month period ending with the ending date referenced in Part II D above:

A. Number of tons of coal extracted: 2,082.42

B. Number of tons of coal sold: 2,082.42
   Total revenue derived from these sales: $107,441.54
C. Number of tons of coal used or transferred (but not sold): 0.00
   Estimated total fair market value of this coal: $0.00
D. Number of tons of coal stockpiled: 0.00
E. Number of tons of other minerals extracted: 14,867.44
F. Number of tons of other minerals sold: 14,207.24
   Total revenue derived from these sales: $136,184.84
G. Number of tons of other minerals used or transferred (but not sold): 0.00
   Estimated total fair market value of these other minerals: $0.00
H. Number of tons of other minerals stockpiled: 660.20

PART IV

CUMMULATIVE PRODUCTION INFORMATION

Provide the following information for production occurring since commencement of mining within the extraction area (Part II, C) and your ending date for annual reporting purposes (Part II, D):

A. Number of tons of coal extracted: 2,082.42
B. Number of tons of coal sold: 2,082.42
   Total revenue derived from these sales: $107,441.54
C. Number of tons of coal used or transferred (but not sold): 0.00
   Estimated total fair market value of this coal: $0.00
D. Number of tons of other minerals extracted: 14,867.44
E. Number of tons of other minerals sold: 14,207.24
   Total revenue derived from these sales: $136,184.84
F. Number of tons of other minerals used or transferred (but not sold): 0.00
   Estimated total fair market value of these other minerals: $0.00

CERTIFICATION STATEMENT

"I certify under penalty of law that this document and any attachment were prepared by me or at my direction and the information submitted is, to the best of my knowledge, true and complete. I am aware that there are significant penalties under the law for submitting false information to the Commission, including fines and imprisonment for knowing violations."

Joey Gail Beaird, Vice President

Print or Type Name of Responsible Official

Signature of Responsible Official

Date: 7-29-15

ATTENTION: This report must be filed with the Alabama Surface Mining Commission no later than 30 days after the end of each annual 12-month reporting period.
May 5, 2014

Cordova Clay
P. O. Box 100
Cordova, AL 35550

To Whom It May Concern:

J Crump Sales, Inc. will be purchasing Marylee coal from Cordova Clay from the period of 5-5-14 thru 2015 at the new rate of $51.50 per ton on their purchase order.

Thank You,

R. Jason Crump
J Crump Sales, Inc.

adh
March 29, 2016

Mr. Johnathan Hall  
Director  
State of Alabama Surface Mining Commission  
P.O. Box 2390  
Jasper, AL 35502-2390

Dear Mr. Hall,

We were asked by the Cordova Clay Company to provide tonnages of the Clay shipped to our facility over the last five years. We received 20,473 tons at a price of $9/ton from a purchased 40,000 ton stockpile. We also received 29,687 tons from another mine site at a price of $10/ton. We expect to continue to receive 2,200 tons every two months in the future as clay quality and mining activities permit.

We became a customer of Cordova Clay Company when our plant was built and started production in 1980.

Sincerely,

[Signature]

Valerie J. Watts  
Plant Manager, Dal-Tile Fayette AL Facility

cc: Gail Beaird, President of Cordova Clay  
    Joey Beaird, Vice President of Cordova Clay
April 8, 2016

Mr. Gail Beard
Cordova Clay Co., Inc.
P.O. Box 100
Cordova, AL 35550-0100

RE: Shale and fireclay for SE ¼ of the NW ¼ of Section 3 Township 15 south Range 6W

Dear Gail:

This letter is to serve as confirmation that the shale that you are mining and shipping to us is very important to our production of brick pavers and pool coping. Not all shales have the same qualities for our production and this shale works better than any we have tried. There are very few suppliers of raw materials in the southeastern U.S. and you have been one of our reliable and cost-effective resources for over forty years.

I hope this helps you in your effort to renew your mining permit as it would be a big loss to us if you were unable to provide us with shale and fireclay. Thanks for your continued good service.

Sincerely,

Antonio C. Azorin
President
21. General Requirements

A. No map or drawing should be smaller than 8.5" X 11".

B. THE GENERAL LOCATION MAP[1], and MINING AREA MAPS[2], scales are as specified below.

C. The mining area map shall be a topographic map of a scale of 1" = 500' or less, which clearly identifies the mining area.

D. Maps may be combined at the discretion of the applicant, provided such combination is reflected in the title blocks and does not crowd the maps to the extent interpretation becomes difficult. Parts of one map may not be combined with parts of another; combine only entire maps.

   o GENERAL LOCATION MAP [1] Indicate on a County Highway map the location of the proposed exempt area, with the respect to towns, roads, streams, and county lines.

   o MINING AREA MAP [2] indicating the following:

      (I) Boundaries of the proposed exemption area.
      (ii) The area for coal stockpiling.
      (iii) The area for other mineral(s) stockpiling.
      (iv) The area for overburden or spoil storage.
      (v) Location of all test boring(s).
PREVIOUS LEGEND
- Exemption Area Boundary – 2.5 Acres added to D.I.R. Permit
- E-0054 Exemption Area Boundary
- E-0051 Exemption Area Boundary
- Surface Contour
- Drill Hole
- Cross Section
- Existing Highway
- Previous Disturbance
- ADEQ NPDES Permit No. 4L0047196 Boundary
- D.I.R. Permit No. 014678 Total of 12.5 Acres
- D.I.R. Permit No. 014532 Total of 10.0 Acres
- Dap–Tie Clay Exploratory Test Pit
  (Dec 2011)
- Test Pits (Aug. 31, 2012)

NOTES
1) Spill and overburden material will be placed within the previously mined areas within the Exemption Area & within subsequent open pits as mining operations progress.