

ASMC Use Only:

Fee: _____
Bond Required: _____
Date Approved: _____

APPLICATION FOR PERMIT REVISION

Name of Permittee: RAC Mining, LLC
License Number: L-804 Permit Number: P-3933-01-14-S
Permit Expiration Date: 11-09-14 Mine Name: Powhatan Mine No. 2
Revision Number: Revision R-2

Nature of Proposed Revision:

- 1) Add 15 mining acres to Increment No. 2.
- 2) Add 26 mining acres to Increment No. 3.
- 3) Add 25 mining acres to Increment No. 4.
- 4) Delete 3 mining acres from Increment No. 2.
- 5) Delete 4 mining acres from Increment No. 4.
- 6) Extend the topsoil variance to include the mining area added by revision R-2.
- 7) Update the Operations Plan.
- 8) Renumber Basin 006P to Basin 017P to match the ADEM Outfall numbering.
- 9) Re-evaluate and modify Basins 012E, 012AE, and 012BE.
- 10) Update mineral ownership.

Attach Detailed estimate of effect of proposed revision on reclamation costs.

Applicant: Job Land & Mineral, Inc.
Mine Name: Powhatan Mine No. 2
Permit Number: P-3933 Revision R-1

STATE OF ALABAMA SURFACE MINING COMMISSION

- (X) Permit Application for a Surface Coal Mine
() Permit Application for an Underground Coal Mine
() Permit Application for a Preparation Facility

PART I A. IDENTIFICATION

1. PERMIT APPLICANT

1. PERMIT APPLICANT

Name: RAC Mining, LLC
Street Address: 378 Old Dora Road
City: Sumiton State: AL Zip: 35148
Mailing Address: P.O. Box 415
City: Dora State: AL Zip: 35062
Telephone Number: (205) 915-3289
Social Security Number (Voluntary): _____
Employer Identification Number: 27-1360540
ASMC License#: L-0804

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: Leslie G. Stephens c/o PERC Engineering Co., Inc.
Mailing Address: Post Office Box 1712
City: Jasper State: AL Zip: 35502-1712
Telephone Number: (205) 295-3127

ALSO PLEASE COPY: Paul Widinski
RAC Mining, LLC.
P.O. Box 415
Dora, AL 35062
Telephone: (205) 915-3289

Applicant: RAC Mining, LLC.
Mine Name: Powhatan Mine No. 2
Permit Number: P-3933 Revision R-2

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 IA through Part IF 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: Applicant
Street Address: _____
City: _____ State: _____ Zip: _____
Mailing Address: _____
City: _____ State: _____ Zip: _____
Telephone: (____) _____ - _____
Social Security Number (Voluntary): _____ - _____ - _____
Employer Identification Number: _____
ASMC License Number: _____

Applicant: <u>RAC Mining, LLC.</u> Mine Name: <u>Powhatan Mine No. 2</u> Permit Number: <u>P-3933 Revision R-2</u>
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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

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Page 1 of 5
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Legal description of property or permit map symbol: Alawest-AL, LLC (S)

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

Legal owner(s) of record: Alawest-AL, LLC.

Address: P.O. Box 412 City: Northport State: AL Zip: 35476

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	Alawest-AL, LLC	Birmingham Coal & Coke Company, Inc.	09/16/09	No
Agreement	Birmingham Coal & Coke Company, Inc.	Job Land & Mineral, Inc.	09/16/09	No
Transfer	Job Land & Mineral, Inc.	RAC Mining, LLC.	07/07/11	No

Applicant: <u>RAC Mining, LLC.</u> Mine Name: <u>Powhatan Mine No. 2</u> Permit Number: <u>P-3933 Revision R-2</u>
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PART I C. (CONTINUED)

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Page 2 of 5

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Legal description of property or permit map symbol: BASTCO LLC. (S)
Surface/Mineral/or Fee Simple (both): Surface
Legal owner(s) of record: BASTCO LLC.
Address: 378 Old Dora Road City: Sumiton State: AL Zip: 35148
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	BASTCO LLC.	Sumiton Coal, Inc.	02/23/06	No
Assignment	BASTCO LLC.	Charles Clay & Eddie Johnson	08/29/11	No
Right of Entry	Charles Clay & Eddie Johnson	RAC Mining, LLC	10/20/11	No

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Applicant: <u>RAC Mining, LLC.</u> Mine Name: <u>Powhatan Mine No. 2</u> Permit Number: <u>P-3933 Revision R-2</u>
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PART I C. (CONTINUED)

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Legal description of property or permit map symbol: University of Alabama (Fee)
Surface/Mineral/or Fee Simple (both): Fee Simple

Legal owner(s) of record: University of Alabama

Address: P. O. Box 870176 City: Tuscaloosa State: AL Zip: 35487

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	University of Alabama	Birmingham Coal & Coke Company, Inc.	8/25/09	No
Agreement	Birmingham Coal & Coke Company, Inc.	Job Land & Mineral, Inc	8/25/09	No
Transfer	Job Land & Mineral, Inc.	RAC Mining, LLC.	7/07/11	No

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Applicant: RAC Mining, LLC.
 Mine Name: Powhatan Mine No. 2
 Permit Number: P-3933 Revision R-2

PART I C. (CONTINUED)

Legal description of property or permit map symbol: Parker Towing Company, Inc. (S)
 Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Parker Towing Company, Inc.
 Address: P.O. Box 20908 City: Tuscaloosa State: AL Zip: 35402
 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	Parker Towing Company, Inc.	Job Land & Mineral, Inc.	08/03/04	No
Transfer	Job Land & Mineral, Inc.	RAC Mining, LLC.	07/07/11	No

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Legal description of property or permit map symbol: Drummond Company, Inc.(M)
 Surface/Mineral/or Fee Simple (both): Mineral
 Legal owner(s) of record: Drummond Company, Inc.
 Address: P.O. Box 1549 City: Jasper State: AL Zip: 35502
 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 Company, Inc.	RAC Mining, LLC.	Pending	No

Applicant: RAC Mining, LLC.
 Mine Name: Powhatan Mine No. 2
 Permit Number: P-3933 Revision R-2

PART I C. (CONTINUED)

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

Surface/Mineral/or Fee Simple (both): Mineral
 Legal owner(s) of record: BRP LLC
 Address: 7600 West Tidwell Road, Suite 300 City: Houston State: TX Zip: 77040
 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	BRP LLC	RAC Mining, LLC.	9/30/11	No

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 Legal description of property or permit map symbol: RAC Mining, LLC (M)
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Surface/Mineral/or Fee Simple (both): Mineral
 Legal owner(s) of record: RAC Mining, LLC
 Address: P.O. Box 415 City: Dora State: AL Zip: 35062
 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	RAC Mining, LLC	Quickclaim Deed	12/14/11	No

STATE OF ALABAMA)
)
COUNTY OF JEFFERSON)

REVERSIONARY QUITCLAIM DEED
RAC MINING, LLC – POWHATAN MINE

KNOW ALL MEN BY THESE PRESENTS, that this deed is made by and between DRUMMOND COMPANY, INC., an Alabama Corporation ("Grantor"), whose address is 3000 Hwy. 78 East, Post Office Box 1549 Jasper, Alabama 35502-1549 and RAC MINING, LLC ("Grantee").

WITNESSETH:

That for Ten and No/100 Dollars (\$10.00) and other valuable consideration to Grantor in hand paid by Grantee, receipt of which is hereby acknowledged, Grantor does hereby remise, release, quitclaim, bargain, sell and convey to the Grantee:

The right from the date of this deed until April 30, 2012 to remove by the surface mining method no more than 4,500 tons of coal in the following described property to wit: (the "Premises").

SECTION 31: West ½ of SE ¼; SE ¼ of SE ¼

ALL ABOVE LOCATED IN TOWNSHIP 16 SOUTH, RANGE 5 WEST

JEFFERSON COUNTY, ALABAMA
(Mineral Only)

Including the exclusive right of ingress, egress, and regress in, to, and upon said premises, the right to prospect, permit, surface mine, remove and sell or market coal therefrom. Grantee further agrees that all coal which grantee has the right to mine on the above properties will be mined and the surface reclaimed in accordance with all applicable laws and regulations. Grantee agrees that mapping of all coal seams mined shall be provided to Grantor on a monthly basis. Mapping shall contain adequate thickness measurements and other data as required by Grantor such that Grantor may verify the tons mined from the property. Grantee shall report to Grantor tons mined, tons sold, the FOB mine sales price received and the purchaser of tons sold from the property on a monthly basis.

THE ABOVE DESCRIBED INTERESTS THAT ARE CONVEYED TO GRANTEE ARE LIMITED TO THE RIGHTS TO REMOVE BY THE SURFACE MINING METHODS THE NEW CASTLE, MARY LEE, AND BLUE CREEK COAL SEAMS ONLY.

REVERSION:

ALL OF THE ABOVE DESCRIBED INTERESTS SHALL REVERT BACK TO GRANTOR AFTER DELIVERY OF WRITTEN NOTICE TO GRANTEE THAT

resulting from past mining operations or other activities of said Grantor, or resulting from the removal of Minerals or roof supports by said Grantor, shall ever accrue to or be asserted by Grantee, its successors or assigns, this conveyance being made expressly subject to all such injuries and damages, either past or future, and the releases and hold harmless and indemnity provisions set forth in this paragraph shall constitute covenants running with said Lands as against Grantee and all persons, firms, corporations or entities holding under or through Grantee.

RIGHTS OF REFUSAL: Grantor and on behalf of its affiliates and associates, reserves the right of first refusal to purchase all tons mined from the Premises. If Grantor, or its affiliates and associates, chooses to purchase the tons mined from the Premises, Grantee shall sell such tons to Grantor or its affiliates and associates at a price not to exceed the price Grantor sells coal of the same quality to any other buyer on an FOB mine basis.

BOOKS AND RECORDS: Grantee shall at all times maintain accurate books and records of the mining operations on the Premises and sale of coal mined on the Premises. Upon prior notice, Grantor's representatives shall be permitted to enter Grantee's premises during normal business hours for the inspection, examination and copying of Grantee's books and records. Grantee shall keep and preserve such books and records for a minimum period of three years after the termination, cancellation or expiration of this deed. Grantor's right to inspect such books and records shall survive for three years from the termination date of this deed.

ENTIRE AGREEMENT: This Deed and the Promissory Note executed contemporaneously herewith contain the entire understanding and agreement of the parties with respect to mining on the Premises, and supersede all prior oral or written agreements, arrangements and understandings between the parties relating to mining of the Premises.

SEVERABILITY: In the event that any provision of this Deed conflicts with the laws of the State of Alabama or any other jurisdiction, or is held invalid by a court with jurisdiction over the parties to this Deed, such provision shall be deleted from the Deed and the Deed shall be construed to give effect to its remaining provisions.

TO HOLD, to the Grantee, its successors and assigns from the date of this deed until April 30, 2012.

Grantee hereby understands, acknowledges and agrees to the terms, conditions and/or covenants contained herein:

RAC MINING, LLC

BY: 

ITS: President

IN WITNESS WHEREOF, I have hereunto set our signature and seal, this the

14th day of December, 2011.

BY: Steve Humphreys
ITS: DIRECTOR - LAND SERVICES

DRUMMOND COMPANY, INC >
BY: Michael A. Butts
ITS: Vice President

STATE OF ALABAMA)
)
COUNTY OF WALKER)

I, the undersigned authority, a Notary Public, in and for said County in said State, hereby certify that Michael A. Butts, whose name is signed as Vice President of Drummond Company, Inc., a corporation, to the foregoing conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal this the 14th day of December, 2011.

Michael Wayne Oehl
NOTARY PUBLIC
MY COMMISSION EXPIRES AUGUST 19, 2012



Send Tax Notice To:

Prepared by: Blake Andrews
Drummond Company, Inc.
P. O. Box 1549
Jasper, Alabama 35502-1549

MINING LEASE

THIS COAL MINING LEASE dated as of September 30th 2011 (the "Effective Date"), and is by and between **BRP LLC**, ("Lessor") whose mailing address is 7600 West Tidwell Road, Suite 300 Houston, Texas 77040, and **RAC Mining LLC** an ^{Alabama} ~~Alberta~~, ^{USA} ~~Canada~~, limited liability company (RAC), whose mailing address is 340, 1201 5th Street SW, Calgary AB Canada, T2R-0Y6 ("Lessee").

SECTION 1. LEASE FOR COAL MINING PURPOSES.

In consideration of the terms, conditions, and stipulations set forth to be performed and observed by Lessee, Lessor, acting on its own behalf and with the intention of exercising any right, option or power held by it on behalf of any other person or entity, does hereby demise, lease and let to Lessee, for the purpose of mining, processing and transporting, the coal described in and by the methods stated in Exhibit A, attached hereto and made a part hereof, and hereinafter referred to as the Leased Premises.

SECTION 2. RESERVATIONS AND EXCEPTIONS.

All rights, title and interest vested in Lessor and not herein specifically granted to Lessee are reserved to Lessor, its successors and assigns.

Without limiting the generality of this reservation, there are hereby expressly excepted from this Lease and reserved to Lessor, its successors and assigns:

- (1) all existing licenses, easements and rights-of-way for railroad or other purposes heretofore granted by or otherwise lawfully acquired from Lessor or its predecessors in title;
- (2) all oil, gas (including gas and/or methane in the coal leased), timber, minerals other

PK

IN TESTIMONY WHEREOF, the parties hereto have caused this Lease to be executed in their respective names by their respective representatives thereunto duly authorized, all as of the day and year first above written.

Executed in duplicate.

BY:

BRP LLC



Ray T. Kaczorowski
Vice President - Operations

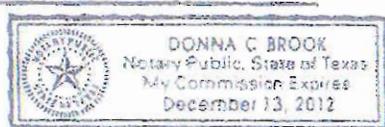


STATE OF TEXAS

COUNTY OF HARRIS

The foregoing instrument was acknowledged, subscribed and sworn to before me this 13th day of October 2011, by Ray Kaczorowski, Vice President - Operations of BRP LLC, a Delaware limited liability company.

My commission expires:


NOTARY PUBLIC
Donna C. Brook

BY:

RAC Mining LLC



By: Timothy J. Bergen
President

PROVINCE OF ALBERTA, CANADA

_____ TO-WIT:

The foregoing instrument was acknowledged, subscribed and sworn to before me this 03 day of October 2011, by Timothy J. Bergen, President of RAC Mining LLC, a Alakama limited liability company.

My commission expires:

Never

(Lawyer)



NOTARY PUBLIC

DERRICK K. AUCH
Barrister and Solicitor

RK

GUARANTY

Reference is made to that certain Mining Lease, which is to be executed and delivered contemporaneously with this Guaranty wherein BRP LLC leased certain coal and mining rights to RAC Mining LLC ("Lease")

As an inducement to BRP LLC to execute and deliver the aforesaid Lease, the undersigned CANAM COAL CORP, hereby guarantees to said BRP LLC performance of the obligations of RAC Mining LLC as Lessee.

CANAM shall maintain sufficient net worth to perform any and all duties required of it as Guarantor

WITNESS the following signatures this 3rd day of October, 2011:

CANAM COAL CORP

By: _____

Its: CEO

BRP LLC

By: R.T.K.

Its: Vice-President - Operations

R.K.

Province STATE OF Alberta

County COUNTRY OF Canada, TO-WIT:

The foregoing instrument was acknowledged, subscribed and sworn to before me this 3rd day of October, 2011, by Timothy J. Bergan, as CEO of CANAM COAL CORP, an Alberta Canada Corporation.

My commission expires: Never (Lawyer)



NOTARY PUBLIC

DERRICK K. AUCH
Barrister and Solicitor

[SEAL]

STATE OF TEXAS

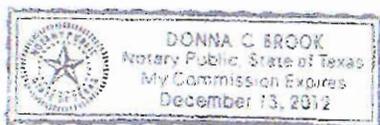
COUNTY OF HARRIS, TO-WIT:

The foregoing instrument was acknowledged, subscribed and sworn to before me this 13th day of October, 2011, by RAY KACZOROWSKI, as Vice-President-Operations of BRP LLC, a Delaware limited liability company.

My commission expires: December 13, 2012



NOTARY PUBLIC
Donna C. Brook



[SEAL]

Loc/Can Am Coal-BRP LLC-guaranty100311

ra

EXHIBIT A

SURFACE MINING ONLY
LEASE PREMISES:

80 Acres - EAST 1/2 OF SW 1/4 of Section
31, T16S, R5W & 80 Acres -N 1/2 of NE 1/4 of
Section 6, T17S, R5 W Jefferson County, Alabama

Fax : 403-262-3794.

To:
Timothy J. Bergen

From:
Mohit Banerjee
BRP/NRP, Houston, TX

Applicant: RAC Mining, LLC.
Mine Name: Powhatan Mine No. 2
Permit Number: P-3933 Revision R-2

PART I C. (CONTINUED)

3. INTERESTS OR PENDING INTERESTS IN LANDS CONTIGUOUS TO THE PERMIT AREA
INSTRUCTIONS:

Give the legal description of all lands contiguous to the permit area for which the 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 AS NECESSARY IN THE FORMAT BELOW

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PAGE OF Not Applicable

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Legal description: _____

Describe the nature of the interest: _____

=====

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: _____

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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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Applicant: <u>RAC Mining, LLC.</u> Mine Name: <u>Powhatan Mine No. 2</u> Permit Number: <u>P-3933 Revision R-2</u>
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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.
SW 1/4 of NE 1/4, SE 1/4 of NE 1/4, NW 1/4 of SE 1/4, NE 1/4 of SE 1/4, SE 1/4 of SE 1/4 of Section 36, Township 16 South, Range 6 West, SW 1/4 of NW 1/4, NW 1/4 of SW 1/4, NE 1/4 of SW 1/4, SW 1/4 of SW 1/4, SE 1/4 of SW 1/4, NW 1/4 of SE 1/4, SW 1/4 of SE 1/4, SE 1/4 of SE 1/4, of Section 31, Township 16 South, Range 5 West, NW 1/4 of NW 1/4, NE 1/4 of NW 1/4, NW 1/4 of NE 1/4, SE 1/4 of NW 1/4, SW 1/4 of NW 1/4, NW 1/4 of SW 1/4, NE 1/4 of SW 1/4, SW 1/4 of NE 1/4, NE 1/4 of NE 1/4 of Section 6, Township 17 South, Range 5 West, Jefferson county, Alabama.

3. Give the acreage of the permit, each increment and the type of bonding.
 - a. Total revision acreage: 66 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.	<u>51</u>	<u>Letter of Credit</u>
2.	<u>87</u>	<u>Letter of Credit</u>
3.	<u>71</u>	<u>Letter of Credit</u>
4.	<u>81</u>	<u>Letter of Credit</u>
5.	<u>15</u>	<u>Letter of Credit</u>
6.	<u> </u>	<u> </u>

- c. Identify the increment(s) on which mining will initially begin upon issuance of this permit: Increment 1 & 5.

4. Has any acreage in the proposed permit area been previously disturbed by mining? 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>
<u>Pre-law</u>	<u>85</u>	<u>Unreclaimed</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). Job Land & Mineral, Inc. Intends to accept the reclamation responsibility for the areas which they redisturb.

Applicant: <u>RAC Mining, LLC.</u>
Mine Name: <u>Powhatan Mine No. 2</u>
Permit Number: <u>P-3933 Revision R-2</u>

PART I D. (CONTINUED)

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.

6. Is disturbance proposed within 100 feet of a public road right-of-way or will a public road be closed or relocated? ()YES (XX)NO.
If YES, enclose a copy of the approval granted by the government entity which has jurisdiction over the road. The approval must state the minimum distance disturbance will be allowed to the road or road right-of-way.

7. 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>01-03332</u>	<u>MSHA</u>	<u>*</u>	<u>05-12-11</u>
<u>NPDES</u>	<u>AL0077194</u>	<u>ADEM</u>	<u>**</u>	<u>07-10-11</u>

* 228 West Valley Avenue, Birmingham, AL 35209

** 1400 Coliseum Blvd., Montgomery, AL 36110

8. Is the property in the permit covered by zoning or other land use restrictions?
(XXX)YES ()NO.
If yes, indicate the jurisdictional authority and zoning or landuse area. If more than one zoning classification exists for the permit area, identify the boundaries of each the permit map.

Jurisdictional Authority	Zoning Classification	Allows mining? Yes or No
<u>* Jefferson County Zoning Board</u>	<u>I-3-S</u>	<u>Yes</u>

* Revision R-1 only

9. Describe access to the proposed mine from a known point on the nearest public highway: From the intersection of Interstate 20/59 and Alabama Highway 269 in Birmingham, travel west on Alabama Highway 269 approximately 17.5 miles to the mine entrance in the right. The Permit area will be marked and signs will be posted.

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

11. Submit a certificate of proof of Liability Insurance with this application. See ASMC Master 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

Applicant: <u>RAC Mining, LLC.</u>
Mine Name: <u>Powhatan Mine No. 2</u>
Permit Number: <u>P-3933 Revision R-2</u>

Attachment I.E.13.

PUBLIC NOTICE OF FILING OF PERMIT APPLICATION

In accordance with the provisions of Act No.81-435 of the State of Alabama and the regulations promulgated under this act, RAC Mining, LLC, 378 Old Dora Road, Sumiton, Alabama 35148, hereby gives notice that it has filed an application with the Alabama Surface Mining Commission to revise permit P-3933-01-14-S for its Powhatan Mine No. 2 located within the SW 1/4 of NE 1/4, SE 1/4 of NE 1/4, NW 1/4 of SE 1/4, NE 1/4 of SE 1/4, SE 1/4 of SE 1/4 of Section 36, Township 16 South, Range 6 West, SW 1/4 of NW 1/4, NW 1/4 of SW 1/4, NE 1/4 of SW 1/4, SW 1/4 of SW 1/4, SE 1/4 of SW 1/4, NW 1/4 of SE 1/4, SW 1/4 of SE 1/4, SE 1/4 of SE 1/4, of Section 31, Township 16 South, Range 5 West, NW 1/4 of NW 1/4, NE 1/4 of NW 1/4, NW 1/4 of NE 1/4, SE 1/4 of NW 1/4, SW 1/4 of NW 1/4, NW 1/4 of SW 1/4, NE 1/4 of SW 1/4, SW 1/4 of NE 1/4, NE 1/4 of NE 1/4 of Section 6, Township 17 South, Range 5 West, Jefferson county, Alabama.

Revision R-2 includes: 1)Add 15 mining acres to Increment No. 2. 2) Add 26 mining acres to Increment No. 3. 3) Add 25 mining acres to Increment No. 4. 4) Delete 3 mining acres from Increment No. 2. 5) Delete 4 mining acres from Increment No. 4. 6) Extend the topsoil variance to include the mining area added by revision R-2. 7) Update the Operations Plan. 8)Renumber Basin 006P to Basin 017P to match the ADEM outfall numbering. 9) Re-evaluate and Modify Basins 012E, 012AE, and 012BE. 10) Update mineral ownership.

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

AFFIDAVIT OF PUBLICATION

THE BIRMINGHAM NEWS COMPANY

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THE BIRMINGHAM NEWS

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Bham News: Jan. 16, 23, 30, Feb. 6, 2012

On this 6th day of February

A.D. Two Thousand , and Twelve, Vickie Webb declares that she is an Accounting Clerk of "The Birmingham News" published in the City of Birmingham, in the County of Jefferson, in the State of Alabama, and that the advertisement, a true copy of which is herewith attached, appeared in "The Birmingham News" on the following dates:

February 6, 2012
January 30, 2012
January 23, 2012
January 16, 2012
Vickie Webb
 Signed- Vickie Webb

State of Alabama
County of Jefferson

On 2-6-, 2012, Vickie Webb

personally appeared before me, who is personally known to me to be the signer of the above document, and she acknowledged that she signed it.

Nancy S. Bridgman
Nancy S Bridgman, Notary Public

NANCY S BRIDGMAN
NOTARY PUBLIC
STATE OF ALABAMA
MY COMMISSION EXPIRES DEC. 22, 2014