



REPLY TO
ATTENTION OF:

**DEPARTMENT OF THE ARMY
MOBILE DISTRICT, CORPS OF ENGINEERS
BIRMINGHAM FIELD OFFICE
218 SUMMIT PARKWAY, SUITE 222
HOMEWOOD, ALABAMA 35209**

August 2, 2012

Inland Section North
Regulatory Division

SUBJECT: Nationwide Permit Authorization - Permit Number SAM-2012-00622-CMS,
Shannon, LLC – Shannon Mine No. 2 Revision R-8

Shannon, LLC
c/o McGehee Engineering Corporation
Attention: Mr. Stephen Blankenship
Post Office Box 3431
Jasper, Alabama 35502-3431

Dear Mr. Blankenship:

This letter is in response to your July 10, 2012 application for a Department of the Army (DA) permit to impact 299 linear feet of ephemeral stream in association with the construction of a stormwater detention basin. The project is located in Sections 28, 29, 30, 31 and 32, Township 19 South, Range 5 West (N 33.354681, W 87.081673), Jefferson County, Alabama.

DA authorization is necessary because your project will involve the placement of fill material into jurisdictional waters of the United States, regulated under Section 404 of the Clean Water Act. The project will impact 299 linear feet of ephemeral stream for the purpose of constructing a stormwater detention basin associated with a surface coal mine. To mitigate for the ephemeral stream impacts, the permittee shall purchase 259 stream credits (233 x 1.11 proximity factor) from Big Sandy Mitigation Bank. Proof of mitigation credit purchase shall be provided to the Birmingham Field Office prior to implementation of work authorized by this permit.

Based upon the information and plans provided, we hereby verify that the work described above, which would be performed in accordance with the received drawings, is authorized by Nationwide Permit (NWP) 43 (Federal Register, February 21, 2012 Vol. 77, No. 34). This NWP and its associated Regional and General Conditions can be viewed at our website www.sam.usace.army.mil/RD/reg. You must comply with all of the special and general conditions and any project specific conditions of this authorization or you may be subject to enforcement action.

Our verification of this NWP authorization is valid for 2 years from the date of this letter unless the NWP is modified, reissued, or revoked prior to that date. If the authorized work has not been completed by that date, please contact us to discuss the status of your authorization. Failure to comply with all terms and conditions of this NWP verification invalidates this authorization and could result in a violation of Section 404 of the Clean Water Act.

This letter of authorization does not obviate the necessity to obtain any other Federal, State, or local permits, which may be required. Further, please note General Condition 30 requires that you submit a signed certification to us once any work has commenced and when the work and required mitigation are completed. Please complete and submit the attached Notification of Commencement of Work when work has begun and the attached Compliance Certification form to this office within 60 days of completion of the authorized work.

A copy of this authorization is being provided to the Alabama Department of Environmental Management, Attention: Mr. Richard Hulcher, Field Operations Division, 1400 Coliseum Boulevard, Montgomery, Alabama 36110.

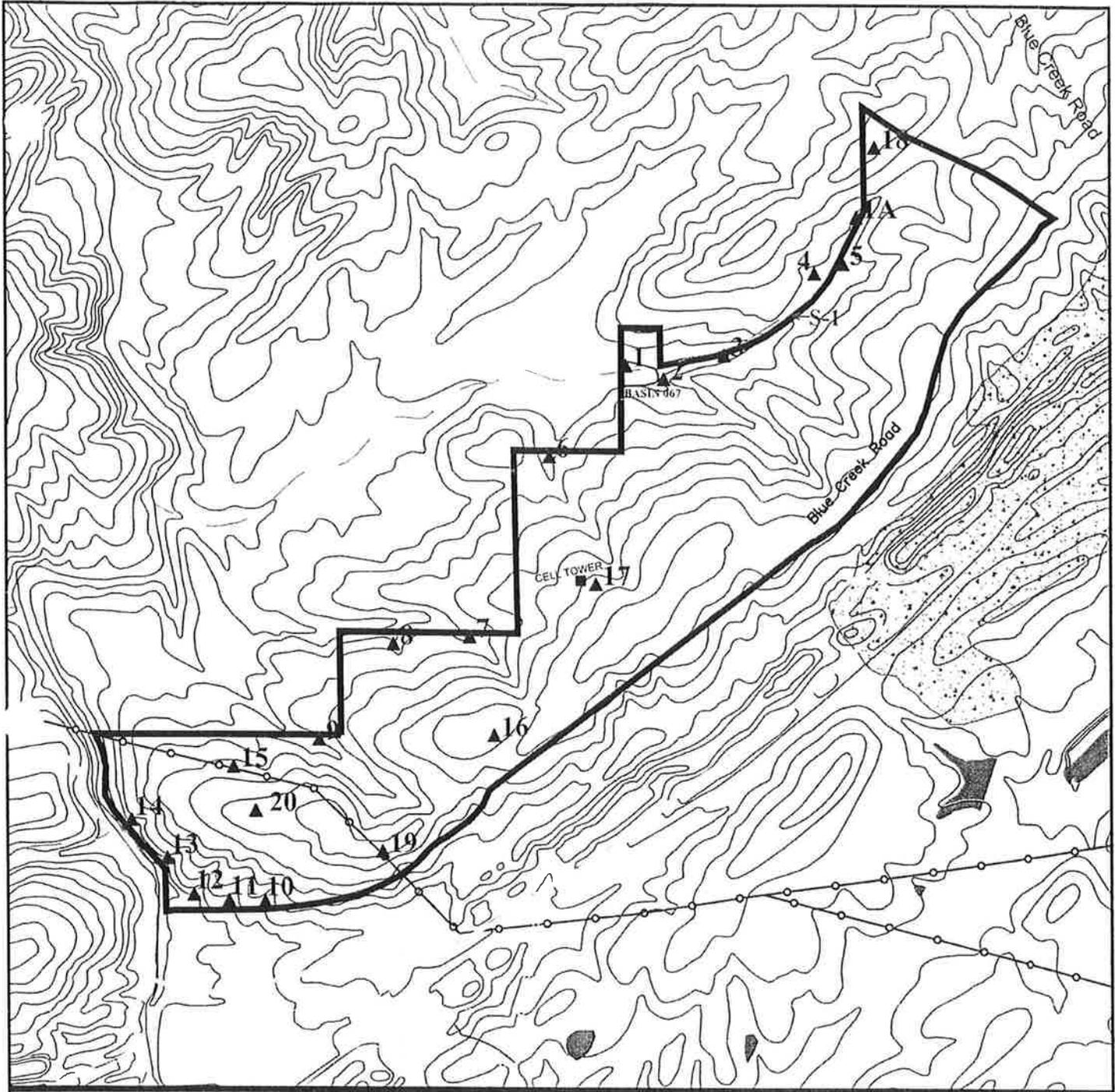
Please contact me at 205-290-9096 if you have any questions. For additional information about our Regulatory Program, visit our web site at www.sam.usace.army.mil/RD/reg, and please take a moment to complete our customer satisfaction survey while you are there. Your responses are appreciated and will allow us to improve our services.

Sincerely,

A handwritten signature in black ink, appearing to read 'CS', with a long horizontal line extending to the right.

Courtney Shea
Project Manager
Regulatory Division
Birmingham Field Office

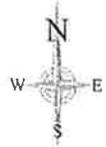
Enclosures



SCALE: 1" = 1000'
 Revised: July 10th, 2012

SHANNON, LLC.
 SHANNON MINE NO. 2
 (APPROXIMATELY 258 ACRES TOTAL)

REVISION R-8
 JURISDICTIONAL IMPACT MAP



SAM-2012-00622-CMS
299 linear feet
ephemeral stream
impact

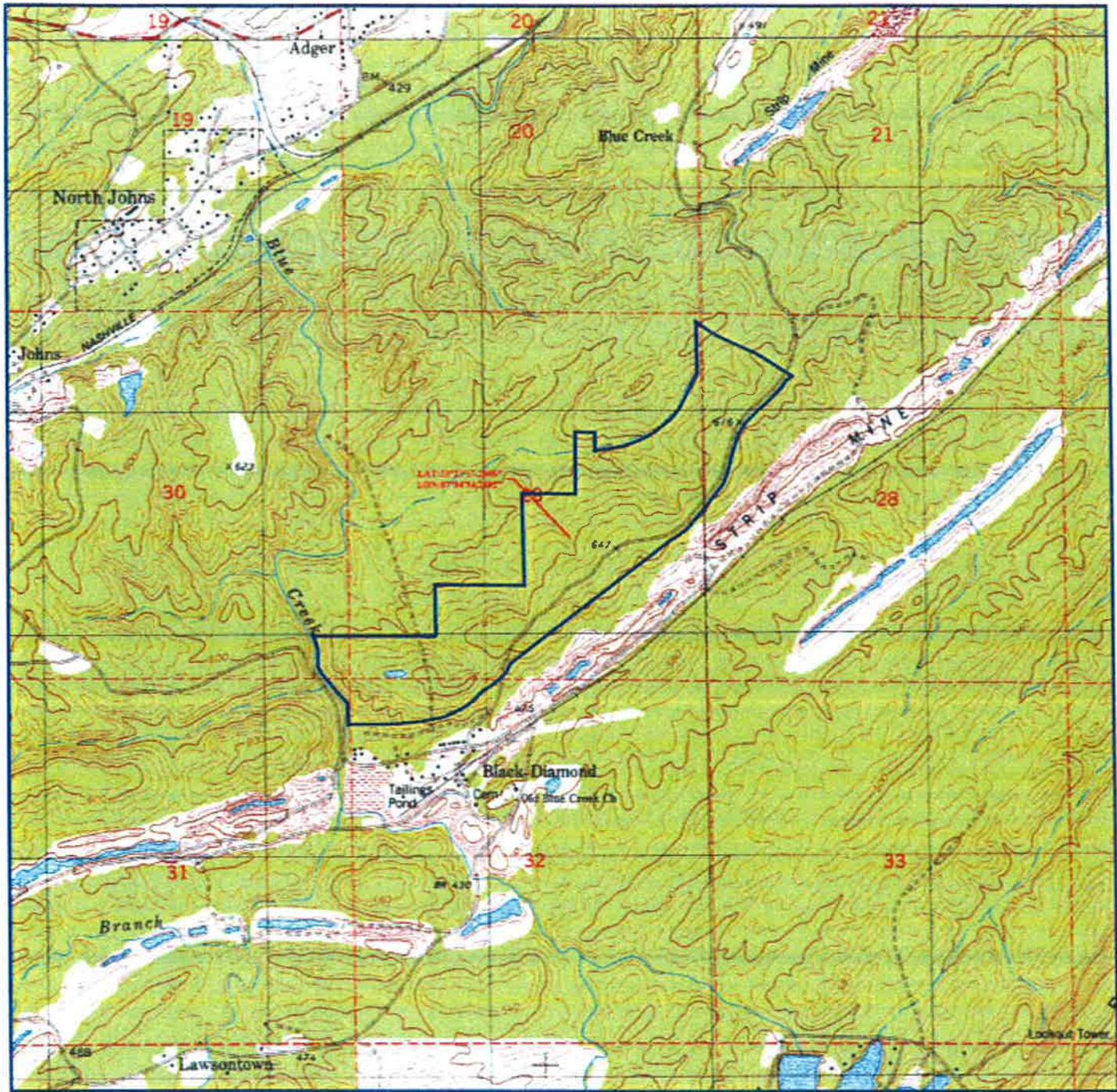
SECTIONS 28, 29, 30, 31 & 32, TOWNSHIP 19 SOUTH, RANGE 5 WEST,
 ALL IN JEFFERSON COUNTY, ALABAMA
 AS FOUND ON THE MCCALLA, ALABAMA USGS QUAD.

MEC
 mcgehee engineering corp
 poil office box 3431
 Jasper, Alabama 35502-3431
 telephone: (205) 221-0686 fax: 221-7721
 email: staff@mcgehee.org

- REVISION R-8 BOUNDARY
- WETLAND DELINEATION POINT
- STREAM TEXT
- PREVIOUSLY MINED
- PUBLIC ROAD
- DRAIN
- POWER TRANSMISSION LINES
- BASIN LOCATION

(CMS) 8/2/12

Latitude: 33°21'17" N
 Longitude: 87°04'54" W



SCALE: 1" = 2000'
 Revised: July 10th, 2012

SHANNON, LLC.
 SHANNON MINE NO. 2
 (APPROXIMATELY 258 ACRES TOTAL)



REVISION R-8
 PROJECT AREA MAP

SECTIONS 28, 29, 30, 31 & 32, TOWNSHIP 19 SOUTH, RANGE 5 WEST,
 ALL IN JEFFERSON COUNTY, ALABAMA
 AS FOUND ON THE MCCALLA, ALABAMA USGS QUAD.

 REVISION R-8 BOUNDARY

Latitude: 33°21'17" N
 Longitude: 87°04'54" W

MEC
 mcghee engineering cory
 post office box 3431
 copper brooks 35502-3431
 telephone (256) 221-2886 fax (256) 221-7721
 email: staff@mcgheecorp.com



August 13, 2012

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

Subject: Bill of Sale for 259 stream credits
Big Sandy Mitigation Bank
Shannon, LLC
Shannon Mine No. 2 Revision R-8
SAM-2012-00622-CMS

Please find enclosed a Bill of Sale that transfers **259 stream credits** at Big Sandy Mitigation Bank from Westervelt Ecological Services, LLC, to Shannon, LLC.

A copy of the Bill of Sale will be provided to Courtney Shea at the U. S. Army Corps of Engineers' office in Birmingham, AL, thereby satisfying the mitigation requirements for the above referenced project.

We greatly appreciate the opportunity to provide mitigation to Shannon, LLC. If we can be of service to you in any way, please contact me at (205) 562-5213.

Respectfully,

Michelle O'Neal
Sales & Marketing Manager

Enclosures

cc: Stephen Blakenship ✓
McGehee Engineering Corp.

BILL OF SALE

CONTRACT #68

PERMIT NO. SAM-2012-00622-CMS

For valuable consideration, the receipt of which is hereby acknowledged, WESTERVELT ECOLOGICAL SERVICES, LLC, a Delaware limited liability company ("Owner"), does hereby bargain, sell and transfer to Shannon, LLC ("Buyer"): **259 stream credits** (299 L.F. of ephemeral stream impacts) from Big Sandy Mitigation Bank, Tuscaloosa County, AL.

DATED: August 13, 2012

WESTERVELT ECOLOGICAL SERVICES, LLC,
a Delaware limited liability company

By: _____

Michelle O'Neal

Name: Michelle O'Neal

Title: Sales & Marketing Manager