

REED MINERALS, INC.

HICKORY GROVE NORTH MINE

ALABAMA SURFACE MINING COMMISSION

SURFACE MINING PERMIT APPLICATION

P A R T I

Prepared by:

MCGEHEE ENGINEERING CORP.

P. O. Box 3431

450 19th Street West

Jasper, Alabama 35502-3431

Telephone (205) 221-0686

STATE OF ALABAMA SURFACE MINING COMMISSION

- Transfer Application for a Surface Coal Mine
 Transfer Application for an Underground Coal Mine
 Transfer Application for a Preparation Facility

NAME OF CURRENT PERMITTEE: National Coal of Alabama, Inc.
ADDRESS: 1810 Birmingham Ave, Suite 101, Jasper AL 35501

PART I A. IDENTIFICATION

1. PERMIT APPLICANT

Name: Reed Minerals, Inc.
Street Address: 3699 Industrial Parkway
City: Jasper State: AL Zip: 35502
Mailing Address: P. O. Box 2420
City: Jasper State: AL Zip: 35502
Telephone Number: (205) 295-2224
Social Security Number (Voluntary): - -
Employer Identification Number: _____
ASMC License#: L-459

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

Name: Reed Minerals, Inc.
Street Address: 3699 Industrial Parkway
City: Jasper State: AL Zip: 35502
Mailing Address: P. O. Box 2420
City: Jasper State: AL Zip: 35502
Telephone Number: (205) 295-2224
Social Security Number (Voluntary): - -
Employer Identification Number: _____
ASMC License#: L-459

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

Name: SAME AS PERMITTEE
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: McGehee Engineering, Corp.
Mailing Address: P. O. Box 3431, 450 19th Street West
City: Jasper State: AL Zip: 35502
Telephone Number: (205) 221-0686
Email Address: jwhitlock@mcgehee.org

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 I A through Part I F 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:

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: Reed Minerals, Inc.

Street Address: 3699 Industrial Parkway

City: Jasper State: AL Zip: 35502

Mailing Address: P. O. Box 2420

City: Jasper State: AL Zip: 35502

Telephone Number: (205) 295-2224

Social Security Number (Voluntary): - -

Employer Identification Number: _____

ASMC License#: L-459

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

Legal description of property or permit map symbol: M-1

(SEE PERMIT MAP)

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

Legal owner(s) of record: DEEPWATER TRUST C/O AMSOUTH BANK

Address: P.O. BOX 11426 City: BIRMINGHAM State: AL Zip: 35202

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	DEEPWATER TRUST C/O AMSOUTH BANK	NATIONAL COAL OF ALABAMA, INC.	12-15-05	NO
ASSIGNMENT	NATIONAL COAL OF ALABAMA, INC.	REED MINERALS, INC.		NO

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 IN THE FORMAT BELOW AS NECESSARY

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Name: SOTERRA, LLC c/o KIRBY LAY
Address: P.O. BOX 94
City: CRANE HILL State: AL Zip: 35053
Interest owned (Surface, Coal or Fee Simple): FEE, MINERAL
Type of Interest (Owner, Lease, or Other): OWNER

Name: CHARLES WAYNE WARD
Address: 155 WENDY HILL DR
City: ALPHARETTA State: GA Zip: 30201
Interest owned (Surface, Coal or Fee Simple): FEE
Type of Interest (Owner, Lease, or Other): OWNER

Name: DEEPWATER TRUST c/o AMSOUTH BANK
Address: P. O. BOX 11426
City: BIRMINGHAM State: AL Zip: 35202
Interest owned (Surface, Coal or Fee Simple): MINERAL
Type of Interest (Owner, Lease, or Other): OWNER

PART I C. (CONTINUED)

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

THE APPLICANT HAS NO INTEREST IN ANY LANDS OR CONTIGUOUS LAND
OTHER THAN THE PERMITTED AREA.

Give the legal description of all lands contiguous to the permit area 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 IN THE FORMAT BELOW AS NECESSARY

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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: _____

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Legal description: _____

Describe the nature of the interest: _____

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.

SE/SW, SECTION 17, SW/SE, SECTION 19, NE/NW, SE/NW, SW/NW, NW/NE, SW/NE, NW/SW, NE/SW, SE/SW, SW/SW, NW/SE, SW/SE & SE/SE SECTION 20, NW/NW & NE/NW, SECTION 29, NW/NE, NE/NE, SW/NE, SE/NE, NW/SE, NE/SE, SECTION 30, ALL IN TOWNSHIP 11 SOUTH, RANGE 7 WEST, ALL IN WINSTON COUNTY, ALABAMA.

3. Give the acreage of the permit, each increment and the type of bonding.
- a. Total permit acreage: 472.0 acres

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

<u>Increment</u>	<u>Acres</u>	<u>Type Bond Proposed</u>
1.	104.0	Certificate of Deposit
2.	122.0	Certificate of Deposit
3.	97.0	Certificate of Deposit
4.	109.0	Certificate of Deposit
5.	40.0	Certificate of Deposit

c. Identify the increment(s) on which mining will initially begin upon issuance of this permit: Inc. No. 1

4. Has any acreage in the proposed permit area been previously disturbed by mining? (XX) 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)

<u>Permit</u>	<u>Acres</u>	<u>Status</u>
<u>P-3040</u>	<u>19.0</u>	<u>Reclaimed</u>
<u>P-3588</u>	<u>19.0</u>	<u>Reclaimed</u>

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.

**MANN STEEL PRODUCTS, INC.
HICKORY GROVE NORTH MINE, P-3866
ATTACHMENT I-E-13**

PUBLIC NOTICE FILING OF PERMIT APPLICATION

In accordance with the provision of Act No. 81-435 of the State of Alabama and the regulations promulgated under this act, Reed Minerals, Inc., 3699 Industrial Parkway, Jasper, Alabama 35502 hereby gives notice that it has filed application to succeed by transfer to the rights granted under Surface Coal Mining Permit Hickory Grove Mine (P-3866) currently held by National Coal of Alabama, Inc., 1810 Birmingham Ave., Suite 101 Jasper, AL 35501. The mine is located in:

SE/SW, SECTION 17, SW/SE, SECTION 19, NE/NW, SE/NW, SW/NW, NW/NE, SW/NE, NW/SW, NE/SW, SE/SW, SW/SW, NW/SE, SW/SE & SE/SE SECTION 20, NW/NW & NE/NW, SECTION 29, NW/NE, NE/NE, SW/NE, SE/NE, NW/SE, NE/SE, SECTION 30, ALL IN TOWNSHIP 11 SOUTH, RANGE 7 WEST, ALL IN WINSTON COUNTY, ALABAMA.

A copy of the permit application is available for public inspection and review on the Alabama Surface Mining Commission website <http://surface-mining.alabama.gov>. A copy of the permit application is also available for public inspection and review at the office of the Alabama Surface Mining Commission located on the second floor of the Pinnacle Bank Building at 1811 2nd Avenue, Jasper, Alabama 35501. Written comments, objections, request for public hearing or request for informal conferences concerning this permit should be sent to the Alabama Surface Mining Commission, P.O. Box 2390, Jasper, Alabama 35502-2390, no later than 30 days from the last date of publication of this notice.

This notice to be published in the Daily Mountain Eagle.

TO THE DAILY MOUNTAIN EAGLE:

Please run this notice one time as soon as possible. Please send invoice and notarized proof of publication to:

Reed Minerals, Inc.
P. O. Box 2420
Jasper, Alabama 35502
Telephone (205) 295-2224

If you should have any questions or need additional information, please call:

McGehee Engineering Corp.
P. O. Box 3431
Jasper, AL 35502-3431
Telephone (205) 221-0686