

JIM WALTER RESOURCES, INC.

MINE NO. 7, P-3247

ALABAMA SURFACE MINING COMMISSION

SUBSIDENCE CONTROL PLAN

Prepared by:

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TABLE OF CONTENTS

TOPIC	PAGE:
1.0 Introduction	5
2.0 Description of Surface.....	5
3.0 Geology.....	6
4.0 Planned Mining.....	6
5.0 Subsidence	7
5.1 Planned Subsidence.....	7
5.2 Non Commercial & Residential Subsidence Impacts.....	7
5.3 Public Roadways & Related Facilities.....	8
5.4 Surface Water Bodies.....	8
5.5 Pre-Subsidence Notification.....	9
5.6 Pre-Subsidence Survey	9
5.7 Subsidence Mitigation	9
5.8 Implementation of Subsidence Mitigation Program	12
6.0 Summary	

LIST OF EXHIBITS

EXHIBIT	TITLE
1.	USGS Topographic Map with Mine Projections
2.	Five Year Mining Plan
3.	Typical Coal Block & Barrier Pillar Design
4.	Predicted Ground Response Extraction Thickness of 7.57 feet Overburden Thickness of 1,300 feet, Panel Width of 1020 feet
5.	Predicted Ground Response Extraction Thickness of 7.5 feet Overburden Thickness of 1,900 feet, Panel Width of 1020 feet
6.	Predicted Ground Response Extraction Thickness of 7.5 feet Overburden Thickness of 1300 feet, Panel Width of 960 feet
7.	Predicted Ground Response Extraction Thickness of 7.5 feet Overburden Thickness of 1900 feet, Panel Width of 960 feet

LIST OF ATTACHMENTS

ATTACHMENTS	TITLE
A.	Geologic Description Holes
B.	List of Residents/Well Inventory

SUBSIDENCE CONTROL PLAN

JIM WALTER RESOURCES, INC. MINE NO. 7, P-3247-63-08

1.0 INTRODUCTION

McGehee Engineering Corporation has prepared this Subsidence Control Plan (SCP) for Jim Walter Resources, Inc.'s (JWR) Mine No. 7, which is currently operating under Alabama Surface Mining Commission (ASMC) Permit No. P3247-63-13-U. This SCP specifically addresses planned mining projected for the next five (5) years. The mine plan is subject to change depending on market and geologic conditions.

This plan is submitted as a part of JWR's renewal of ASMC Permit No. P3247-63-13-U and supercedes all previous versions of JWR's SCP, and all related revisions and amendments thereto.

2.0 DESCRIPTION OF SURFACE

Exhibit 1 presents the USGS topographic map of the area overlying the planned workings in the JWR'S Mine No. 7 Underground Mine. Exhibit 2 presents the layout of the panels in relation to surface structures (i.e. occupied dwellings, related structures, drinking water supplies and other surface features) as well as the five year mine plan. JWR's Mine No.7 active subsidence area is located north and northeast of the town of Brookwood, AL. The mine is separated into two (2) sets of longwall panels with approximately two (2) miles of separation.

A survey of structures, features, or renewable resource lands has been conducted. The limits of the survey were determined by a 30⁰ angle of draw from the limits of longwall mining and the areas directly above development mining. Findings are indicated on Exhibit 2. Other mining shown outside the subsidence limit line but within the 5-year mining limit line is development mining with permanent pillars which prevent subsidence in those areas. Structures were identified that fall within the 5-year longwall mining limits. The structures identified are used primarily for residential purposes. They are constructed by variable methods such as: brick, block-frame or pre-site manufactured. Some are a combination of methods. They are located in the SW/SE of Section 5, the NW/SW, SW/NW, NE/NW, SE/SW, NW/NE and NE/SW of Section 8, the SE/SW, NE/SW, SW/NE, SE/NE, and SW/NW of Section 16, the SE/SW and SE/SE of Section 17 of Township 19 South, Range 7 West; the SE/SW of Section 32 and the SW/NE of Section 29 of Township 19 South, Range 6 West; the NW/NW, NW/NE, NE/NW and NE/NE of Section 5 of Township 20 South, Range 6 West. These residences may have support structures such as garages, sheds, etc

Mining will occur under Davis, Prudes, Rockhouse and Hogsick Creeks, Lye Branch and other unnamed tributaries of the Black Warrior River. The creeks and stream channels through the subject area are demarcated by moderately steep slopes, encompassing little to no developed low-lying ground.

The surface overlying Mine No. 7 is predominantly privately owned forest/woodlands, with small parcels of pastureland (hay), grassed clearings, and rural residential development and some previously surface mined areas. The forest/woodlands include tracts that are owned by commercial paper and forestry companies, and are presumably managed for timber production to some extent. Limited residential development is generally located along the main roadways that traverse the mine area.

APCO and Black Warrior Methane, Inc. overhead electric distribution lines cross both northern and eastern areas of the mine. Water mains from Citizens Water Authority (Brookwood, AL) cross the eastern area and water mains from Warrior River Water (Oak Grove, AL) cross the northern area. A high pressure methane gas line operated by Black Warrior Methane crosses the northern portion of Mine No. 7. Past longwall mining performed by JWR beneath similar overhead electric lines and buried gas lines resulted in no substantive impact to the electric lines and associated structures. As required by law, JWR will notify Alabama Power Company, Citizens Water Authority, and Warrior River Water of the planned mining and anticipated subsidence prior to mining beneath their facilities. Black Warrior Methane is a subsidiary of JWR and works closely with JWR in de-gassing underground mine areas in advance of mining. There are no major water tanks, highway bridges or other major sensitive structures in the area of anticipated mining influence.

3.0 GEOLOGY

Mine No. 7 is situated in the Warrior Basin of the Cumberland Plateau Section of the Appalachian Plateau Physiographic Province. The generalized stratigraphy of the region is dominated by sequences of shales and sandstones, with a predominance of shales based on thickness. The mine extracts the Blue Creek Seam from the middle Pottsville Formation. The Blue Creek lies entirely below drainage within the Mine No. 7 projected mine area with depths of cover over ranging from about 1,300 to about 1,900 feet on the higher plateaus and hilltops. See Attachment B to review Geologic Description Holes S0844 and S0854.

4.0 PLANNED MINING

Exhibit 2 presents the proposed mining in Mine No. 7 in relation to major surface features and structures. Planned subsidence will be implemented using the longwall mining method with mains and gate entries developed by continuous miners. Planned subsidence will occur during longwall mining. The subsidence limits are based on an angle of draw of 30⁰. Continuous miners will develop areas outside the subsidence limit line but within the 5-year mining limit. Permanent pillars will be left in place to prevent subsidence. Based on JWR's current planning, the pertinent details of the individual longwall panels are the same, as noted below:

Panel lengths range from approximately 4,500 feet up to 16,100 feet. Panel widths are currently proposed to be 960 feet to 1020 feet. Extraction height reaches 7.5 feet. The Blue Creek seam is overlain by alternating layers of sandstone, sandy shale and shale with occasional layers of coal and fireclay. The majority of strata can be classified as hard rock. Overburden depths range from 1,300 feet up to 1,900 feet. Seam thickness is highly variable within each

panel. The longwall will extract 100 percent of the coal within the panel as defined by the equipment performance specifications.

Mains and gate entries will be developed by continuous miners to provide access to the longwall panels. This development method will leave coal pillars in place for support. Pillar sizes will vary depending on geological conditions. Typically, extraction ratios (% coal removed) by this method will range from 30 percent to 40 percent. Coal blocks or barrier pillars will be left at the ends of each longwall panel (at setup and termination entries), and chain pillars will be left in place at gate roads between successive longwall panels (headgates and tailgates). No secondary recovery of coal within gate roads or setup and termination entries is planned. Exhibit 3 is a typical drawing showing the coal blocks and barrier pillars that lie outside the individual panel boundaries.

5.0 SUBSIDENCE

5.1 PLANNED SUBSIDENCE

McGehee Engineering utilized the Surface Deformation Prediction System (SPDS) software developed at Virginia Tech to evaluate subsidence at JWR's Mine No. 7. Planned subsidence for the 5-year mine plan is proposed within the red subsidence limit line on Exhibit No. 2. Planned subsidence can occur up to a maximum of 2.72 feet.

5.2 NON COMMERCIAL BUILDINGS, OCCUPIED RESIDENTIAL DWELLINGS, RELATED STRUCTURES, PUBLIC BUILDINGS AND FACILITIES, CHURCHS, SCHOOLS and HOSPITALS

The surface areas above or adjacent to JWR's planned mining contains several occupied residential dwellings, related structures, drinking water supplies and other surface features. JWR's planned subsidence of these areas could, and in some cases is expected to cause material damage to those dwellings and structures, or could contaminate, diminish, or interrupt drinking, domestic, or residential water supplies. The list of occupied residences and well inventory is shown in Attachment B. An updated well inventory will be conducted during the pre-subsidence surveys.

JWR employs mining technology that provides for planned subsidence in a predictable and controlled manner. JWR will take necessary and prudent measures, consistent with the mining method employed, to minimize material damage to the extent technologically and economically feasible to non-commercial buildings and occupied residential dwellings and structures related thereto except that measures required to minimize material damage to such structures are not required if:

1. The owner consents in writing that protective/mitigative measures not be taken, or
2. The owner denies access to the property to provide protective/mitigative measures, or
3. JWR demonstrates that the costs to protect/mitigate damage to such structures would exceed the anticipated cost of repair.

Letters of consent from landowners allowing that mitigative measures not be taken and written proof that

access has been denied for the purpose of taking protective/mitigative measures will be included in the subsidence control plan (pre-subsidence survey). Any demonstration that the cost to mitigate would exceed the cost to repair will be included in the subsidence control plan (pre-subsidence survey). Justification and documentation required to show why mitigative/protective measures will not be taken on a particular structure will be included in the subsidence control plan (pre-subsidence survey).

JWR will assume a 30 degree angle of draw for surveys and protective and mitigative measures. Material damage will not be allowed to occur when mining underneath Public Buildings and Facilities, Churches, Schools, and Hospitals. One church (Poplar Springs Church) is located within the area to be impacted and will be protected to prevent material damage.

At least three (3) months prior to subsidence of Poplar Springs Church, JWR will contract a licensed structural engineer to prepare and implement detailed plans to protect the church from subsidence. The contractor will design a cross-lap series of steel beams to support the complete structure with the bottom load supporting beams resting on concrete pads. These bottom beams will be the jacking point for 25 ton porta powers. At these points, the structure will be jacked to maintain level and prevent material damage.

5.3 PUBLIC ROADWAYS and RELATED FACILITIES

Potential damage to public roadways and related facilities is anticipated to be limited to cracking, and slight opening or closure of joints and cracks in pavements. Measures to repair damage to public roadways will be based on recommendations made by the appropriate governmental entity. No major transportation structures, such as long-span bridges or culverts, or tunnels, exist within the area that will be affected by subsidence. If mine subsidence damage occurs to public roadways or related facilities, qualified personnel will perform repairs at JWR's expense

5.4 SURFACE WATER BODIES

JWR or its agents will perform a Water Resource Survey a minimum of six (6) months in advance (if permitted by the property owner) that mining will occur beneath or adjacent (within angle of draw) to surface water bodies. The Water Resource Survey will determine quantity (flow rate, water level or water depth) and water quality. The pH, SC, Fe, Mn and SO₄ will be analyzed. The Water Resource Survey is intended to identify quantity and quality of surface water within the 30-degree angle of draw of the future mining and to preliminarily determine whether any properties may be at risk of material damage. If denied access, it will be the obligation of the property owner to demonstrate that damage is caused by mine subsidence.

Planned subsidence has been performed previously on nearby surface areas, including streams, without adverse effects to the surface, such as slope changes causing ponding. No adverse effects on surface drainage or hydrologic systems are anticipated due to planned subsidence, and no measures are planned for protecting stream bed flow. The depth of cover between the mine and the tributaries of the Black Warrior River is sufficient to prevent significant quantities of water from entering the mine from the tributaries.

5.5 PRE-SUBSIDENCE NOTIFICATION

All property owners and occupants of structures over planned subsidence areas will be notified a minimum of six (6) months in advance that mining will occur beneath or adjacent to their property. The notification will include a statement identifying the location and time for mining; and a statement indicating the Subsidence Control Plan can be reviewed at the ASMC's office in Jasper, Alabama.

5.6 PRE-SUBSIDENCE SURVEY

A pre-subsidence survey will be offered to identify type and conditions of structures within the subsidence limits and to identify any structures that are at potential risk of being damaged by subsidence. Once completed, the survey will be used to determine the measures that may be used to prevent material damage or diminution of the value or reasonable use of the surface area. A copy of pre-subsidence survey/evaluation will be provided to the property owner and Regulatory Authority. The owner shall be notified in writing the consequences under 880-X-10D-.58(1)(b)3 of denying access for a pre-subsidence survey.

If JWR determines that the cost of protective measures will exceed the cost of repairing any damage to the structure, JWR may choose to make repairs rather than take protective measures. Any demonstration that the cost to mitigate would exceed the cost to repair will be included in the subsidence control plan (pre-subsidence survey). Justification and documentation required to show why mitigative/protective measures will not be taken on a particular structure will be included in the subsidence control plan (pre-subsidence survey)

5.7 SUBSIDENCE MITIGATION

JWR has adopted a proactive program to address subsidence issues and surface impacts, and to repair non-commercial buildings and occupies residential dwelling and related structures or compensate the owners thereof, as prescribed by federal and state mining regulations. Under this Plan, JWR will apply its Subsidence Mitigation Program to properties within a 30-degree angle of draw of the ribs of the planned longwall panels as shown on Exhibit No. 2. JWR has implemented a Subsidence Mitigation Program comprise of the following primary aspects:

1. Advance Notification-Property owners over areas of planned mining will be informed of JWR's intent to mine coal beneath or adjacent to their properties, and will be informed of the potential for subsidence damage. Notifications will be issued at least six months in advance of the longwall mining beneath the property.
2. Pre-Mining Reconnaissance-JWR or its agents will perform a pre-mining reconnaissance (visual survey) of surface properties over and adjacent to areas of future planned mining to catalogue the types and obvious unique or abnormal features of the structures that occupy the properties. The Pre-Mining Reconnaissance is intended to identify structures within the 30-degree angle of draw of the future mining and, through a qualitative assessment, to preliminarily determine whether any properties may be at risk of material damage.
3. Ground Water Use-JWR or its agents will perform a Water Resource Survey to determine the status of the local

groundwater users within the proposed mine area (if permitted by the property owner). The survey will consist of collecting information from the local water authorities and from direct interviews of potential local groundwater users within the mine area. The water resource quantity (water level or water depth) and water quality (pH, SC, Fe, Mn and SO₄) will be analyzed. The Water Resource Survey is intended to identify local groundwater users within the 30-degree angle of draw of the future mining and to preliminarily determine whether any properties may be at risk of material damage. If denied access, it will be the obligation of the property owner to demonstrate that damage is caused by mine subsidence

4. Pre- and Post-Subsidence Inspections-JWR or its agents will perform pre- and post-subsidence inspections (and interim inspections if JWR deems necessary), if permitted by the property owner, to document the visible, pre- and post-subsidence condition of each property. The property owner will be requested to participate in these inspections to facilitate accurate identification of significant conditions and features. Should JWR be denied access to any property for the purpose of conducting the pre-subsidence survey, no rebuttable presumption of causation by subsidence will extend to such property. If denied access, it will be the obligation of the property owner to demonstrate that damage is caused by mine subsidence.

5. Protective/Mitigative Surface Measures-JWR, with the agreement of the property owners, will undertake protective measures for non-commercial buildings and occupied residential dwellings that lie within the 30 degree angle of draw. Such measures may include:

-Trenching around structures which have basements;

-Severing structures at locations sensitive to differential settlement such as retaining walls joined to structures, breezeways or rigid members such as slabs or major additions;

-Exposing utility pipelines which penetrate structures;

-Temporarily relocating the occupants of structures should it be determined that imminent danger could result from the proposed mining.

JWR employs mining technology that provides for planned subsidence in a predictable and controlled manner. JWR will take necessary and prudent measures, consistent with the mining method employed, to minimize material damage to the extent technologically and economically feasible to non-commercial buildings and occupied residential dwellings and structures related thereto except that measures required to minimize material damage to such structures are not required if:

A. The owner consents in writing that protective/mitigative measures not be taken, or

B. The owner denies access to the property to provide protective/mitigative measures, or

C. JWR demonstrates that the costs to protect/mitigate damage to such structures would exceed the anticipated cost of repair.

Letters of consent from landowners allowing that mitigative measures not be taken and written proof that access has been denied for the purpose of taking protective/mitigative measures will be included in the subsidence control plan (pre-subsidence survey). Any demonstration that the cost to mitigate would exceed the cost to repair will be included in the subsidence control plan (pre-subsidence survey). Justification and documentation required to show why mitigative/protective measures will not be taken on a particular structure will be included in the subsidence control plan (pre-subsidence survey).

6. Protective/Mitigative Surface Measures-JWR will undertake protective measures to prevent material damage caused by subsidence to "Public Buildings and Facilities, Churches, Schools, and Hospitals and Impoundments with a storage capacity of 20 acre-feet or more or bodies of water with a volume of 20 acre-feet or more. Each structure will be evaluated individually and appropriate protective measures taken to prevent material damage. Such measures may include:

- Trenching around structures that have basements;

- Floating of the structure / Structure fortification ; One church exists within the affected area will be protected to prevent material damage. Poplar Springs Church is a small brick structure with a crawl space. At least three (3) months prior to subsidence of Poplar Springs Church, JWR will contract a licensed structural engineer to prepare and implement detailed plans to protect the church from subsidence. Small columns of block resting on original ground support the structure. The tops of the support blocks are in contact with the main support beams of the structure. The contractor will design a cross lap series of steel beams to support the complete structure with the bottom load supporting beams resting on concrete pads. These bottom beams will be the jacking point for 25 ton porta powers. At these points, the structure will be jacked to maintain level and prevent material damage. The above referenced procedure may be applied to other structures within the affected subsidence area if JWR deems necessary.

- Severing structures at locations sensitive to differential settlement such as retaining walls joined to structures, breezeways or rigid members such as slabs or major additions;

- Exposing utility pipelines which penetrate structures;

- Temporarily relocating the occupants of structures should it be determined that imminent danger could result from the proposed mining.

7. Temporary Subsistence-In instances when JWR anticipates that subsidence impact could pose a hazard to the inhabitants of an occupied residential dwelling, JWR will provide subsistence for the temporary relocation of such persons.

8. Communications with Surface Owners-JWR will also maintain procedures for receiving and logging verbal reports of subsidence-related impact to property and making follow-up site visits.

9. Repair of Damage or Compensation for Diminution of Value-On a case-by-case basis, JWR will decide

to either repair subsidence-induced material damage to non-commercial buildings and occupied residential dwellings and related structures to approximate pre-subsidence conditions, or will compensate the owner for diminution in the value of the property due to the subsidence damage. JWR will also provide replacement (i.e., emergency, temporary, an/or permanent) water supplies which become contaminated, diminished or interrupted due to mining, with water of equivalent quantity and quality as required to substitute/replace existing drinking, domestic and residential water supplies if they are significantly affected by JWR's underground coal mining operations.

10. Discretionary Compensation-In addition to repairing material damage or compensating surface owners for diminution of property value, JWR will repair or offer compensation for any damage, not only material damage, which it finds was caused by subsidence and will, at its discretion, with the agreement of the property owner, offer compensation in lieu of repairs, offer to purchase the property at current market value in pre-subsidence condition, or offer to compensate for any diminution in value of the property caused by subsidence.

5.8 Implementation of Subsidence Mitigation Program

5.8.1 Monitoring, Determination of Subsidence Impacts and Resolution of Damage

JWR will determine the degree to which non-commercial buildings and occupied residential dwellings and related structures and property are affected by subsidence and define a basis for resolution of subsidence damage with property owners as follows;

1. When JWR notifies the owners and occupants of surface property and structures of future mining beneath their properties, JWR will request permission to access the property and structures to conduct a pre-subsidence inspection of structures and surface features within the prescribed 30-degree angle of draw. The pre-subsidence inspection may also include selected adjacent properties outside the 30-degree angle of draw for comparative purposes.
2. If the property owner does not permit JWR to perform a complete pre-subsidence inspection, JWR will notify the owner in writing that it will be their obligation to demonstrate that damage is caused by mine subsidence.
3. The pre-subsidence inspection will include an elevation survey of structure corners or ground elevations at structure corners and other selected points, and a written, audio, video, and/or photographic record of the existing condition of structures and features.
4. Prior to and after mining under the property has occurred, selected profiles will be surveyed to determine when subsidence activity is substantially complete.
5. When subsidence activity is determined to be substantially complete, a post-subsidence survey will be

conducted similar to the pre-subsidence survey in "3" above to document and characterize any subsidence damage.

6. After the post-subsidence survey is conducted, JWR or its agents will list features that qualify for repair, and will prepare a construction cost estimate for repair options or will determine the diminished value of the property attributable to the subsidence damage. JWR may at its discretion offer to purchase affected structures at their current market value in their pre-subsidence condition.

7. JWR will maintain working relationships with construction contractors to facilitate the commencement of repairs, after execution of agreements with property owners.

8. Residents of inhabited structures will be temporarily relocated at JWR's expense, if it is determined that a significant safety or health risk exists or for any other reason.

JWR will also provide replacement (i.e., emergency, temporary, and/or permanent) water supplies as required to substitute/replace existing drinking, domestic and residential water supplies if they are significantly affected by JWR's underground coal mining operations. Upon notification that a user's water supply was adversely impacted by mining, JWR will reasonably provide drinking water to the user promptly after such notification. Within two weeks of notification, JWR will have the user hooked up to a temporary water supply. The temporary water supply will be connected to the existing plumbing, if any, and allow the user to conduct all normal domestic usage such as drinking, cooking, bathing, and washing. Within two years of notification, JWR will connect the user to a satisfactory permanent water supply.

Based on past experience over Mine No. 7, the planned longwall mining is not expected to diminish the current or reasonable foreseeable uses of renewable resource lands or other surface lands. Due to the significant overburden thickness, which is dominated by thick shale horizons and massive sandstones, no permanent interruption or irrecoverable loss of flow is expected along the major creeks and streams in the mining area. These conclusions are supported by observations over nearly thirty (30) years of previously mined areas. JWR will observe the surface water bodies and lands over the longwall panel being mined to determine if there is material damage. If material damage does exist, the area will be repaired.

5.8.2 Procedures to Address Utilities/Pipelines

JWR will notify utility/pipeline and owners of their intent to mine under the pipelines, utility lines and related structures, and public roads that cross planned longwall panels approximately six (6) months in advance of mining. JWR will offer the owners access to available information concerning past experiences over completed longwall panels and the protective measures that were selectively implemented (if any), such that the owners can determine and implement the precautions and prudent actions they deem necessary to protect their interests and the public. JWR will also periodically apprise the utility/pipeline owners of the status on the mining, such that the owners can better manage the potential for subsidence impact to their facilities.

Past experience has shown very little subsidence impact to pipelines, utility lines and related structures. For

higher pressure and sensitive pipelines and public roads, if there should be an increased risk of subsidence impact, measures such as exposing the pipelines in open trenches or reducing line pressures as much as practical could be undertaken. The owners of potentially affected facilities will be apprised of these measures sometimes used to protect such structures from subsidence damage for their consideration when evaluating risks and making decisions concerning the use of protective measures.

5.8.3 Public Roadways and Related Facilities

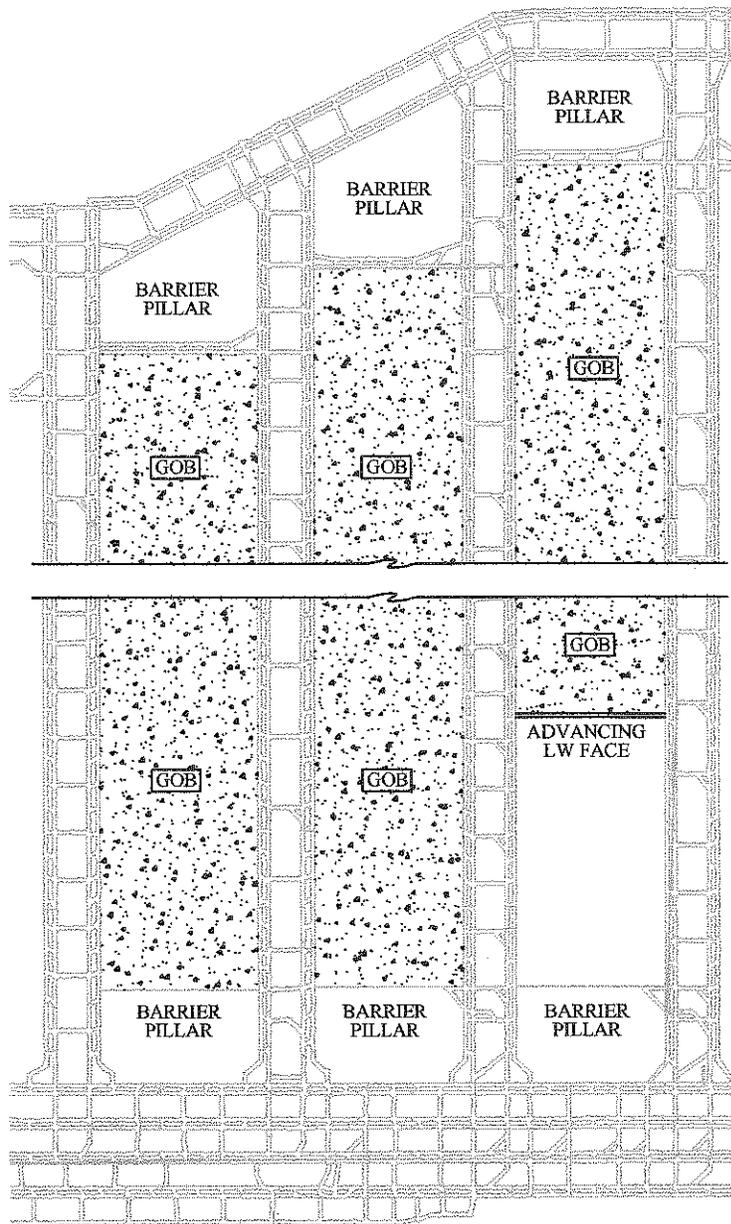
Potential damage to public roadways and minor appurtenant facilities is anticipated to be limited to cracking and opening of existing joints and cracks in pavements. No major transportation structures, such as long-span bridges or culverts, or tunnels, exist within the Plan area. If mine subsidence damage occurs to public roadways or related facilities, qualified personnel will perform repairs at JWR's expense.

6.0 SUMMARY

The preceding Subsidence Control Plan presents information on JWR's planned mining of longwall panels for its 5-year mine plan at its Mine No. 7, and summarizes pertinent surface and subsurface conditions for the Plan area. Predictions of the ground response over the planned longwall panels are also presented, and potential subsidence impacts are discussed relative to the primary surface features within the presumed zone of influence of the subject panels. JWR's course of action and Subsidence Mitigation Program are described generally and in more specific terms as they will be applied to identify subsidence impacts, assess damage and pursue resolutions of damage with affected property owners. Various exhibits and attachments are included to supplement the discussions, and to support the conclusions of the Plan and JWR's course of action to address subsidence issues.

The Subsidence Mitigation Program will be applied to properties within the prescribed 30-degree angle of draw from the ribs of longwall panels as shown in Exhibit 2, and to other properties for comparative purposes at JWR's discretion. The primary components of the Subsidence Mitigation Program provide the mechanisms to protect and compensate the owners of affected non-commercial buildings and occupied residential dwellings and related structures, and to protect drinking, domestic and residential water supplies and the current and reasonable foreseeable uses of surface lands. This Plan thereby fulfills and exceeds the intent of OSM and ASMC regulations as they apply to subsidence control and surface protection issues.

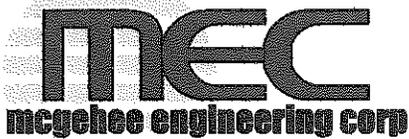
EXHIBITS



JIM WALTER RESOURCES, INC.
EXHIBIT NO. 3

**TYPICAL COAL BLOCK
 AND BARRIER PILLAR DESIGN**

SCALE: 1" = 1000'



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ATTACHMENTS

ATTACHMENT A

Attachment A - Geologic Description Hole

Report: Geological Data
 Company: Jim Walter Resources, Inc.
 Database: JW MASTER DATABASE
 Hole Id: S0844 Horizon From: 1000 Horizon To: 7500

Program: CGB
 Page: 3
 Run: 7/30/2012
 1:20PM

←----- Lithology ----->		Interval		Horizon	Elevation	County:
Description	Code	Thickness	From	To	Id Note	To Comment Quad: AD
CASING	001	19.00		19.00	1501	2667.50
DRK GRY SH W_SS STKS	323	168.00	19.00	187.00	1501	2499.50
SS	500	21.00	187.00	208.00	1501	2478.50
SDY SH	300	4.20	208.00	212.20	1501	2474.30
COAL	020	1.00	212.20	213.20	2100	2473.30
SDY SH	300	3.80	213.20	217.00	2100	2469.50
COAL	020	0.90	217.00	217.90	2100	2468.60
SS	500	30.30	217.90	248.20	2101	2438.30
DRK GRY SH W_SS STKS	323	49.10	248.20	297.30	2101	2389.20
COAL	020	0.20	297.30	297.50	2200	2389.00
SH	104	0.10	297.50	297.60	2200	2388.90
COAL	020	1.10	297.60	298.70	2200	2387.80
SH	104	0.10	298.70	298.80	2200	2387.70
COAL	020	0.30	298.80	299.10	2200	2387.40
SH	104	0.10	299.10	299.20	2200	2387.30
COAL	020	0.90	299.20	300.10	2200	2386.40
DRK GRY SH_INTERBED SS	322	6.80	300.10	306.90	2201	2379.60
COAL	020	1.10	306.90	308.00	2300	2378.50
FIRECLAY	107	2.00	308.00	310.00	2301	2376.50
SDY SH	300	6.50	310.00	316.50	2301	2370.00
SS	500	31.50	316.50	348.00	2301	2338.50
DRK GRY SH_INTERBED SS	322	8.00	348.00	356.00	2301	2330.50
SS	500	16.00	356.00	372.00	2301	2314.50
DRK GRY SH W_SS STKS	323	176.50	372.00	548.50	2301	2138.00
COAL	020	0.80	548.50	549.30	3100	2137.20
SS	500	63.70	549.30	613.00	3101	2073.50
DRK GRY SH_INTERBED SS	322	7.00	613.00	620.00	3101	2066.50
SS	500	25.00	620.00	645.00	3101	2041.50
DRK GRY SH_INTERBED SS	322	11.70	645.00	656.70	3101	2029.80
COAL	020	0.30	656.70	657.00	4100	2029.50
FIRECLAY	107	2.00	657.00	659.00	4101	2027.50
DRK GRY SH_INTERBED SS	322	87.00	659.00	746.00	4101	1940.50
SDY SH	300	34.00	746.00	780.00	4101	1906.50
DRK GRY SH_INTERBED SS	322	30.00	780.00	810.00	4101	1876.50
SS	500	28.00	810.00	838.00	4101	1848.50
SDY SH	300	1.80	838.00	839.80	4101	1846.70
COAL	020	0.20	839.80	840.00	5100	1846.50
SH	104	0.50	840.00	840.50	5100	1846.00
COAL	020	1.20	840.50	841.70	5100	1844.80
SH	104	0.20	841.70	841.90	5100	1844.60
COAL	020	0.60	841.90	842.50	5100	1844.00

Attachment A - Geologic Description Hole

Report: Geological Data
 Company: Jim Walter Resources, Inc.
 Database: JW MASTER DATABASE
 Hole Id: S0844 Horizon From: 1000 Horizon To: 7500

Program: CGB
 Page: 4
 Run: 7/30/2012
 1:20PM

Easting: 597062.82		Northing: 1221796.03		Elevation: 2686.50		Drill Depth: 2250.00		Property:	
←----- Lithology ----->			Interval		Horizon	Elevation	County:		
Description	Code	Thickness	From	To	Id Note	To	Comment	Quad:	AD
SH	104	0.50	842.50	843.00	5100	1843.50			
COAL	020	0.10	843.00	843.10	5100	1843.40			
FIRECLAY	107	1.30	843.10	844.40	5101	1842.10			
COAL BONEY	026	0.20	844.40	844.60	5101	1841.90			
SH	104	1.90	844.60	846.50	5101	1840.00			
COAL BONEY	026	0.30	846.50	846.80	5101	1839.70			
SS	500	43.20	846.80	890.00	5101	1796.50			
DRK GRY SH W_SS STKS	323	13.00	890.00	903.00	5101	1783.50			
SS	500	59.00	903.00	962.00	5101	1724.50			
SS	500	18.00	962.00	980.00	5101	1706.50			
DRK GRY SH_INTERBED SS	322	132.00	980.00	1112.00	5101	1574.50			
DRK GRY SH W_SS STKS	323	55.00	1112.00	1167.00	5101	1519.50			
COAL	020	1.00	1167.00	1168.00	6100	1518.50			
SH	104	0.70	1168.00	1168.70	6100	1517.80			
COAL	020	1.10	1168.70	1169.80	6100	1516.70			
SDY SH	300	1.60	1169.80	1171.40	6100	1515.10			
COAL W_SH LAYERS	027	0.50	1171.40	1171.90	6100	1514.60			
SH	104	0.30	1171.90	1172.20	6100	1514.30			
COAL	020	0.20	1172.20	1172.40	6100	1514.10			
SS W_SH STKS	503	23.70	1172.40	1196.10	6101	1490.40			
COAL	020	1.10	1196.10	1197.20	6200	1489.30			
FIRECLAY	107	2.30	1197.20	1199.50	6201	1487.00			
DRK GRY SH W_SS STKS	323	29.70	1199.50	1229.20	6201	1457.30			
COAL BONEY	026	0.60	1229.20	1229.80	6300	1456.70			
SH	104	0.10	1229.80	1229.90	6300	1456.60			
SH W_COAL STKS	103	0.30	1229.90	1230.20	6300	1456.30			
DRK GRY SH W_SS STKS	323	4.50	1230.20	1234.70	6301	1451.80			
COAL	020	1.10	1234.70	1235.80	6301	1450.70			
FIRECLAY	107	5.20	1235.80	1241.00	6301	1445.50			
DRK GRY SH_INTERBED SS	322	22.00	1241.00	1263.00	6301	1423.50			
COAL	020	1.20	1263.00	1264.20	6400	1422.30			
FIRECLAY	107	3.80	1264.20	1268.00	6401	1418.50			
SS	500	83.00	1268.00	1351.00	6401	1335.50			
DRK GRY SH W_SS STKS	323	31.50	1351.00	1382.50	6401	1304.00			
COAL BONEY	026	0.30	1382.50	1382.80	6800	1303.70			
SS W_SH STKS	503	11.20	1382.80	1394.00	6801	1292.50			
COAL BONEY	026	0.20	1394.00	1394.20	6900	1292.30			
FIRECLAY	107	3.80	1394.20	1398.00	6901	1288.50			
DRK GRY SH W_SS STKS	323	32.80	1398.00	1430.80	6901	1255.70			
COAL	020	0.10	1430.80	1430.90	6901	1255.60			
SS	500	12.40	1430.90	1443.30	6901	1243.20			

Attachment A - Geologic Description Hole

Report: Geological Data
 Company: Jim Walter Resources, Inc.
 Database: JW MASTER DATABASE
 Hole Id: S0844 Horizon From: 1000 Horizon To: 7500

Program: CGB
 Page: 5
 Run: 7/30/2012
 1:20PM

Easting: 597062.82		Northing: 1221796.03		Elevation: 2686.50		Drill Depth: 2250.00		Property:	
←----- Lithology ----->			Interval		Horizon		Elevation		County:
Description	Code	Thickness	From	To	Id	Note	To	Comment	Quad: AD
BONE	034	0.10	1443.30	1443.40	6901		1243.10		
FIRECLAY	107	2.60	1443.40	1446.00	6901		1240.50		
SS	500	32.00	1446.00	1478.00	6901		1208.50		
SDY SH	300	7.00	1478.00	1485.00	6901		1201.50		
SS	500	34.00	1485.00	1519.00	6901		1167.50		
DRK GRY SH_INTERBED SS	322	35.00	1519.00	1554.00	6901		1132.50		
SS W_SH STKS	503	74.00	1554.00	1628.00	6901		1058.50		
DRK GRY SH W_SS STKS	323	153.50	1628.00	1781.50	6901		905.00		
COAL	020	0.20	1781.50	1781.70	7100		904.80		
SDY SH	300	5.30	1781.70	1787.00	7101		899.50		
COAL	020	1.30	1787.00	1788.30	7200		898.20		
SDY SH	300	18.20	1788.30	1806.50	7201		880.00		
COAL	020	0.60	1806.50	1807.10	7300		879.40		
SDY SH	300	18.00	1807.10	1825.10	7301		861.40		
SH BRECCIA	772	0.90	1825.10	1826.00	7301		860.50	Fault: slicks, gouge, high angle fr act	
Thickness Sum:		1,826.00							

Attachment A - Geologic Description Hole

Report: Geological Data
 Company: Jim Walter Resources, Inc.
 Database: JW MASTER DATABASE
 Hole Id: S0854 Horizon From: 1000 Horizon To: 7500

Program: CGB
 Page: 6
 Run: 7/30/2012
 1:20PM

Easting: 566973.70 Northing: 1238685.10 Elevation: 2350.90 Drill Depth: 2000.00 Property:		Lithology		Interval		Horizon		Elevation		County:	
Description	Code	Thickness	From	To	Id	Note	To	Comment	Quad:	AD	
CASING	001	20.00		20.00	1501		2330.90				
SDY SH	300	16.00	20.00	36.00	1501		2314.90				
SS W_SH STKS	503	20.00	36.00	56.00	1501		2294.90				
SS	500	39.50	56.00	95.50	1501		2255.40				
SDY SH	300	12.50	95.50	108.00	1501		2242.90				
SS	500	33.50	108.00	141.50	1501		2209.40				
SDY SH	300	79.50	141.50	221.00	1501		2129.90				
SS	500	10.00	221.00	231.00	1501		2119.90				
BONE	034	0.30	231.00	231.30	1501		2119.60				
SDY SH	300	4.70	231.30	236.00	1501		2114.90				
SS	500	16.50	236.00	252.50	1501		2098.40				
SDY SH	300	6.50	252.50	259.00	1501		2091.90				
COAL	020	1.50	259.00	260.50	5100		2090.40				
FIRECLAY	107	2.50	260.50	263.00	5101		2087.90				
SDY SH	300	7.00	263.00	270.00	5101		2080.90				
SS	500	39.00	270.00	309.00	5101		2041.90				
DRK GRY SH W_SS STKS	323	37.00	309.00	346.00	5101		2004.90				
SS W_SH STKS	503	70.00	346.00	416.00	5101		1934.90				
DRK GRY SH_INTERBED SS	322	18.00	416.00	434.00	5101		1916.90				
SS W_SH STKS	503	21.00	434.00	455.00	5101		1895.90				
DRK GRY SH_INTERBED SS	322	95.00	455.00	550.00	5101		1800.90				
SDY SH	300	35.40	550.00	585.40	5101		1765.50				
COAL	020	0.30	585.40	585.70	6100		1765.20				
SH	104	0.05	585.70	585.75	6100		1765.15				
COAL	020	0.65	585.75	586.40	6100		1764.50				
BONE	034	0.10	586.40	586.50	6100		1764.40				
COAL	020	0.80	586.50	587.30	6100		1763.60				
SH	104	0.30	587.30	587.60	6100		1763.30				
COAL	020	0.10	587.60	587.70	6100		1763.20				
BONE	034	0.10	587.70	587.80	6100		1763.10				
COAL	020	0.40	587.80	588.20	6100		1762.70				
SDY SH	300	0.20	588.20	588.40	6100		1762.50				
COAL	020	0.20	588.40	588.60	6100		1762.30				
SH	104	0.50	588.60	589.10	6100		1761.80				
COAL	020	0.30	589.10	589.40	6100		1761.50				
SDY SH	300	1.10	589.40	590.50	6100		1760.40				
COAL	020	0.80	590.50	591.30	6100		1759.60				
SDY SH	300	11.70	591.30	603.00	6101		1747.90				
COAL	020	0.40	603.00	603.40	6200		1747.50				
SH	104	2.30	603.40	605.70	6201		1745.20				
COAL	020	0.30	605.70	606.00	6300		1744.90				

Attachment A - Geologic Description Hole

Report: Geological Data
 Company: Jim Walter Resources, Inc.
 Database: JW MASTER DATABASE
 Hole Id: S0854 Horizon From: 1000 Horizon To: 7500

Program: CGB
 Page: 7
 Run: 7/30/2012
 1:20PM

Easting: 566973.70		Northing: 1238685.10		Elevation: 2350.90		Drill Depth: 2000.00		Property:		
←----- Lithology ----->			Interval		Horizon		Elevation		County:	
Description	Code	Thickness	From	To	Id	Note	To	Comment	Quad:	AD
SDY SH	300	2.30	606.00	608.30	6301		1742.60			
COAL	020	0.70	608.30	609.00	6400		1741.90			
SS	500	35.00	609.00	644.00	6401		1706.90			
SDY SH	300	4.00	644.00	648.00	6401		1702.90			
COAL	020	0.90	648.00	648.90	6500		1702.00			
FIRECLAY	107	3.10	648.90	652.00	6501		1698.90			
SDY SH	300	7.00	652.00	659.00	6501		1691.90			
SS	500	27.90	659.00	686.90	6501		1664.00			
COAL	020	0.70	686.90	687.60	6600		1663.30			
FIRECLAY	107	1.40	687.60	689.00	6601		1661.90			
DRK GRY SH W_SS STKS	323	20.20	689.00	709.20	6601		1641.70			
COAL	020	0.70	709.20	709.90	6700		1641.00			
SH	104	0.80	709.90	710.70	6700		1640.20			
COAL	020	0.50	710.70	711.20	6700		1639.70			
DRK GRY SH W_SS STKS	323	18.30	711.20	729.50	6701		1621.40			
COAL	020	0.20	729.50	729.70	6800		1621.20			
DRK GRY SH W_SS STKS	323	28.30	729.70	758.00	6801		1592.90			
SDY SH	300	28.40	758.00	786.40	6801		1564.50			
SS	500	25.60	786.40	812.00	6801		1538.90			
SDY SH	300	30.00	812.00	842.00	6801		1508.90			
SS	500	39.40	842.00	881.40	6801		1469.50			
BONE	034	0.10	881.40	881.50	6801		1469.40			
SDY SH	300	1.40	881.50	882.90	6801		1468.00			
SS	500	31.10	882.90	914.00	6801		1436.90			
SDY SH	300	42.00	914.00	956.00	6801		1394.90			
DRK GRY SH_INTERBED SS	322	57.00	956.00	1013.00	6801		1337.90			
SDY SH	300	52.00	1013.00	1065.00	6801		1285.90			
DRK GRY SH W_SS STKS	323	56.00	1065.00	1121.00	6801		1229.90			
SS W_SH STKS	503	58.20	1121.00	1179.20	6801		1171.70			
COAL	020	0.80	1179.20	1180.00	7200		1170.90			
SH	104	0.60	1180.00	1180.60	7200		1170.30			
COAL	020	1.00	1180.60	1181.60	7200		1169.30			
SH	104	0.60	1181.60	1182.20	7200		1168.70			
COAL	020	1.30	1182.20	1183.50	7200		1167.40			
FIRECLAY	107	4.50	1183.50	1188.00	7201		1162.90			
SS	500	21.40	1188.00	1209.40	7201		1141.50			
DRK GRY SH_INTERBED SS	322	2.20	1209.40	1211.60	7201		1139.30			
SDY SH	300	6.70	1211.60	1218.30	7201		1132.60			
COAL	020	0.75	1218.30	1219.05	7400		1131.85			
SH	104	0.10	1219.05	1219.15	7450		1131.75			
SH_W_COAL STKS	103	0.35	1219.15	1219.50	7450		1131.40			

Attachment A - Geologic Description Hole

Report: Geological Data
 Company: Jim Walter Resources, Inc.
 Database: JW MASTER DATABASE
 Hole Id: S0854 Horizon From: 1000 Horizon To: 7500

Program: CGB
 Page: 8
 Run: 7/30/2012
 1:20PM

Easting: 566973.70 Northing: 1238685.10 Elevation: 2350.90 Drill Depth: 2000.00 Property:		Lithology		Interval		Horizon		Elevation		County:	
Description	Code	Thickness	From	To	Id	Note	To	Comment	Quad:	AD	
SDY SH	300	0.80	1219.50	1220.30	7450		1130.60				
COAL	020	0.10	1220.30	1220.40	7480		1130.50				
SH	104	0.80	1220.40	1221.20	7490		1129.70				
COAL	020	1.55	1221.20	1222.75	7500		1128.15				
BONE	034	0.05	1222.75	1222.80	7500		1128.10				
COAL	020	1.00	1222.80	1223.80	7500		1127.10				
SH	104	0.10	1223.80	1223.90	7500		1127.00				
COAL	020	0.15	1223.90	1224.05	7500		1126.85				
SH	104	0.05	1224.05	1224.10	7500		1126.80	pyrite band			
COAL	020	0.60	1224.10	1224.70	7500		1126.20				

Thickness Sum: 1,224.70

ATTACHMENT B

