KARBON HOLDING CORP.

COKE MINE NO. 1, P-3887, R-10

ALABAMA SURFACE MINING COMMISSION

SURFACE MINING PERMIT APPLICATION

P A R T V

Prepared by:

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PART V - BONDING

A. Site Conditions (805.11)

(1) Briefly describe the site conditions within the increment which you are currently proposing to mine by answering the following:

(a) Average premining slope 21%

(b) Percent sandstone 53%

(c) Final highwall slope (average) 33.0%

(d) Acres Prime Farmland 0

(e) Acres Abandoned Land 0

(f) Average pH of topsoil or topsoil substitute

*Note: If pH range over the increment area is greater than one pH unit (units 1 thru 14), give approximate number of acres which fall within each unit. Average pH =

(g) Overburden acid-base account (expressed as tons of calcium carbonate per 1,000 tons material)
(only if total sulfur exceeds 0.5%). N/A

B. Estimate of Reclamation Cost (780.18)

Give a detailed estimate of your cost of reclamation for the increment you are currently proposing to mine. Give individual cost estimates for grading, highwall elimination, topsoil (or topsoil substitute) replacement, revegetation and any other cost which may be applicable (prime farmland, hydrologic factors, etc.).

Bond determination to be determined by ASMC.