



STATE OF ALABAMA
SURFACE MINING COMMISSION

P. O. BOX 2390 - JASPER, ALABAMA 35502-2390
(205) 221-4130 • FAX: (205) 221-5077

Permit Revision Number: R-7

REVISION TO PERMIT FOR
SURFACE COAL MINING OPERATIONS

Pursuant to the Alabama Surface Mining Control and Reclamation Act, Act No. 81-435, and duly promulgated rules of the Commission, revision is hereby approved for permit:

Issued to: P-3925-01-14-S
(Shannon Mine No. 2)

Shannon, LLC
P. O. Box 621
Jasper, AL 35502

License No.: L-813

Pursuant to the
permit map: 1 of 1

Certified by: Steven R. Ingle, P.E. #18213

Date: 07/05/12

The permit is revised as follows:

- 1) Add 220.0 incidental acres to newly created Increment No. 7 for Excess Spoil Disposal Area No. 1.
- 2) Add 1.0 incidental acres to Increment No. 6 as Primary Road 3P.
- 3) Add 0.45 incidental acres to Increment No. 6 as Primary Road 4P. (No acreage change)
- 4) Add 8.0 incidental acres (Basins 055, 073 and 074) to Increment No. 7.
- 5) Update the Operations Plan.
- 6) Update the drainage control plan through the addition of Basins 055, 073 and 074.
- 7) Update the Hydrologic Monitoring Plan.

Condition R-7-1: The permittee shall notify the ASMC and seek consultation with the U.S. Fish and Wildlife service if:

- a. The permit is modified in any way that causes an effect on species or Critical habitat listed under the Endangered Species Act of 1973
- b. new information reveals the operation may affect Federally protected species or designated Critical Habitat in a manner or extent not previously considered or
- c. a new species is listed or Critical Habitat is designated under the Endangered Species Act that may be affected by the operation.

Condition R-7-2: The permittee shall contact the ASMC and consult with the Alabama Historic Preservation Officer if the permit is modified or if previously unknown archaeological or historic resources are discovered on the permit area. Upon discovery of previously unknown artifacts or archaeological features the permittee shall cease operations until the Alabama Historic Preservation Officer approves resumption of operations.

Condition R-7-3: Upon issuance of the NPDES modification (AL0076597), the Hydrologic Monitoring Plan must be updated to reflect additional parameters and set limits.

FINDINGS

Finding R-7-1: The Regulatory Authority has taken into account the effect of the proposed permitting action on properties listed or eligible for listing on the National Register of Historic Places. The area added (229 acres) The University of Alabama, office of Archaeological Research surveyed the areas in May 9-10, 2011. As a result of the survey no prehistoric or historic cultural resources were located within the survey area. In a letter dated 5/13/11 the Office of Archaeological Research recommended a finding of “no properties’ for the survey area. The State Historical Preservation Office concurred with Office of Archaeological Research in a letter dated June 10, 2011. This finding is supported in part by inclusion of appropriate permit conditions or changes in the operation plan protecting historic resources, or a documented decision that the Regulatory Authority has determined that no additional protection measures are necessary. Concerns for unknown resources, which might be discovered during mining, have been made conditions of the permit.

Finding R-7-2: The U.S Fish and Wildlife Service (FWS) determined that no federally listed species or critical habitat would be impacted by the proposed addition of acreage covered by this revision by comments dated February 16, 2011. The Alabama Department of Conservation and Natural Resources (ADCNR) reviewed the proposed addition of acreage and indicated that the closest occurrence of a species of concern was approximately 4.8 miles from the area by letter dated April 12, 2011. The US Army Corps of Engineers (USACE) issued Nationwide Permit Authorization; SAM-2011-00738-CTM dated August 30, 2011. These authorizations require the purchase of 0.098 wetland credits from an approved Mitigation Bank to offset the 3,470 lf of ephemeral stream impacts. The ASMC finds that the proposed operation will not jeopardize the continued existence of endangered or threatened species or critical habitat thereof.

Finding R-7-3: The proposed permit area is:

- a. Not within an area under study or administrative proceedings under a petition, filed pursuant to Chapter 880-X-7 to have an area designated as unsuitable for surface coal mining operations:
- b. Not within an area designated as unsuitable for mining pursuant to Chapter 880-X-7 or subject to the prohibitions or limitations of Section 880-X-7B-.06 and Section 880-X-7B-.07 of this chapter.

Informal Conference - P-3925

During the comment period for this permit the Alabama Surface Mining Commission (ASMC) received several requests for an informal conference from citizens that were concerned about various aspects of this permit.

On Thursday, February 23, 2012 an informal conference was held at the ASMC at 11:00 A.M. Many people had comments and concerns about this permit. (Refer to the "sign in list" in the official transcript contained in the permit).

In review of an application for a permit or revision, the ASMC distributes various parts of the permit to the review staff. The review staff includes persons trained in various disciplines such as Biology, Geology, Hydrology, Engineering, Blasting and Subsidence. In addition input is solicited from external sources including Fish and Wildlife Service, Corps of Engineers, Mine Safety and Health Administration (MSHA), Alabama Historical Society, and the Alabama Department of Environmental management.

The transcript of the informal conference was distributed to each review team member who then prepared findings on comments that fell within their particular discipline or area of review.

Comments dealing with Administrative and Environmental parts of the permit:

A commentor questioned the noise associated with mine sites and trucks on the roads.

Response: The warning horns are a regulation/requirement of MSHA. Some mines have gotten permission from MSHA to use warning lights in place of the horns during the nighttime hours. Noise caused by the trucks going to and from the mine would be the concern of the county commission or sheriff.

The next comments deal with the Hydrology issues:

A commentor presented questions about personal water, plant life and the details of the Hydrologic Monitoring Plan (HMP).

Response: According to the Geohydrology and Susceptibility of Major Aquifers to Surface Water Contamination in Alabama; Area 4; USGS Water Investigations Report 88-4133, Area 4 is grouped into two types of major aquifers. These are the Knox-Shady and the Tusculumbia- Fort Payne. The geologic structure of the area has disrupted the regional continuity of the formations, so that each major

aquifer type occurs repeatedly in different parts of this area. Because of this, the same aquifer type may be present in adjacent valleys, but not be hydraulically connected because of faulting and folding. The Pottsville aquifer is used for water supply within this area, but are not considered a major aquifer. As such, groundwater is highly unlikely to be affected at any great distance from this operation. According to an aerial photo by Google Earth, the area of revision for this permit is located over 5 miles east of the commentor's residence.

Should any increase in mineralization occur in the ground water as a result of the proposed activities, it is anticipated the levels will diminish and return to pre-mining concentrations once mining and reclamation activities are complete. Properly abandoning and sealing all drill holes completed at the site will further protect ground water. Except for blast holes that will not be used for monitoring purposes. With regard to the availability of ground water after mining and reclamation is complete as compared to existing quantities, the backfilled spoil material will have a greater recharge capacity as compared to the undisturbed strata.

A Hydrologic Monitoring Plan is included in the permit, which includes a list of sediment basins and their monitoring requirements required by the ASMC as well as the Alabama Department of Environmental Management (ADEM). Along with the sediment basins, there are surface water and groundwater monitoring sites that are monitored and reported on a quarterly basis. This plan can be found in Part III E. of the permit.

The following comments are dealing with Engineering.

A commentor questioned the location of the excess spoil disposal area in reference to their house.

Response: A research of the permit map, discussion with the mining company, and discussion with the permit manager, Robert Armes, the excess spoil area is over five miles east of the above mentioned home.

The following comments are dealing with blasting.

A commentor questioned blasting on the mine site and the desire for a seismograph at their home.

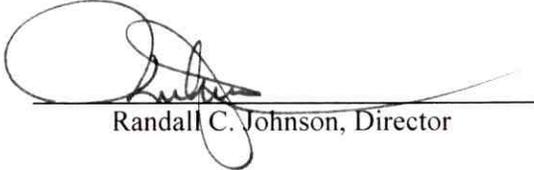
RESPONSE: Blasting from this mine is monitored by seismograph by the company at the nearest residences to ensure that ground vibrations and air blasts are maintained at safe levels. The ASMC also conducts seismograph monitoring at the request of homeowners who might be adversely affected by blasting. If monitoring is desired at a residence the homeowner should contact Mrs. Gail Thomson or Mr. Bill Kitchens at ASMC with a request for monitoring.

ACREAGE SUMMARY:

* Inc. #1 remains at.....	51 Acres
* Inc. #2 remains at.....	211 Acres
* Inc. #3 remains at.....	132 Acres
* Inc. #4 remains at.....	124 Acres
* Inc. #5 remains at.....	68 Acres
* Inc. #6 remains at.....	89 Acres
Inc. #7 increases to.....	<u>229 Acres</u>
Total Acreage Increases to	904 Acres

*** Bonded to Date**

EFFECTIVE DATE: July 11, 2012



Randall C. Johnson, Director

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cc: I&E
Permit File