

Bond Calculation Increment 3

Adjustments (continued)

5. "Steep Slope Mining"		acres @ \$100/acre	
6. Steeper than 4 : 1 post-mining Slope		acres @ \$100/acre	
7. Greater than 50 % Sandstone	0	acres @ \$300/acre	
8. Prime Farmland	0	acres @ \$1500/acre	
9 Adverse PHC		Site Specific	
10 Tuscaloos Formation		acres @ \$300/acre	
		Total Adjustments:	\$124,600

Incidentals

1. Haul Roads	1	acres @ \$1000/acre	\$1,000
2. Temporary Ponds, Diversions	9	acres @ \$20000/ea	\$180,000
3. Permanent Impoundments	0	acres @ \$10000/ea	
4. Permanent Roads	0	acres @ \$400/acre	
5. Coal Stockpiles, Washer & Refuse Disposal Areas	0	acres @ \$2000/acre	
6. Topsoil Stockpiles	0	acres @ \$800/acre	
7. Removal of Structures			
		Washer / Crusher	
		Buildings	
		Equipment	
		Other (list)	
		Total Incidental Bond	\$181,000

Comments:

Bond Calculation Increment 3

Summary of Costs by Category

Mining Area	Base Grading	\$224,000
	Base Revegetation	\$378,400
Adjustments	1. Grading	\$0
	2. Topsoil Replacement	\$50,000
	3. Topsoil Substitute	\$74,600
	4. Forest/Range Land Use	
	5. Steep Slope Mining	
	6. Post-Mining Slope	
	7. % Sandstone	
	8. Prime Farm Land	
	9. Adverse PHC	
	10. Tuscaloosa Formation	
Highwall Elimination		\$176,292
Incidentals		\$181,000
	Sub-total	\$1,084,292
	15 % Contractor Profit & Overhead	\$162,644
	TOTAL	\$1,246,936

Conditions to permit which affect bond amount

1. _____
2. _____
3. _____
4. _____

Bond Calculation Increment 4

BOND DETERMINATION WORKSHEET

		BOND TOTAL		\$1,019,041
Company	<u>National Coal of Alabama, Inc.</u>	License	<u>Pending</u>	Acreage Fee: <u>\$ 12,040</u>
Permit #	<u>P-3886</u>	Type Action:	<u>X</u>	New Permit <u> </u>
Mine	<u>Poplar Springs North</u>		<u>X</u>	New Increment, Inc # <u>4</u>
	Expiration Date <u>Pending</u>			Revision, Inc # <u>6</u>
		Bond #	<u> </u>	

	<u>Acres to Be Bonded</u>	Current Amount & Acres	<u>\$0</u>
<u>342</u>	Mining Acres	After Revision / Review	<u>\$0</u>
<u>2</u>	Incidentals		

Base Calculations for Mining Acres

Grading	<u>80</u>	acres @ \$1500/acre	<u>\$120,000</u>
Grading	<u>260</u>	acres @ \$400/acre	<u>\$104,000</u>
Revegetation	<u>342</u>	acres @ \$800/acre	<u>\$273,600</u>

Highwall Elimination

<u>46.1</u>	Highwall Height (hw)	Method	Drill & Shoot
<u>4981</u>	Highwall Length (hwl)	<u>X</u>	$(1/2) [(.5) (hw) (1.5) (hw)] (1/27) (hwl) 1.00/yd^3$
			Backfill
			$(1/2) [(hw) (3) (hw)] (1/27) (hwl) 1.50 yd^3$
			<u>\$147,023</u>

Adjustments

1.	Grading		
	2400 Type Dragline	<u>0</u>	acres @ \$250/acre <u>\$0</u>
	Large Machine		acres @ \$250/acre <u>\$0</u>
2.	Topsoil Replacement	<u>107</u>	acres @ \$500/acre <u>\$53,500</u>
3.	Topsoil Substitute	<u>235</u>	acres @ \$200/acre <u>\$47,000</u>
4.	Forest / Range Land Use		
	Forest (pine trees)		acres @ \$150/acre <u> </u>

Bond Calculation Increment 4

Adjustments (continued)

5. "Steep Slope Mining"		acres @ \$100/acre	
6. Steeper than 4 : 1 post-mining Slope		acres @ \$100/acre	
7. Greater than 50 % Sandstone	0	acres @ \$300/acre	
8. Prime Farmland	0	acres @ \$1500/acre	
9 Adverse PHC		Site Specific	
10 Tuscaloos Formation		acres @ \$300/acre	
		Total Adjustments:	\$100,500

Incidentals

1. Haul Roads	1	acres @ \$1000/acre	\$1,000
2. Temporary Ponds, Diversions	7	acres @ \$20000/ea	\$140,000
3. Permanent Impoundments	0	acres @ \$10000/ea	
4. Permanent Roads	0	acres @ \$400/acre	
5. Coal Stockpiles, Washer & Refuse Disposal Areas	0	acres @ \$2000/acre	
6. Topsoil Stockpiles	0	acres @ \$800/acre	
7. Removal of Structures			
		Washer / Crusher	
		Buildings	
		Equipment	
		Other (list)	
		Total Incidental Bond	\$141,000

Comments:

Bond Calculation Increment 4

Summary of Costs by Category

Mining Area	Base Grading	\$224,000
	Base Revegetation	\$273,600
Adjustments	1. Grading	\$0
	2. Topsoil Replacement	\$53,500
	3. Topsoil Substitute	\$47,000
	4. Forest/Range Land Use	
	5. Steep Slope Mining	
	6. Post-Mining Slope	
	7. % Sandstone	
	8. Prime Farm Land	
	9. Adverse PHC	
	10. Tuscaloosa Formation	
Highwall Elimination		\$147,023
Incidentals		\$141,000
	Sub-total	\$886,123
	15 % Contractor Profit & Overhead	\$132,918
	TOTAL	\$1,019,041

Conditions to permit which affect bond amount

1. _____
2. _____
3. _____
4. _____

Bond Calculation Increment 2

BOND DETERMINATION WORKSHEET

BOND TOTAL \$866,177

Company	<u>National Coal of Alabama, Inc.</u>	License	<u>Pending</u>	Acreage Fee:	<u>\$ 7,350</u>
Permit #	<u>P-3886</u>	Type Action:	<u>X</u>	New Permit	<u></u>
Mine	<u>Poplar Springs North</u>		<u>X</u>	New Increment, Inc #	<u>2</u>
	Expiration Date	<u>Pending</u>		Revision, Inc #	<u>1</u>
		Bond #	<u></u>		<u></u>

<u>Acres to Be Bonded</u>	Current Amount & Acres	<u>\$0</u>
<u>294</u> Mining Acres	After Revision / Review	<u>\$0</u>
<u>0</u> Incidentals		

Base Calculations for Mining Acres

Grading	<u>80</u>	acres @ \$1500/acre	<u>\$120,000</u>
Grading	<u>214</u>	acres @ \$400/acre	<u>\$85,600</u>
Revegetation	<u>294</u>	acres @ \$800/acre	<u>\$235,200</u>

Highwall Elimination

<u>53</u> Highwall Height (hw)	Method	Drill & Shoot
<u>3350</u> Highwall Length (hwl)	<u>X</u>	$(1/2) [(.5) (hw) (1.5) (hw)] (1/27) (hwl) 1.00/yd^3$
		Backfill
		$(1/2) [(hw) (3) (hw)] (1/27) (hwl) 1.50 yd^3$
		<u>\$130,697</u>

Adjustments

1. Grading			
2400 Type Dragline	<u>0</u>	acres @ \$250/acre	<u>\$0</u>
Large Machine		acres @ \$250/acre	<u>\$0</u>
2. Topsoil Replacement	<u>143</u>	acres @ \$500/acre	<u>\$71,500</u>
3. Topsoil Substitute	<u>151</u>	acres @ \$200/acre	<u>\$30,200</u>
4. Forest / Range Land Use			
Forest (pine trees)		acres @ \$150/acre	<u></u>

Bond Calculation Increment 2

Adjustments (continued)

5. "Steep Slope Mining"		acres @ \$100/acre	
6. Steeper than 4 : 1 post-mining Slope		acres @ \$100/acre	
7. Greater than 50 % Sandstone	0	acres @ \$300/acre	
8. Prime Farmland	0	acres @ \$1500/acre	
9 Adverse PHC		Site Specific	
10 Tuscaloos Formation		acres @ \$300/acre	
		Total Adjustments:	\$101,700

Incidentals

1. Haul Roads	0	acres @ \$1000/acre	
2. Temporary Ponds, Diversions	4	acres @ \$20000/ea	\$80,000
3. Permanent Impoundments	0	acres @ \$10000/ea	
4. Permanent Roads	0	acres @ \$400/acre	
5. Coal Stockpiles, Washer & Refuse Disposal Areas	0	acres @ \$2000/acre	
6. Topsoil Stockpiles	0	acres @ \$800/acre	
7. Removal of Structures			
		Washer / Crusher	
		Buildings	
		Equipment	
		Other (list)	
		Total Incidental Bond	\$80,000

Comments:

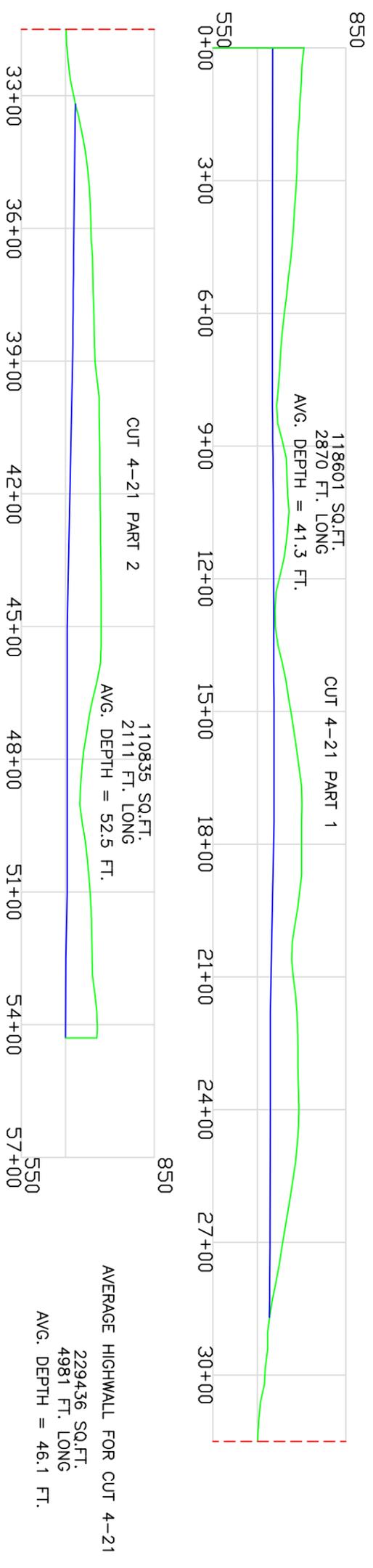
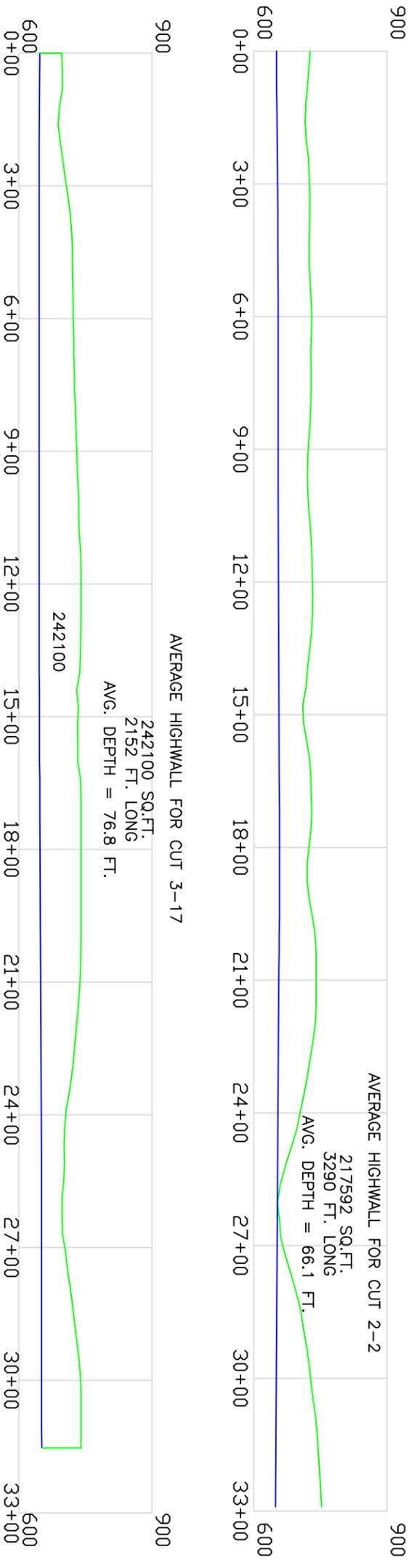
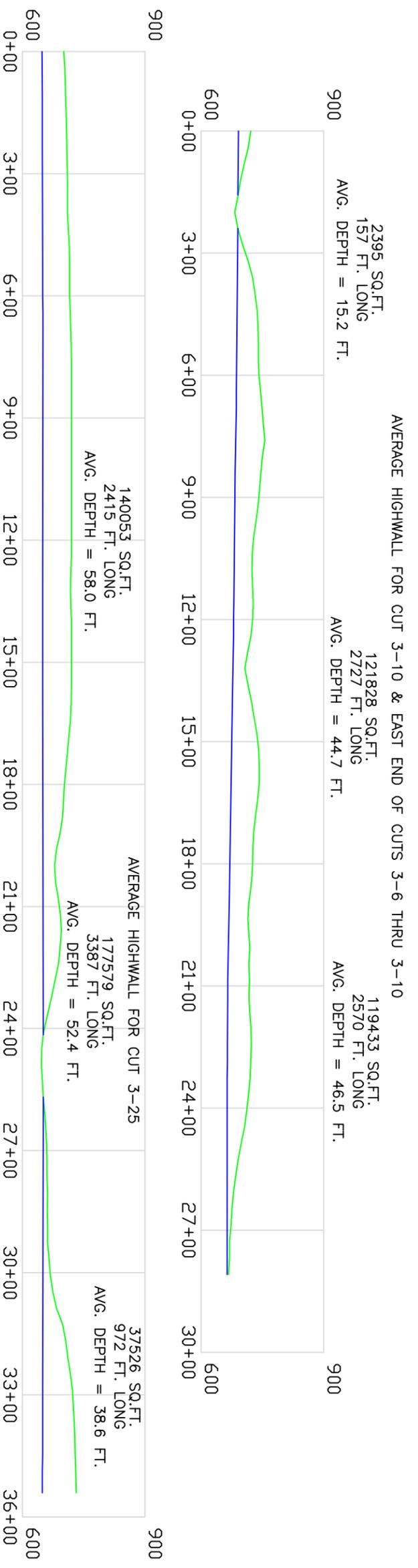
Bond Calculation Increment 2

Summary of Costs by Category

Mining Area	Base Grading	\$205,600
	Base Revegetation	\$235,200
Adjustments	1. Grading	\$0
	2. Topsoil Replacement	\$71,500
	3. Topsoil Substitute	\$30,200
	4. Forest/Range Land Use	
	5. Steep Slope Mining	
	6. Post-Mining Slope	
	7. % Sandstone	
	8. Prime Farm Land	
	9. Adverse PHC	
	10. Tuscaloosa Formation	
Highwall Elimination		\$130,697
Incidentals		\$80,000
	Sub-total	\$753,197
	15 % Contractor Profit & Overhead	\$112,980
	TOTAL	\$866,177

Conditions to permit which affect bond amount

1. _____
2. _____
3. _____
4. _____



**MCGEHEE
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JASPER, AL 35502-3431
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NATIONAL COAL OF ALABAMA, INC.
POPLAR SPRINGS NORTH MINE, P-3886, R-6
MAXIMUM HIGHWALL AVERAGE DEPTH
SCALED AS SHOWN
— BLACK CREEK COAL SEAM
— EXISTING SURFACE

SHEET **1** OF **1**
FILE NAME:
AverageHighwall