

Applicant: RJR Mining Co., Inc.
Mine Name: Cane Creek Mine
Permit Number: P-3910-64-13-S

STATE OF ALABAMA SURFACE MINING COMMISSION

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

NAME OF CURRENT PERMITTEE: Cane Creek, LLC.

ADDRESS: PO Box 1253 Phone (256) 775-0067
Cullman, AL 35056

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: P.O. Box 1253
City: Cullman State: AL Zip: 35056
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

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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:

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: Not Applicable
Street Address: _____
City: _____ State: _____ Zip: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone Number: (____) ____-_____
Social Security Number (Voluntary): ____-____-_____
Employer Identification Number: _____
ASMC License#: _____

Applicant: <u>RJR Mining Co., Inc.</u>
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Permit Number: <u>P-3910-64-13-S</u>

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

Legal description of property or permit map symbol: Drummond (M)

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

Legal owner(s) of record: Drummond Coal Company

Address: PO Box 1549 City: Jasper 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	Drummond Coal Company	Cane Creek, LLC	4/14/2008	No

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PART I C 1. (CONTINUED)

Legal description of property or permit map symbol: Annie Ruth Burton (S)
c/o Edward D. Burton

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

Legal owner(s) of record: Annie Ruth Burton c/o Edward D. Burton

Address: P.O. Box 105 City: Parrish State: AL Zip: 35580

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	Annie Ruth Burton	Cane Creek, LLC.	Pending	No

Legal description of property or permit map symbol: Jenella Burton (S)

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

Legal owner(s) of record: Jenella Burton

Address: 3602 Third Avenue City: Jasper State: AL Zip: 35501

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	Jenella Burton	Cane Creek, LLC.	9/26/08	No

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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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Name: Jenella Burton
Address: 3602 3rd Ave
City: Jasper State: AL Zip: 35501
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest (Owner, Lease, or Other): Owner

Name: Drummond Coal Company
Address: PO Box 10246
City: Birmingham State: AL Zip: 35202
Interest owned (Surface, Coal or Fee Simple): Mineral
Type of Interest (Owner, Lease, or Other): _____

Name: Annie Ruth Burton c/o Edward D. Burton
Address: P.O. Box 105
City: Parrish State: AL Zip: 35580
Interest owned (Surface, Coal or Fee Simple): _____
Type of Interest (Owner, Lease, or Other): _____

Applicant: <u>RJR Mining Co., Inc.</u>
Mine Name: <u>Cane Creek Mine</u>
Permit Number: <u>P-3910-64-13-S</u>

PART I D. PERMIT AREA INFORMATION

1. Give the requested term of this permit: 5 years.
2. Give the acreage of the permit, each increment and the type of bonding.
 - a. Total permit acreage: 271 acres. **Post Revision R-3 Issuance.
 - b. Give the acreage and type of bond for each mining increment:

<u>Increment</u>	<u>Acres</u>	<u>Type Bond Proposed</u>
1.	<u>53</u>	<u>Letter of Credit</u>
2.	<u>49</u>	<u>Letter of Credit</u>
3.	<u>29</u>	<u>Letter of Credit</u>
4.	<u>72</u>	<u>Letter of Credit</u>
5.	<u>59</u>	<u>Letter of Credit</u>
6.	<u>9</u>	<u>Letter of Credit</u>

- c. Identify the increment(s) on which mining will initially begin upon issuance of this permit: Increments No. 4
3. 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> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

- 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).

RJR Mining Co., Inc. will be responsible for reclaiming any disturbance by mining under permit P-3910.

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PART I D. (CONTINUED)

4. 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>01-03372</u>	<u>MSHA</u>	<u>*</u>	<u>11/26/08</u>
<u>NPDES</u>	<u>AL0078832</u>	<u>ADEM</u>	<u>**</u>	<u>05/31/08</u>

* 135 Gemini Circle, Suite 213, Birmingham, AL 35209-5842

** 1400 Coliseum Blvd., Montgomery, AL 36110-2059

5. Did the applicant receive assistance from the Small Operator Assistance Program in preparing this application? () YES (XX) NO
If YES, list SOAP I.D. Number: _____

6. Submit a certificate of proof of Liability Insurance with this application.

See ASMC Master Insurance 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 I.E.13

PART VI: VERIFICATION OF APPLICATION

- (a) One copy must be original

AGREEMENT

This agreement is entered into this date by Cane Creek, LLC. and RJR Mining Co., Inc., in order to effect a transfer of Alabama Surface Mining Commission, ASMC, Permit No. P-3910-64-13-S and the responsibility, bond coverage, and liability thereunder from Cane Creek, LLC. and RJR Mining Co., Inc.

On the date such transfer becomes effective, RJR Mining Co., Inc. agrees to assume the responsibility, bond coverage, and liability of ASMC Permit No. P-3910-64-13-S and Cane Creek, LLC. agrees to relinquish all rights which it may have under said permit.

This agreement is entered into by parties this 19th day of July, 2013. Said transfer is to become effective on the effective date that ASMC approves this transfer.

Cane Creek, LLC.

Cynthia Gellmer
Witness

BY: Randy C. Johnson
Randy C. Johnson, President

RJR Mining Co., Inc.

Cynthia Gellmer
Witness

BY: Randy C. Johnson
Randy C. Johnson, President

Applicant: RJR Mining Co., Inc.
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Attachment I.E.13.

NOTICE OF APPLICATION TO TRANSFER
A SURFACE COAL MINING PERMIT

RJR Mining Co., Inc., P.O. Box 1253, Cullman, Alabama 35056, hereby gives notice that it has filed application to succeed by transfer to the rights granted under Alabama Surface Mining Commission Permit P-3910-64-13-S currently held by Cane Creek, LLC., P.O. Box 1253, Cullman, Alabama 35056. This operation is known as the Cane Creek Mine and is located in Walker County, Alabama. The permit lies within the SW/SW, SE/SW, NW/SW & NE/SW of Section 27; SE/SE, NE/SE, NW/SE, SW/SE of Section 28; NE/NE, NW/NE of Section 33; NW/NE, SW/NE, SE/NW, NE/NW, SW/NW, NW/NW of Section 34; all lying in Township 14 South, Range 7 West, Walker County, Alabama.

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