

ASMC Use Only:

Fee: _____
Bond Required: _____
Date Approved: _____

APPLICATION FOR PERMIT REVISION

Name of Permittee: RJR Mining Company, Inc.

License Number: L-614 Permit Number: P-3691-01-05-S

Permit Expiration Date: 06-02-05 Mine Name: Majestic Mine

Revision Number: Revision R-12

Nature of Proposed Revision:

- 1) Update Surface and Mineral Ownership

- 2) Request to change the post mining landuse of sediment basin 009, 010, and 023 from temporary impoundments to permanent water impoundments, fish and wildlife habitat.

Attach detailed estimate of effect of proposed revision on reclamation costs.

Applicant: RJR Mining Company, Inc.
Mine Name: Majestic Mine
Permit Number: P- 3691 Revision R-12

STATE OF ALABAMA SURFACE MINING COMMISSION

- (X) Permit Application for a Surface Coal Mine
- () Permit Application for an Underground Coal Mine
- () Permit Application for a Preparation Facility

PART I A. IDENTIFICATION

1. PERMIT APPLICANT

Name: RJR Mining Company, Inc.
Street Address: 210 2nd Street SE
City: Cullman State: AL Zip: 35055
Mailing Address: 210 2nd Street SE
City: Cullman State: AL Zip: 35055
Telephone Number: (256) 775-0067
Social Security Number (Voluntary): _____
Employer Identification Number: _____
ASMC License#: L-614

2. ENTITY OR PERSON RESPONSIBLE FOR PAYING ABANDONED MINE LAND RECLAMATION FEES

Name: Applicant
Street Address: _____
City: _____ State: _____ Zip: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone Number: (_____) _____
Social Security Number (Voluntary): _____
Employer Identification Number: _____
ASMC License#: _____

3. IDENTIFY THE OPERATOR FOR THIS MINE IF DIFFERENT FROM THE PERMITTEE

Name: Applicant
Street Address: _____
City: _____ State: _____ Zip: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone Number: (_____) _____
Social Security Number (Voluntary): _____
Employer Identification Number: _____
ASMC License#: _____

4. CONTACT PERSON FOR PERMIT REVIEW ISSUES AND CORRESPONDENCE

Name: Heath Franks c/o PERC Engineering Co., Inc.
Mailing Address: Post Office Box 1712
City: Jasper State: AL Zip: 35502-1712
Telephone Number: (205) 384-5553

ALSO PLEASE COPY: Randy C. Johnson
RJR Mining Company, Inc.
210 2nd Street SE
Cullman, AL 35055
Telephone: (256) 775-0067

Applicant: RJR Mining Company, Inc.
Mine Name: Majestic Mine
Permit Number: P- 3691 Revision R-12

PART I B. OWNERSHIP AND CONTROL

1. PERMIT APPLICANT OWNERSHIP AND CONTROL.

At the time of filing of this application provide an update of all information contained in the applicant's license file or certify that the information contained in the license is accurate and complete. The updated information shall be submitted on Part IA through Part IF of the License application form. Check one of the following

- A license update is included
- Information contained in the license file is accurate and complete at the time of filing of this application.
No update is included.

Following notification that the permit appears eligible for issuance, the applicant must certify that all information in this application and the license file pertaining to ownership and control, surface mining history and violation history is still valid or the applicant must submit the appropriate update information.

2. OPERATOR OWNERSHIP AND CONTROL.

If someone other than the permittee has been identified as the operator under this permit, an update of the ownership and control information contained in the operator's license file must be provided or certify that the information contained in the license file is accurate and complete. The updated information shall be submitted on Part I A through Part I F of the License application form. Check one of the following: **NOT APPLICABLE**

- A license update is included
- Information contained in the license file is accurate and complete at the time of filing of this application.
No update is included.

Following notification that the permit appears eligible for issuance, the applicant must certify that all information in this application and the license file pertaining to ownership and control, surface mining history and violation history is still valid or the applicant must submit the appropriate update information.

3. CONTROL OF MINING OPERATION THROUGH CONTROL OF COAL TO BE MINED.

Provide the information below for any person or entity who owns or controls the coal to be mined under this permit and who, by lease, sublease, or other contract:

- A. has the right to receive the coal after mining, or,
- B. has the authority to determine the manner in which the operator or permittee conducts surface coal mining operations.

(USE ADDITIONAL SHEETS IN THE FORMAT BELOW IF NECESSARY)

Name: Applicant
Street Address: _____
City: _____ State: _____ Zip: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: (____) _____ - _____
Social Security Number (Voluntary): _____ - _____ - _____
Employer Identification Number: _____
ASMC License Number: _____

Applicant: RJR Mining Company, Inc.
 Mine Name: Majestic Mine
 Permit Number: P- 3691 Revision R-12

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS

1. OWNERSHIP OF PROPERTY TO BE MINED AND RIGHT OF ENTRY.

INSTRUCTIONS: Show the property ownership boundaries of each parcel of land in the permit area on the permit map or an overlay of the same scale as the permit map. If the surface estate is severed from the mineral estate, show and describe the ownership of each estate separately. In the spaces below, identify:

1. Every current legal or equitable owner(s) of record (as found in a standard search of title) of the property;
2. The holders of record of any leasehold interest in the property; and,
3. Any purchaser of record under a real estate contract of the property.

Describe the basis of the applicant's legal right to enter and mine on all properties contained in the permit application. If the mineral estate has been severed from the surface estate, describe the basis of the legal right to enter and mine both the surface and mineral separately. Give the nature of such right (i.e. lease, deed, contract, etc.), where recorded, describe from whom, to whom, and the date executed, and whether that right is the subject of pending litigation.

USE ADDITIONAL SHEETS IN THE FORMAT BELOW AS NECESSARY

Page 1 of 4

Legal description of property or permit map symbol: Drummond Company. Inc.(M)
 Surface/Mineral/or Fee Simple (both): Mineral
 Legal owner(s) of record: Drummond Company. Inc.
 Address: 104 3rd Street SW City: Cullman State: AL Zip: 35055
 Holders of leasehold interest: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Purchasers under a real estate contract: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Description of right to enter or mine:
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending? (Yes or No) If yes, explain
Deed (Jefferson Co. Courthouse)	Drummond Company, Inc.	Randy Johnson and Randy Nelson	11-25-98	No
Deed (Jefferson Co. Courthouse)	Randy Johnson and Randy Nelson	RJR Mining Company, Inc.	11-30-98	No
Deed (Jefferson Co. Courthouse)	RJR Mining Company, Inc.	Drummond Company, Inc.	8/18/2009	No

Applicant: RJR Mining Company, Inc.
 Mine Name: Majestic Mine
 Permit Number: P- 3691 Revision R-12

PART I C 1. (CONTINUED)

Legal description of property or permit map symbol: Drummond Company, Inc. (FEE)

Surface/Mineral/or Fee Simple (both): Fee Simple
 Legal owner(s) of record: Drummond Company, Inc.
 Address: P.O. Box 1549 City: Jasper State: AL Zip: 35502
 Holders of leasehold interest: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Purchasers under a real estate contract: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Description of right to enter or mine:
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending? (Yes or No) If yes, explain
Lease	Drummond Company, Inc.	RJR Mining Co., Inc.	11-30-98	No

Legal description of property or permit map symbol: Joe C. & Jane G. Creel (S)

Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Joe C. & Jane Creel
 Address: 4117 Rollingwood Drive City: Southside State: AL Zip: 35907-0985
 Holders of leasehold interest: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Purchasers under a real estate contract: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Description of right to enter or mine:
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending? (Yes or No) If yes, explain
Lease	Joe C. & Jane G. Creel	RJR Mining Co., Inc.	***	No

*** No lease was ever granted for this property, due to the fact, the property was never disturbed.

Applicant: RJR Mining Company, Inc.
 Mine Name: Majestic Mine
 Permit Number: P- 3691 Revision R-12

PART I C 1. (CONTINUED)

Legal description of property or permit map symbol: Hazel W. Creel (S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: Hazel Creel

Address: 8456 Mann Lane City: Morris State: AL Zip: 35116-1416

Holder(s) of leasehold interest: _____

Address: _____ City: _____ State: _____ Zip: _____

Purchasers under a real estate contract: _____

Address: _____ City: _____ State: _____ Zip: _____

Description of right to enter or mine:
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending? (Yes or No) If yes, explain
Lease	Hazel W. Creel	RJR Mining Co., Inc.	11-30-98	No

Legal description of property or permit map symbol: Gutherie Development, LLC(S)

Surface/Mineral/or Fee Simple (both): Surface

Legal owner(s) of record: Gutherie Development, LLC.

Address: 2153 Self Creek Road City: Warrior State: AL Zip: 35180-2339

Holder(s) of leasehold interest: _____

Address: _____ City: _____ State: _____ Zip: _____

Purchasers under a real estate contract: _____

Address: _____ City: _____ State: _____ Zip: _____

Description of right to enter or mine:
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending? (Yes or No) If yes, explain
Lease**	Gutherie Development, LLC.	RJR Mining Co., Inc.	3-7-01	No

Applicant: RJR Mining Company, Inc.
 Mine Name: Majestic Mine
 Permit Number: P- 3691 Revision R-12

PART I C 1. (CONTINUED)

Legal description of property or permit map symbol: _____
David L. & Marion L. McCowan (S)
 Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: David L. & Marion L. McCowan
 Address: 2350 Creel Road City: Morris State: AL Zip: 35116-1685
 Holders of leasehold interest: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Purchasers under a real estate contract: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Description of right to enter or mine:
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending? (Yes or No) If yes, explain
Lease	David L. & Marion L. McCowan	RJR Mining Co., Inc.	07-09-02	No

Legal description of property or permit map symbol: _____
 Surface/Mineral/or Fee Simple (both): _____
 Legal owner(s) of record: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Holders of leasehold interest: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Purchasers under a real estate contract: _____
 Address: _____ City: _____ State: _____ Zip: _____
 Description of right to enter or mine:
 Describe the type of document or conveyance which grants the right of entry, disturbance or mining. Indicate from whom the right was acquired and to whom the right was granted. If the grantor of the right is not the owner(s) of property, identify all grantors and grantees of the right beginning with the owner(s) and ending with the permit applicant.

Describe Right of Entry (If deed indicate where recorded):	Granted From:	Granted To:	Date Granted:	Litigation Pending? (Yes or No) If yes, explain

Applicant: RJR Mining Company, Inc.
Mine Name: Majestic Mine
Permit Number: P- 3691 Revision R-12

PART I C. (CONTINUED)

2. OWNERSHIP OF SURFACE AND MINERAL LANDS CONTIGUOUS TO THE AREA TO BE MINED.

INSTRUCTIONS: Provide the information below for the owners of record of all surface and mineral properties contiguous to any part of the proposed permit area.

USE ADDITIONAL SHEETS AS NECESSARY IN THE FORMAT BELOW

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PAGE 1 of 1

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Name: Randy Johnson & Randy Nelson
Address: 104 3rd Street SW
City: Cullman State: AL Zip: 35055
Interest owned (Surface, Coal or Fee Simple): Mineral
Type of Interest (Owner, Lease, or Other): Owner

Name: Eddie D. Johnson
Address: 1014 Veris Mill Road
City: Rockville State: MD Zip: 20851-1635
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest (Owner, Lease, or Other): Owner

Name: Lillie Denson
Address: P. O. Box 39
City: Hayden State: AL Zip: 35079
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest (Owner, Lease, or Other): Owner

Name: Joe C. and Jane C. Creel
Address: 4117 Rollingwood Drive
City: Southside State: AL Zip: 35907-0985
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest (Owner, Lease, or Other): Owner

Name: James E. and Hazel W. Creel
Address: 8456 Mann Lane
City: Morris State: AL Zip: 35116-1416
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest (Owner, Lease, or Other): Owner

Name: Gaius and Marcia Guthrie
Address: 2153 Self Creek Road
City: Warrior State: AL Zip: 35180-2339
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest (Owner, Lease, or Other): Owner

Name: David L. & Marion L. McCowan
Address: 2350 Creel Road
City: Morris State: AL Zip: 35116-1685
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest (Owner, Lease, or Other): Owner

Applicant: RJR Mining Company, Inc.
Mine Name: Majestic Mine
Permit Number: P- 3691 Revision R-12

PART I C. (CONTINUED)

**3. INTERESTS OR PENDING INTERESTS IN LANDS CONTIGUOUS TO THE PERMIT AREA
INSTRUCTIONS:**

Give the legal description of all lands contiguous to the permit area for which the for which the permit applicant:

1. Holds an interest,
2. Holds an option, or
3. Has made a bid for ownership, lease or other interest.

USE ADDITIONAL SHEETS AS NECESSARY IN THE FORMAT BELOW

=====

PAGE ___ OF ___ Not Applicable

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Legal description: _____

Describe the nature of the interest: _____

=====

Legal description: _____

Describe the nature of the interest: _____

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Legal description: _____

Describe the nature of the interest: _____

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Legal description: _____

Describe the nature of the interest: _____

=====

Legal description: _____

Describe the nature of the interest: _____

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Applicant: <u>RJR Mining Company, Inc.</u>
Mine Name: <u>Majestic Mine</u>
Permit Number: P- <u>3691 Revision R-12</u>

PART I D. PERMIT AREA INFORMATION

1. Give the requested term of this permit: 5 years.
2. Give the legal description of the land upon which the applicant proposes to conduct surface coal mining operations. List each quarter-quarter section, section, township, range, and county.

SW/NW, NW/SW, SW/SW of Section 3; NE/SW, NW/SE, SE/NE, SW/NE, SE/NW, NW/NW, NE/NW, NW/NE, NE/NE of Section 4, Township 15 South, Range 2 West, Jefferson County, Alabama.

3. Give the acreage of the permit, each increment and the type of bonding.

a. Total permit acreage: 174 acres

b. Give the acreage and type of bond for each mining increment:

<u>Increment</u>	<u>Acres</u>	<u>Type Bond Proposed</u>
3.	<u>0</u>	<u>Phase III Bond Release</u>
4.	<u>0</u>	<u>Phase III Bond Release</u>
5.	<u>174</u>	<u>Surety</u>
6.	<u>0</u>	<u>Phase III Bond Release</u>
7.	<u>0</u>	<u>Phase III Bond Release</u>
8.	<u>0</u>	<u>Phase III Bond Release</u>

c. Identify the increment(s) on which mining will initially begin upon issuance of this permit: Increment 5.

4. Has any acreage in the proposed permit area been previously disturbed by mining? ()YES ()NO

If yes, supply the following for any and all previously disturbed areas:

- a. Show the boundaries of the previously disturbed area(s) on the permit map and identify with an appropriate symbol.
- b. List, for each area, the permit number under which it was disturbed and the number of acres. Indicate the status of each permit as Unreleased, Grading released, or 100% released. (If no permit, indicate as such.)
- c. For each area which has not been reclaimed or received a 100% release, indicate whether you intend to assume responsibility for reclamation of the area under this permit and its performance bond(s).

5. Is disturbance to be conducted within 300 feet, measured horizontally from an occupied dwelling? ()YES (XX)NO.

If YES, attach a signed waiver from the owner of the dwelling indicating the minimum distance disturbance will be allowed by the owner.

Applicant: RJR Mining Company, Inc.
 Mine Name: Majestic Mine
 Permit Number: P- 3691 Revision R-12

PART I D. (CONTINUED)

5. Is disturbance to be conducted within 300 feet, measured horizontally from an occupied dwelling? ()YES (XX)NO.

If YES, attach a signed waiver from the owner of the dwelling indicating the minimum distance disturbance will be allowed by the owner. All setbacks will be observed until waivers are obtained.

6. Is disturbance proposed within 100 feet of a public road right-of-way or will a public road be closed or relocated? ()YES (XX)NO.
 If YES, enclose a copy of the approval granted by the government entity which has jurisdiction over the road. The approval must state the minimum distance disturbance will be allowed to the road or road right-of-way.

7. List all other licenses and permits required to conduct mining operations including, but not limited to, MSHA I.D. and NPDES. Give the identification or permit number, the name and address of the issuing authority, and the status or date of approval or issuance of each:

Permit	ID or Permit Number	Issuing Authority	Address	Status or Date of issuance
<u>MSHA ID</u>	<u>01-02951</u>	<u>MSHA</u>	<u>*</u>	<u>Issued 6-02-92</u>
<u>NPDES</u>	<u>AL0051365</u>	<u>ADEM</u>	<u>**</u>	<u>Issued 2-11-97</u>

* 135 Gemini Circle, Suite 213, Birmingham, AL 35209

** 1400 Coliseum Blvd., Montgomery, AL 36130

8. Is the property in the permit covered by zoning or other land use restrictions? ()YES (X)NO.

If yes, indicate the jurisdictional authority and zoning or land use area. If more than one zoning classification exists for the permit area, identify the boundaries of each the permit map.

Jurisdictional Authority	Zoning Classification	Allows mining? Yes or No
<u>Birmingham</u>	<u>I-3-S</u>	<u>Yes</u>
<u>Zoning Board</u>		

9. Describe access to the proposed mine from a known point on the nearest public highway: From the town of Morris travel north on the Morris - Majestic Road approximately 3.6 miles to the intersection of Hagood Road. Turn left and travel 1.2 miles. The mine will be located on the left and right.

10. Did the applicant receive assistance from the Small Operator Assistance Program in preparing this application? ()YES (XXX)NO

If YES, list SOAP I.D. Number: _____

11. Submit a certificate of proof of Liability Insurance with this application. See ASMC Master File

PART I E. PUBLIC NOTICE AND AVAILABILITY FOR INSPECTION

12. Give the name of the approved public office in which a copy of this application will be filed for public inspection following notification of completeness: ASMC website <http://surface-mining.alabama.gov>

13. Enclose a copy of the notice of filing of this application which will appear in a newspaper of general circulation in the vicinity of the mine and identify the name of the newspaper: The Birmingham News, See Attachment for I.E.13.

Applicant: RJR Mining Company, Inc.
Mine Name: Majestic Mine
Permit Number: P- 3691 Revision R-12

Attachment for I.E.13.

PUBLIC NOTICE OF PERMIT APPLICATION

In accordance with the provisions of Act No. 81-435 of the State of Alabama and the regulations promulgated under this act, RJR Mining Company, Inc., 210 2nd Street SE, Cullman, AL 35505, hereby gives notice that it has filed an application with the Alabama Surface Mining Commission to revise permit P-3691-01-05-S for its Majestic Mine located in Jefferson County.

The permit area lies within the SW/NW, NW/SW, SW/SW of Section 3; NE/SW, NW/SE, SE/NE, SW/NE, SE/NW, NW/NW, NE/NW, NW/NE, NE/NE of Section 4, Township 15 South, Range 2 West, Jefferson County, Alabama.

The revision, R-12, includes items to: 1) Update Surface and Mineral Ownership. 2) Request to change the post mining landuse of sediment basin 009, 010, and 023 from temporary impoundments to permanent water impoundments, fish and wildlife habitat.

A copy of the permit revision application is available for public inspection at the Alabama Surface Mining Commission website <http://surface-mining.alabama.gov>. Written comments, objections, or requests for informal conferences should be submitted to the Alabama Surface Mining Commission, P.O. Box 2390, Jasper, Alabama 35502-2390, within 30 days from the last publication of this notice.