

Applicant: Southern Mineral Resources, LLC  
Mine Name: Skelton Creek Operation  
Permit Number: P-3934

# 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: Kennedy Brothers Construction, LLC**  
**ADDRESS: 17160 Lock 17 Road**  
**Brookwood, AL 35444**

## **PART I A. IDENTIFICATION**

### **1. PERMIT APPLICANT**

Name: Southern Mineral Resources, LLC  
Street Address: P. O. Box 68  
City: Brookwood State: AL Zip: 35444  
Mailing Address: P. O. Box 68  
City: Brookwood State: AL Zip: 35444  
Telephone Number: (205) 861-3180  
Social Security Number (Voluntary): - -  
Employer Identification Number: 47-2032779  
ASMC License#: 840

### **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: Pete Parrish, PERC Engineering Co., Inc.  
Mailing Address: P.O. Box 1712  
City: Jasper State: AL Zip: 35502-1712  
Telephone Number: (205) 384-5553

Applicant: Southern Mineral Resources, LLC  
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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:

- 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.  
C.

(USE ADDITIONAL SHEETS IN THE FORMAT BELOW IF NECESSARY)

Name: There are none

Street Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone Number: (\_\_\_\_) - \_\_\_\_ - \_\_\_\_\_

Social Security Number: \_\_\_\_ - \_\_\_\_ - \_\_\_\_\_ (Voluntary)

Employer Identification Number: \_\_\_\_\_

ASMC License#: \_\_\_\_\_

Applicant: <u>Southern Mineral Resources, LLC</u> Mine Name: <u>Skelton Creek Operation</u> Permit Number: <u>P-3934</u>
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**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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Legal description of property or permit map symbol: JER Properties, LLC (S)

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

Legal owner(s) of record: Pauline Reachard

Address: 828 Runyan Drive City: Chattanooga State: TN Zip: 37405

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	JER Properties, LLC	Kennedy Brothers, LLC	7/13/2012	No
Mining Agreement & Right of Entry	CClay, Inc.	Kennedy Brothers Construction, LLC	9/28/2012	

Applicant: Southern Mineral Resources, LLC  
 Mine Name: Skelton Creek Operation  
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**PART I C 1. (CONTINUED)**

Legal description of property or permit map symbol: Frank McCarty (S)  
 Surface/Mineral/or Fee Simple (both): Surface  
 Legal owner(s) of record: Frank McCarty  
 Address: 2911 McCarty Town Road City: Quinton State: AL Zip: 35130  
 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	Frank McCarty	R & S Resource Recovery, Inc.	9/10/2008	No
Transfer	R & S Resource Recovery, Inc.	CCLay, Inc.	8/22/2011	
Transfer	CCLay, Inc.	Kennedy Brothers Construction, LLC	6/27/2013	

Legal description of property or permit map symbol: Alawest - AL, LLC (Fee)  
 Surface/Mineral/or Fee Simple (both): Fee Simple  
 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	R & S Resource Recovery, Inc.	12/22/2008	No
Transfer	R & S Resource Recovery, Inc.	CCLay, Inc.	8/22/2011	
	CCLay, Inc.	Kennedy Brothers Construction, LLC	6/27/2013	

Applicant: Southern Mineral Resources, LLC  
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**PART I C 1. (CONTINUED)**

Legal description of property or permit map symbol: Drummond Coal Co. (M)  
 Surface/Mineral/or Fee Simple (both): Mineral  
 Legal owner(s) of record: Drummond Coal Co.  
 Address: P.O. Box 1549 City: Jasper State: AL Zip: 35501  
 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.
N/A	Drummond Coal Co.	Kennedy Brothers Construction, LLC		No

Legal description of property or permit map symbol: \_\_\_\_\_  
 Surface/Mineral/or Fee Simple (both): \_\_\_\_\_  
 Legal owner(s) of record: \_\_\_\_\_  
 Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 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.

Applicant: Southern Mineral Resources, LLC  
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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: JER Properties, LLC  
Address: 828 Runyan Drive  
City: Chattanooga State: TN Zip: 37405-1204  
Interest owned (Surface, Coal or Fee Simple): Surface  
Type of Interest (Owner, Lease , or Other): Owner

Name: Frank McCarty  
Address: 2911 McCarty Town Road  
City: Quinton State: TN Zip: 35130  
Interest owned (Surface, Coal or Fee Simple): Surface  
Type of Interest (Owner, Lease , or Other): Owner

Name: Alawest - AL, LLC  
Address: P. O. Box 412  
City: Northport State: AL Zip: 35476  
Interest owned (Surface, Coal or Fee Simple): Fee Simple  
Type of Interest (Owner, Lease , or Other): Owner

Name: Drummond Coal Co.  
Address: P.O. Box 1549  
City: Jasper State: AL Zip: 35502  
Interest owned (Surface, Coal or Fee Simple) Mineral  
Type of Interest (Owner, Lease , or Other): Owner

Applicant: Southern Mineral Resources, LLC  
Mine Name: Skelton Creek Operation  
Permit Number: P-3934

**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 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 IF NECESSARY**

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Legal description: There are none.

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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Legal description: \_\_\_\_\_

Describe the nature of the interest: \_\_\_\_\_  
\_\_\_\_\_

Applicant: <u>Southern Mineral Resources, LLC</u> Mine Name: <u>Skelton Creek Operation</u> Permit Number: <u>P-3934</u>
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**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: 48 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>25</u>	<u>Certificate of Deposit</u>
2.	<u>2</u>	<u>Certificate of Deposit</u>
3.	<u>3</u>	<u>Certificate of Deposit</u>
4.	<u>6</u>	<u>Certificate of Deposit</u>
5.	<u>7</u>	<u>Certificate of Deposit</u>
6.	<u>5</u>	<u>Certificate of Deposit</u>

c. Identify the increment(s) on which mining will initially begin upon issuance of this permit: All

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>
_____	_____	_____
_____	_____	_____
_____	_____	_____

- 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)

Southern Mineral Resources, LLC, assumes responsibility for reclamation of disturbances created under Permit P-3934 whether done by Southern Mineral Resources, LLC or prior holders of Permit P-3934.

Applicant: <u>Southern Mineral Resources, LLC</u>
Mine Name: <u>Skelton Creek Operation</u>
Permit Number: <u>P-3934</u>

**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>01-03432</u>	<u>MSHA</u>	<u>*</u>	<u>11/8/2010</u>
<u>NPDES</u>	<u>AL0078158</u>	<u>ADEM</u>	<u>**</u>	<u>4/20/2011</u>

\* 1030 London Drive, Suite 400, Birmingham, AL 35211-4542

\*\* 1400 Coliseum Boulevard 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 following notice will be published in the Birmingham News:

NOTICE OF APPLICATION TO TRANSFER  
A SURFACE COAL MINING PERMIT

Southern Mineral Resources, LLC, P. O. Box 68, Brookwood, AL 35444, hereby gives notice that it has filed application to succeed by transfer to the rights granted under Alabama Surface Mining Commission Permit P-3934 currently held by Kennedy Brothers Construction, LLC, 17160 Lock 17 Road, Brookwood, AL 35444. This operation is known as the Skelton Creek Operation and is located in the NW 1/4 of NW 1/4 and SW 1/4 of NW 1/4 of Section 1 and NE 1/4 of NE 1/4, SE 1/4 of NE 1/4, SW 1/4 of NE 1/4 and NW 1/4 of NE 1/4 of Section 2, all within Township 17 South, Range 6 West, and in the SW 1/4 of SW 1/4 and NW 1/4 of SW 1/4 of Section 36, Township 16, South, Range 6 West, all within Jefferson County, Alabama.

A copy of the transfer application is available for public inspection on the Alabama Surface Mining Commission website at: <http://surface-mining.alabama.gov>. Written comments, objections or request for public hearing or informal conferences concerning this transfer should be sent to the Alabama Surface Mining Commission, P.O. Box 2390, Jasper, Alabama 35502-2390 no later than 30 days from the date of publication of this notice.



1/5/16

Dr. Randall C. Johnson, Director  
Alabama Surface Mining Commission  
Post Office Box 2390  
Jasper, Alabama 35502-2390

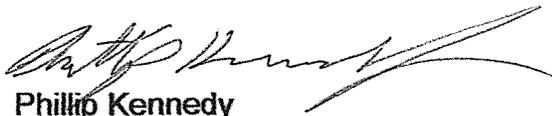
RE: Skelton Creek Mine  
P- 3934

Dear Dr. Johnson:

The purpose of this letter is to notify you that Kennedy Brothers Construction LLC is in agreement with Southern Mineral Resources, LLC to transfer the above referenced permit from Kennedy Brothers Construction LLC to Southern Mineral Resources, LLC.

If you require additional information please feel free to call Leslie Stephens at 205-295-3127 or e-mail lstephens@percengineering.com

Sincerely,

  
Phillip Kennedy

Kennedy Brothers Construction LLC

Subscribed and sworn to before me in my presence, this 5th day of January 2016, a Notary Public in and for the County of Tusc State of AL  
Michael Earl Forrest  
(Signature) Notary Public  
My commission expires 12/03/2016

