

**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

THOMPSON SOUTH 1, LLC.

THOMPSON SOUTH MINE, P-3918

**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

Fax: (205) 221-7721

Email: staff's first name@mcgehee.org

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

PART I A. IDENTIFICATION

1. PERMIT APPLICANT

Name: THOMPSON SOUTH 1, LLC.
Street Address: 4405 Canton Highway
City: Cummings State: GA Zip: 30040
Mailing Address: P. O. Box 1748
City: Dawsonville State: GA Zip: 30534
Telephone Number: (770) 844-9434
Social Security Number(Voluntary): - -
Employer Identification Number: 27-2439850
ASMC License#: L-806

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

Name: THOMPSON SOUTH 1, LLC.
Street Address: 4405 Canton Highway
City: Cummings State: GA Zip: 30040
Mailing Address: P. O. Box 1748
City: Dawsonville State: GA Zip: 30534
Telephone Number: (770) 844-9434
Social Security Number(Voluntary): - -
Employer Identification Number: 27-2439850
ASMC License#: L-806

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: staff's first name@mcgehee.org

**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

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: THOMPSON SOUTH 1, LLC.
Street Address: 4405 Canton Highway
City: Cummings State: GA Zip: 30040
Mailing Address: P. O. Box 1748
City: Dawsonville State: GA Zip: 30534
Telephone Number: (770) 844-9434
Social Security Number(Voluntary): - -
Employer Identification Number: 27-2439850
ASMC License#: L-806

**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

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: S-1

SEE PERMIT MAP

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

Legal owner(s) of record: U.S. STEEL CORPORATION

Address: 600 GRANT STREET, RM# 1381 City: PITTSBURGH State: PA Zip: 15219

Holders of leasehold interest: _____

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

Purchasers under a real estate contract: _____

Address: _____ City: _____ State: AL 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 | U.S. STEEL CORPORATION | M & B EXCAVATING CO., INC., LLC | 10-14-09 | NO |
| ASSIGNMENT | M & B EXCAVATING CO., INC., LLC | THOMPSON SOUTH 1, LLC. | 08-09-2011 | |

**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

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

Legal description of property or permit map symbol: S-3

SEE PERMIT MAP

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

Legal owner(s) of record: HAWAII ERSTIMBERLAND LLC

Address: 3891 PRIMITIVE RIDGE ROAD City: WEST BLOCTON State: AL Zip: 35184

Holders of leasehold interest: _____

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

Purchasers under a real estate contract: _____

Address: _____ City: _____ State: AL 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 | HAWAII ERS TIMBERLAND LLC | M & B EXCAVATING CO., INC., LLC | 7-30-08 | NO |
| ASSIGNMENT | M & B EXCAVATING CO., INC., LLC | THOMPSON SOUTH 1, LLC. | 08-09-2011 | ASSIGNMENT |

**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

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: SOUTHERN ELECTRIC GENERATING COMPANY

Address: P.O. BOX 2641 City: BIRMINGHAM State: AL Zip: 35291

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 | SOUTHERN ELECTRIC GENERATING COMPANY | M & B EXCAVATING CO., INC., LLC | 2-1-2007 | NO |
| ASSIGNMENT | M & B EXCAVATING CO., INC., LLC | THOMPSON SOUTH 1, LLC. | 08-09-2011 | ASSIGNMENT |

**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

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

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Page 4 of 4
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Legal description of property or permit map symbol: M-2

SEE PERMIT MAP

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

Legal owner(s) of record: RGGS LAND & MINERALS, LTD., L.P.

Address: 6200 E.J. OLIVER BLVD., SUITE 126 City: FAIRFIELD State: AL Zip: 35064

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 | RGGS LAND & MINERALS, LTD., L.P. | M & B EXCAVATING CO., INC., LLC | 8-5-2009 | NO |
| ASSIGNMENT | M & B EXCAVATING CO., INC., LLC | THOMPSON SOUTH 1, LLC. | 08-09-2011 | ASSIGNMENT |

THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918

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

Page 1 of 1

Name: U.S. STEEL CORPORATION
Address: 600 GRANT STREET RM# 1381
City: PITTSBURGH State: PA Zip: 15219
Interest owned (Surface,Coal or Fee Simple): SURFACE
Type of Interest(Owner, Lease , or Other): OWNER

Name: HAWAIIERS TIMBERLAND LLC
Address: 418 PRIMITIVE RIDGE ROAD
City: WEST BLOCTON State: AL Zip: 35184
Interest owned (Surface,Coal or Fee Simple): SURFACE
Type of Interest(Owner, Lease , or Other): OWNER

Name: SOUTHERN ELECTRIC GENERATING CO.
Address: P.O. BOX 2641
City: BIRMINGHAM State: AL Zip: 35291
Interest owned (Surface,Coal or Fee Simple): MINERAL
Type of Interest(Owner, Lease , or Other): OWNER

Name: RGGS LAND & MINERALS, LTD., L.P.
Address: 6200 E.J. OLIVER BLVD., SUTIE 126
City: FAIRFIELD State: AL Zip: 35064
Interest owned (Surface,Coal or Fee Simple): MINERAL
Type of Interest(Owner, Lease , or Other): OWNER

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Interest owned (Surface,Coal or Fee Simple): _____
Type of Interest(Owner, Lease , or Other): _____

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Interest owned (Surface,Coal or Fee Simple): _____
Type of Interest(Owner, Lease , or Other): _____

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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Page 1 of 1
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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: _____

**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

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.
NW/NW and NE/NW of Section 25, Township 22 South, Range 6 West, NW/NW, NE/NW, SE/NW, SW/NW and NW/SW of Section 6, Township 24 North, Range 10 East, SE/NE, NE/SE, NW/SE, SE/SE, SW/SE and SE/SW of Section 1, Township 24 North, Range 9 East, all in Bibb County, Alabama.

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

a. Total permit acreage: 128.0 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. | 37.0 | Certificate of Deposit |
| 2. | 20.0 | Certificate of Deposit |
| 3. | 21.0 | Certificate of Deposit |
| 4. | 17.0 | Certificate of Deposit |
| 5. | 33.0 | 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.

SEE PERMIT MAP

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> |
|---------------|--------------|---------------|
| Pre-law | 4.0 | |
| | | |
| | | |

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.

**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

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, Thompson South 1, LLC., P. O. Box 1748, Dawsonville, GA 30534 hereby gives notice that it has filed application to succeed by transfer to the rights granted under Surface Coal Mining Permit P-3918 currently held by M & B Excavating Co., Inc., LLC., 1001 Heflin Ave W, Birmingham, Alabama 35214. The operation is known as the Thompson South Mine located in:

From the intersection of State Road 5 and Bibb County Road 27, travel north on Bibb County Road 27 approximately 2.5 miles to mine entrance on the right.

NW/NW & NE/NW of Section 25, Township 22 South, Range 6 West, NW/NW, NE/NW, SE/NW, SW/NW & NW/SW of Section 6, Township 24 North, Range 10 East, SE/NE, NE/SE, NW/SE, SE/SE & SW/SE of Section 1, Township 24 North, Range 9 East, all in Bibb County, Alabama.

Any person whose interests are or may be adversely affected by said transfer, may file written comments within thirty (30) days of this notice to the Alabama Surface Mining Commission, P. O. Box 2390, Jasper, Alabama 35502-2390.

This notice to be published in the Centerville Press Newspaper.

TO THE CENTERVILLE PRESS NEWSPAPER:

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

Thompson South 1, LLC.
P. O. Box 1748
Dawsonville, Georgia 30534
Telephone (770) 844-9434

Also, please send a notarized proof of publication to:

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

If you should have any questions or need additional information, please call: (205) 221-0686

**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

THOMPSON SOUTH 1, LLC.

THOMPSON SOUTH MINE, P-3918

ALABAMA SURFACE MINING COMMISSION
SURFACE MINING PERMIT APPLICATION

P A R T V I

Prepared by:

MCGEHEE ENGINEERING CORP.

P. O. Box 3431
450 19th Street West
Jasper, Alabama 35502-3431
Telephone (205) 221-0686

PART VI - VERIFICATION OF PERMIT APPLICATION (771.27)

I, the undersigned operator and holder of an A.S.M.C. license do hereby submit this as my application for a permit to engage in surface coal mining operation and certify that the information in the application is true and correct to the best of my information and belief. This application is submitted in conformance with rules and regulations of the Commission and it is agreed that any operations pursuant to the permit will be conducted in accordance with those rules and regulations. I further certify that I will keep the Commission advised of any changes of facts as may pertain to the license information or this permit application.

THOMPSON SOUTH 1, LLC.

License No.: **L-806**

Licensee:

By: **Eugene E. Pearson, Jr.**
Managing Member



STATE OF ALABAMA)))

COUNTY OF WALKER)))

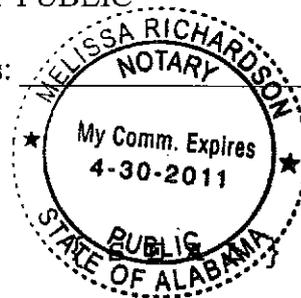
Before me, the undersigned authority, personally appeared **Eugene E. Pearson, Jr.** who being duly sworn upon oath, deposed and said, that he has read the foregoing application, that he is the responsible official of the applicant who executed the application, that the facts and matters contained therein are true and correct to the best of his information and belief, and that he executed the same for the purposes therein expressed.

Sworn to and subscribed before me, this 28th day of February 2011.



NOTARY PUBLIC

My Commission Expires:



**THOMPSON SOUTH 1, LLC.
THOMPSON SOUTH MINE, P-3918**

THOMPSON SOUTH 1, LLC.

THOMPSON SOUTH MINE

ALABAMA SURFACE MINING COMMISSION
SURFACE MINING PERMIT APPLICATION

PART VII

Prepared by:

MCGEHEE ENGINEERING CORP.
P. O. Box 3431
450 19th Street West
Jasper, Alabama 35502-3431
Telephone (205) 221-0686

PART VII - FINAL VERIFICATION OF PERMIT APPLICATION P-3918

I, the undersigned operator and holder of an A.S.M.C. license, do hereby certify that:

- The information in the license file regarding ownership and control and violation information is accurate and complete as of this date.
- The information in the license file regarding ownership and control and violation information is not accurate and complete as of this date. The necessary update is attached.

This application is submitted in conformance with rules and regulations of the Commission and it is agreed that any operations pursuant to the permit will be conducted in accordance with those rules and regulations. I further certify that I will keep the Commission advised of any changes of facts as may pertain to the license information or this permit application.

Licensee: THOMPSON SOUTH 1, LLC.

License No.: L-806

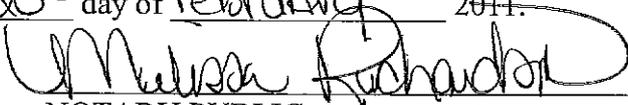
By:  mgjr
Eugene E. Pearson, Jr., Managing Member

Date: 2/23/11

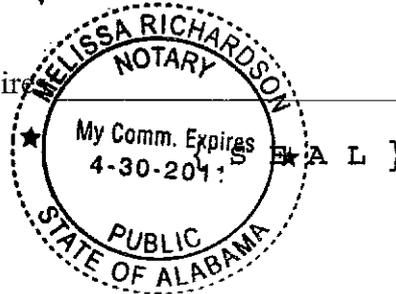
STATE OF ALABAMA)))

COUNTY OF WALKER)))

Before me, the undersigned authority, personally appeared **Eugene E. Pearson, Jr.** who being duly sworn upon oath, deposed and said, that he has read the foregoing application, that he is the responsible official of the applicant who executed the application, that the facts and matters contained therein are true and correct to the best of his information and belief, and that he executed the same for the purposes therein expressed.

Sworn to and subscribed before me, this 23rd day of February, 2011.

NOTARY PUBLIC

My Commission Expires _____



ASMC PERMIT TRANSFER AGREEMENT

This Agreement is entered into this date by **M & B Excavating Co., Inc., LLC.** and **Thompson South 1, LLC.** in order to effect a transfer of Alabama Surface Mining Commission Permit No. P-3918-07-15-S (Thompson South Mine) and the responsibility, coverage, and liability there under from **M & B Excavating Co., Inc., LLC.** to **Thompson South 1, LLC.**

On the date such transfer becomes effective; **Thompson South 1, LLC.** agrees to assume the responsibility, coverage, and liability of ASMC Permit No. P-3918-07-15-S and **M & B Excavating Co., Inc., LLC.** agrees to relinquish all rights that it may have under said permit.

This agreement is entered into by both parties this the 8th day of MARCH, 2011. Said transfer is to become effective on the effective date of the ASMC Permit No. P-3918-07-15-S transfer approval.

M & B Excavating Co., Inc., LLC.

Wm. J. Riels
Witness Signature

By: Eugene F. Morton
Eugene F. Morton
President

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Thompson South 1, LLC.

Jennifer Cleveland
Witness Signature

By: E. E. Pearson, Jr.
Eugene E. Pearson, Jr.
Managing Member