

Applicant: Warrior 282 LLC
Mine Name: Warrior Mine No. 1
Permit Number: P-3953

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

Name: Warrior 282 LLC
Street Address: 5269 Deans Ferry Road
City: Trafford State: AL Zip: 35172
Mailing Address: 5269 Deans Ferry Road
City: Trafford State: AL Zip: 35172
Telephone Number: (214) 578-3626
Social Security Number (Voluntary): _____
Employer Identification Number: _____
ASMC License#: L-789

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: Stephen Miles c/o PERC Engineering Co., Inc.
Mailing Address: Post Office Box 1712
City: Jasper State: AL Zip: 35502-1712
Telephone Number: (205) 295-3112

Applicant: Warrior 282 LLC
Mine Name: Warrior Mine No. 1
Permit Number: P-

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: Warrior 282 LLC
 Mine Name: Warrior Mine No. 1
 Permit Number: P-3953

PART I C 1. (CONTINUED)

Legal description of property or permit map symbol: Alma Jean and George Jones (S)

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

Legal owner(s) of record: Alma Jean and George Jones

Address: 401 Main Street North City: Warrior State: AL Zip: 35180

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	Alma Jean and George Jones	Warrior 282, LLC	Pending	No

Legal description of property or permit map symbol: JMJ Enterprises, LLC (S)

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

Legal owner(s) of record: JMJ Enterprises, LLC

Address: 205 20th Street North Suite 933 City: Birmingham State: AL Zip: 35203

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.
Right of Entry	JMJ Enterprises, LLC	Warrior 282, LLC	2/16/12	No

Applicant: Warrior 282 LLC
 Mine Name: Warrior Mine No. 1
 Permit Number: P-3953

PART I C 1. (CONTINUED)

Legal description of property or permit map symbol: Warrior Land, LLC (Fee)
S-1

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

Legal owner(s) of record: Warrior Land, LLC

Address: 33 The Oaks Circle City: Hoover State: AL Zip: 35244

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	Warrior Land, LLC	Warrior 282, LLC	11/10/11	No

Legal description of property or permit map symbol: S-2

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

Legal owner(s) of record: Thelma Hughes

Address: 526 Alpine Drive City: Warrior State: AL Zip: 35180

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	Thelma Hughes	Warrior 282, LLC	Pending	No

Applicant: Warrior 282 LLC
 Mine Name: Warrior Mine No. 1
 Permit Number: P-3953

PART I C 1. (CONTINUED)

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

Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Bobby D. Hayes
 Address: 516 Alpine Drive City: Warrior State: AL Zip: 35180
 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	Bobby D. Hayes	Warrior 282, LLC	Pending	No

Legal description of property or permit map symbol: S-5

Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Garry P. Crane
 Address: 508 Alpine Drive City: Warrior State: AL Zip: 35180
 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	Garry P. Crane	Warrior 282, LLC	Pending	No

Applicant: Warrior 282 LLC
 Mine Name: Warrior Mine No. 1
 Permit Number: P-3953

PART I C 1. (CONTINUED)

Legal description of property or permit map symbol: S-8

Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Billy Ray & Louise Jones
 Address: 500 Alpine Drive City: Warrior State: AL Zip: 35180
 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	Billy Ray & Louise Jones	Warrior 282, LLC	Pending	No

Legal description of property or permit map symbol: United Land Corporation (M)

Surface/Mineral/or Fee Simple (both): Mineral
 Legal owner(s) of record: United Land Corporation
 Address: P. O. Box 5327 City: Birmingham State: AL Zip: 35207
 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	United Land Corporation	Warrior 282, LLC	1/31/12	No

Applicant: Warrior 282 LLC
 Mine Name: Warrior Mine No. 1
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PART I C 1. (CONTINUED)

Legal description of property or permit map symbol: S-7and S-9

Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Ruth Rusnell
 Address: 555 Ponderosa Road City: Hayden State: AL Zip: 35079
 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	Ruth Russel	Warrior 282, LLC	Pending	No

Legal description of property or permit map symbol: S-10

Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Charles K. McPherson, Jr.
 Address: 5051 Cardinal Street City: Trussville State: AL Zip: 35173
 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	Charles K. McPherson, Jr.	Warrior 282, LLC	Pending	No

Applicant: <u>Warrior 282 LLC</u>
Mine Name: <u>Warrior Mine No. 1</u>
Permit Number: <u>P-3953</u>

PART I C 1. (CONTINUED)

Legal description of property or permit map symbol: Gibson Rogers (S)

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

Legal owner(s) of record: Gibson Rogers

Address: PO Box 467 City: Morris State: AL Zip: 35116

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.
Right of Entry	Gibson Rogers	Warrior 282, LLC	2/16/12	No

COAL LEASE AGREEMENT
DATED: November 10, 2011

THIS AGREEMENT made this date between WARRIOR LAND, LLC, an Alabama limited liability company, ("Warrior Land" or "Lessor") whose address is 2000 SouthBridge Pkwy, Suite 500, Birmingham, AL 35209, ATTN: Gregory D. Hyde, and WARRIOR 282, LLC, an Alabama limited liability company, whose address is 2713 Industrial Lane, Garland, Texas 75041 (herein referred to as "Lessee").

WITNESSETH

WHEREAS, Lessor agrees to lease 310 acres, more or less, described in Exhibit "A" (the "Property") to the Lessee for the purpose of extracting coal and minerals from the Property, and

WHEREAS, Lessor and Lessee desire to set forth certain conditions, limitations, standards, practices, and terms related to the manner, scope and payment for the removal of coal from the Property.

NOW THEREFORE, for and in consideration of the terms and conditions set forth herein, it is agreed by and between Lessor and Lessee as follows:

1. Term. This Lease shall be in force and effect upon its execution by the parties. The Lease shall run for a 5 year period of time beginning, and contingent upon, upon the satisfaction of the Conditions Precedent together with two (5) five year extension options. The Conditions Precedent are (1) the Lessee obtaining all necessary permits required in order to lawfully begin mining the Property for coal, and (2) the current agreement with the City of Warrior and Lessee continuing to be in force and effect with Lessee agreeing to be responsible for all aspects of such agreement specifically including the payment of the fee set forth therein and all post-mining site work. In the event the Conditions Precedent stated above are not removed, waived by Lessee or satisfied within 3 months of the execution by both parties of this Agreement, then this Agreement shall be null and void *ab initio*. The Lessee may exercise the extension options by giving the Lessor written notice thirty (30) day prior to the end of the existing term provided no Event of Default has occurred pursuant to the Agreement.
2. The Coal. The coal to be mined on the Property includes merchantable and mineable coal to be removed by surface mining methods together with augering or highwall mining, if practical, wherein the following seams of coal will be removed utilizing Best Mining Practices:

Lick Creek Seam, Jefferson Seam, and Black Creek Seam.
3. Best Mining Practices. Best Mining Practices will be utilized and, as used herein, shall mean those modern mining methods and equipment and techniques in the conduct of diligent mining operations in an attempt to recover the maximum amount of

LESSOR:

Warrior Land, LLC

Gregory D. Hyde

By Gregory D. Hyde, as Co-Trustee of the Cook Daughters' Trust
Its Manager

Myra Roberts

By Myra Roberts, as Co-Trustee of the Cook Daughters' Trust
Its Manager

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Gregory D. Hyde, as Co-Trustee of the Cook Daughters' Trust, whose name as manager of Warrior Land, LLC, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he in his capacity as Co-Trustee, as such manager and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal this 10th day of November, 2011.

Notary Public

Amelia K. Hudson

[NOTARIAL SEAL] My commission expires: 8/9/2012

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Myra Roberts, as Co-Trustee of the Cook Daughters' Trust, whose name as manager of Warrior Land, LLC, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, she in her capacity as Co-Trustee, as such manager and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal this 10th day of November, 2011.

Notary Public

Amelia K. Hudson

[NOTARIAL SEAL] My commission expires: 8/9/2012

LESSEE:

Warrior 282, LLC

August Eltz III
By August Eltz
Its Manager

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that August Eltz as Manager of Warrior 282, LLC, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such manager and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal this 10th day of November, 2011.

Notary Public

Amelia K. Hudson

[NOTARIAL SEAL]

My commission expires: 8/9/2012

PERSONAL AND UNCONDITIONAL GUARANTY

August Eltz does hereby personally and unconditionally guaranty all payments due under this Lease to Lessor when and as due without any requirement of notice or demand; and August Eltz does further personally and unconditionally guarantee the due and timely performance of each an every obligation of the Lessee under this Lease.

August Eltz III
August Eltz

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, a Notary Public in and for said County, in said State, hereby certify that August Eltz, whose name is signed to the foregoing Personal and Unconditional Guaranty, and who is known to me, acknowledged before me on this day, that, being informed of the contents of same he executed the same voluntarily.

Given under my hand and official seal this 10th day of November, 2011.

NOTARY PUBLIC (SEAL)

Amelia K. Hudson

My Commission Ends: 8/9/2012

Exhibit A.

TRACT I: Part of the East 1/2 of East 1/2 of Section 14, Township 14 South, Range 3 West, particularly described as: East 1/2 of Northeast 1/4; West 1/2 of Southeast 1/4; Northeast 1/4 of Southeast 1/4, except 2 acres in Southeast corner thereof as east 223 feet of south 392 feet of said 1/4-1/4 section; Southeast 1/4 of Southeast 1/4 except two parcels of 5 acres, respectively, described as East 264 feet of south 825 feet and as east 209 feet on north 418 feet, respectively, of said 1/4-1/4 section; that part of Southwest 1/4 of Northeast 1/4 lying east of outcrop of Warrior Coal Seam which said outcrop in West 1/2 of Northeast 1/4 of said Section 14, is described as follows: Commence at point on east line of Northwest 1/4 of Northeast 1/4 which point is 1,015.25 feet south of the northeast corner of said Northwest 1/4 of Northeast 1/4 of section 14; thence turn angle to right of 87 degrees 45 minutes 30 seconds and run westerly a distance of 266.14 feet; thence turn angle to left of 7 degrees 50 minutes and continue in westerly direction a distance of 230 feet; thence turn angle to the left of 31 degrees 30 minutes and run in a southwesterly direction a distance of 215 feet; thence turn angle to left of 11 degrees 20 minutes and continue in a southwesterly direction a distance of 260 feet and crossing the northerly line of said Southwest 1/4 of Northeast 1/4 of Section 14; thence turn angle to left of 18 degrees 45 minutes and run in a southerly direction a distance of 324 feet; thence turn angle of 22 degrees 59 minutes to left and continue in southerly direction a distance of 165 feet; thence turn angle of 3 degrees 59 minutes to right and continue in southerly direction a distance of 127 feet; thence turn angle of 81 degrees 20 minutes to left and run in easterly direction a distance of 77.5 feet; thence turn angle of 112 degrees 34 minutes to right and run in a southwesterly direction a distance of 209 feet; thence turn angle of 29 degrees 38 minutes to left and run in a southerly direction a distance of 121.5 feet; thence turn angle of 17 degrees 31 minutes to left and continue in southerly direction a distance of 229 feet; thence turn angle of 52 degrees 18 minutes to left and run a southeasterly direction a distance of 110 feet; thence turn angle to left of 44 degrees 10 minutes and turn in a northeasterly direction a distance of 170 feet; thence turn angle to right of 6 degrees 14 minutes and continue in northeasterly direction a distance of 124 feet; thence turn angle of 91 degrees 25 minutes to right and run in southerly direction 138.83 feet to point on south line of aforesaid Southwest 1/4 of Northeast 1/4 which point is 887.09 feet east of southwest corner thereof.

TRACT II: West 1/2 of West 1/2 of Section 13, Township 14 South, Range 3 West, particularly described as west 850 feet of West 1/2 of Northwest 1/4 of said Section 13, except south 135 feet thereof and except cemetery containing 4.85 acres and being described as east 300 feet of west 540 feet of north 705 feet of Northwest 1/4 of Northwest 1/4 of said Section 13, also begin at northwest corner of Block 41, according to said survey of Warrior, as recorded in Map Book 22, page 77 and running north on west line of Northwest 1/4 of Southwest 1/4 of said Section 13, a distance of 475.94 feet to southwest corner of Block 35, according to said survey; thence turn angle of 92 degrees 02 minutes to right and run east

along south line of Block 35 to a point on the west right of way line of Sawyer Drive; thence run in southerly direction along westerly line of said right of way to northeast corner of said Block 41; thence run west along north line of said Block 41 a distance of 490 feet to northwest corner thereof to point of beginning.

LESS AND EXCEPT that certain parcel described as Lot 1, Rogers 1st Addition to Indian Hills, as recorded in Map Book 194, Page 54, in the Office of the Probate Judge of Jefferson County, Alabama.

2011092000041030 3/4
Bk: LR201103 Pg: 21555
Jefferson County, Alabama
04/28/2011 09:20:43 AM D
Fees - \$14.00
Bond Tax - \$0.50
Total of Fees and Taxes - \$14.50
JCOCKRELL

COPYSURFACE COAL MINING LEASE

THIS SURFACE COAL MINING LEASE (this "Lease") is made and entered into as of the 31st day of January, 2012 (the "Effective Date") by and between WALTER MINERALS, INC., a Delaware corporation, ("Lessor") and August Holdings, LLC, an Alabama corporation ("Lessee").

WITNESSETH:

WHEREAS, Lessor owns certain lands or interests in lands located in Jefferson County, Alabama, Lessor desires to lease the following described properties to Lessee:

Mineral Rights Only:

- NE ¼ of SW ¼ East of I65 and SE1/4 of SW ¼ East of I65 both in Section 14 Township 14S Range 3 W; and
- NE ¼ of NW ¼ N of New Cane Creek Road and East of I65; and NW ¼ of NE ¼ N of New Cane Creek Road both in Section 23 Township 14S Range 3W

A total of 64 acres more or less and more particularly described on Exhibit A attached hereto and made a part hereof (the "Premises"). Insofar as Lessor is presently aware, but without warranting or representing the accuracy of same, Exhibit A indicates Lessor's ownership interests in individual parcels of the Premises.

WHEREAS, Lessee is in the business of surface mining coal, and desires to lease and surface mine coal from the Premises. Lessor is willing to enter into this Lease for such purposes, on and subject to the terms and conditions herein set forth.

NOW, THEREFORE, in consideration of the premises and the payments and covenants hereinafter contained to be made, kept and performed by Lessee, Lessor and Lessee agree as follows:

I. RIGHTS LEASED AND GRANTED; RESERVATIONS AND EXCEPTIONS.

1.1. Coal. Lessor does hereby grant to Lessee, to the extent of Lessor's interest and subject to the reservations and conditions herein contained, the right to mine and remove, by surface mining methods only, all coal, and only coal, as may exist in, on and under the Premises. If Exhibit A fails to specify the particular seams of coal that are leased hereby, then this Lease shall be deemed to include all seams of coal owned by Lessor in the Premises that are mineable by surface mining methods.

LESS AND EXCEPT, AND RESERVING TO LESSOR, its successors and assigns, all coal (other than the surface mineable coal hereby leased), oil, gas, casinghead gas, coal seam gas, coal bed methane, occluded natural gas, hydrocarbons, sand, gravel, limestone, sandstone and all other rock and minerals substances (collectively, the "Reserved Minerals") in, on and under the Premises, and the right to prospect, explore and drill for, mine and remove from the Premises the Reserved Minerals, Provided, however, that any lease or agreement entered into by Lessor after the Effective Date in connection with the Reserved Minerals shall not unreasonably interfere with Lessee's rights herein granted to use the surface to the extent that Lessee has made known to Lessor such planned use and has obtained Lessor's written consent thereto as provided below.

AUGUST ELTZ

TRAVIS CREEK ENERGY
5269 DEAMS FERRY
TRAFFORD, AL

590-4440

590-4445 FAX

LESSOR

WALTER MINERALS, INC.

By Chuck Stewart
Its: PRESIDENT

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Chuck Stewart whose name as President of **WALTER MINERALS, INC.**, a Delaware corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, 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 official seal this 30th day of January, ²⁰¹²~~2008~~.

Lisa R. Lane
Notary Public

[NOTARIAL SEAL]

My commission expires: 11-24-2012

LESSEE

August Eltz III

By: AUGUST ELTZ III

Its: MANAGING MEMBER

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a notary public in and for said county in said state, hereby certify that August Eltz III, whose name as Managing Member of _____, an Alabama corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, 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 official seal this 30th day of January, 2012.

Maury G. Eads
Notary Public

[NOTARIAL SEAL]

My commission expires NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Aug 29, 2014
BONDED THRU NOTARY PUBLIC UNDERWRITERS

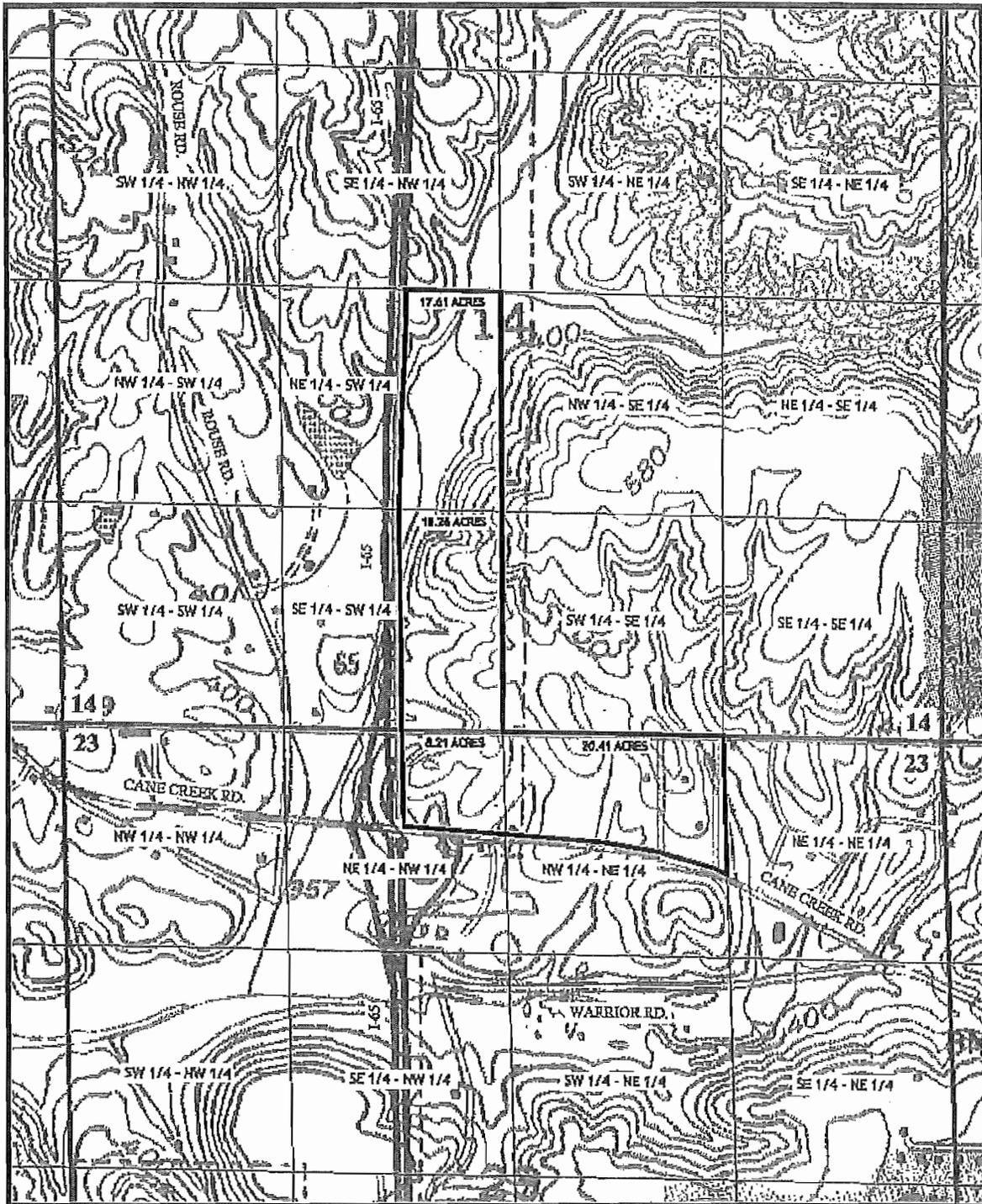


EXHIBIT A

MINING LEASE BETWEEN WALTER MINERALS, INC. & TRAVIS CREEK ENERGY

SECTIONS 14 & 23, TOWNSHIP 14 SOUTH, RANGE 3 WEST

64.49 TOTAL ACRE'S FOR THE ABOVE LISTED LEGAL DESCRIPTION

MAP LEGEND

 **MINERAL LEASE**



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AGREEMENT

THIS AGREEMENT (this "Agreement") is entered into as of the 16th day of February, 2012, by and between **August Holdings, Inc.**, an Alabama corporation (the "Purchaser"), **JMJ Enterprises, LLC**, an Alabama limited liability company, James G. Rogers and Robert M. Rogers (the "Sellers")

RECITALS:

For and in consideration of the terms, covenants, and conditions hereinafter set forth, to be kept and performed by the parties hereto, the parties hereby agree as follows:

ARTICLE I

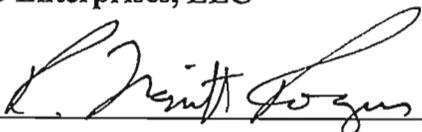
The parties hereto have entered into an agreement dated November 18, 2011, for the purchase and sale of the real property described in Exhibits A and B attached hereto. A condition precedent to the closing of said agreement and sale is the issuance of a surface coal mining permit including said property and certain adjacent lands owned and/or controlled by the proposed permittee. The above described sellers hereby grant a right of entry upon said lands by purchaser for any and all purposes necessary to obtain a surface coal mining permit from the Alabama Surface Mining Commission.

IN WITNESS WHEREOF, The Sellers and Purchaser have executed this Agreement as of the day and year first above written.

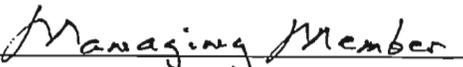
SELLERS:

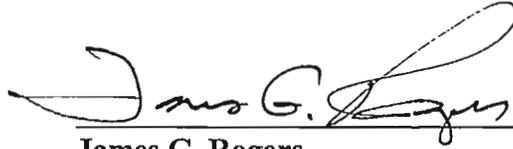
JMJ Enterprises, LLC

By:

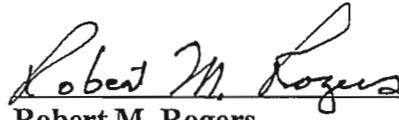


Its:





James G. Rogers



Robert M. Rogers

PURCHASER:

August Holdings, Inc.

By: 
Its: PRESIDENT

EXHIBIT A

ALL THAT PART of the S.W. $\frac{1}{4}$ of Section 14, Township 14, South, Range 3 West, WHICH LIES EAST OF INTERSTATE #65, and ALL THAT PART OF THE N.E. $\frac{1}{4}$ of the N.W. $\frac{1}{4}$ of Section 23, Township 14 South, Range 3 West, WHICH LIES NORTH OF CANE CREEK ROAD AND EAST OF INTERSTATE #65, all being more particularly described as follows:

BEGIN at the Northeast corner of the N.E. $\frac{1}{4}$ of the N.W. $\frac{1}{4}$ of Section 23, Township 14 South, Range 3 West, Jefferson County, AL.; Thence run South along the East line of said $\frac{1}{4}$ - $\frac{1}{4}$ section a distance of 554.27 feet to the Northerly right-of-way line of Cane Creek Road; Thence turn right $96^{\circ}12'55''$ and run Westerly along said North right-of-way line a distance of 633.15 feet to the Easterly right-of-way line of Interstate #65; Thence turn right $81^{\circ}30'20''$ and run Northerly along said Easterly right-of-way line a distance of 359.37 feet to a Point of Curve to the right, said Curve having a radius of 17040.34 feet and a central angle of $3^{\circ}25'$; Thence from the last described course, turn right $1^{\circ}29'15''$ to the Tangent of said Curve and run Northerly along said right-of-way line an arc distance of 1016.15 feet; Thence from the Tangent of said Curve, turn right $00^{\circ}06'$ and continue Northerly along said right-of-way line a distance of 1766.12 feet to the North line of the S.W. $\frac{1}{4}$ of Section 14, Township 14 South, Range 3 West; Thence turn right $89^{\circ}19'40''$ and run East along said North line a distance of 561.92 feet to the Northeast corner of the S.W. $\frac{1}{4}$ of said Section 14; Thence turn right $88^{\circ}20'25''$ and run South along the East line of said S.W. $\frac{1}{4}$ a distance of 2633.34 feet to the POINT OF BEGINNING.

Containing 44.8 acres, more or less, and being subject to rights-of-way or easements of record.

LESS & EXCEPT:

A parcel of land located in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 14, Township 14 South, Range 3 West and the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 23, Township 14 South, Range 3 West being more particularly described as follows: Begin at the intersection of the easterly right of way line of I-65 and the northerly right of way line of Cane Creek Road; thence in an easterly direction along the northerly right of way line of Cane Creek Road a distance of 633.10 feet to the easterly line of said NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 23, Township 14 South, Range 3 West; thence 96 degrees 12 minutes 55 seconds left in a northerly direction, a distance of 554.27 feet to the NE corner of said $\frac{1}{4}$ - $\frac{1}{4}$ Section; thence 0 degrees 23 minutes 35 seconds right in a northerly direction a distance of 589.55 feet; thence 88 degrees 20 minutes 05 seconds left in a westerly direction a distance of 642.91 feet to the easterly right of way of I-65, said point being on a curve having a radius of 17,040.34 feet and a central angle of 2 degrees 29 minutes 10 seconds; thence 90 degrees 17 minutes 03 seconds left to tangent of said curve in a southerly direction along said curve to the left and along said right of way line a distance of 739.43 feet to

the end of said curve; thence 1 degree 49 minutes 43 seconds left from tangent of said curve, in a southerly direction a distance of 359.54 feet to the point of beginning.

LESS & EXCEPT:

A parcel of land situated in the NE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 14, Township 14 South, Range 3 West of Jefferson County, Alabama being more particularly described as follows:

Commence at the Northwest corner of Section 14, marked with a 3 inch capped iron pipe; thence South 00 degrees 30 minutes 37 seconds East a distance of 2636.58 feet along the west line of Section 14 to a point; thence South 88 degrees 25 minutes 39 seconds East a distance of 2096.45 feet to a $\frac{1}{2}$ inch rebar with cap stamped S.J. Martin 12501, said point being the Point of Beginning of the hereinafter described parcel; thence South 88 degrees 35 minutes 46 seconds East a distance of 290.04 feet to a $\frac{1}{2}$ inch rebar with cap; thence South 88 degrees 35 minutes 18 seconds East a distance of 272.06 feet to a 2 inch open pipe; thence South 79 degrees 34 minutes 40 seconds West a distance of 277.91 feet to a set $\frac{5}{8}$ inch rebar; thence South 01 degrees 26 minutes 14 seconds West a distance of 219.40 feet to a set $\frac{5}{8}$ inch rebar; thence North 87 degrees 53 minutes 44 seconds West a distance of 293.48 feet to a set $\frac{5}{8}$ inch rebar; thence North 02 degrees 08 minutes 11 seconds East a distance of 272.83 feet to the Point of Beginning. Said parcel containing 2.02 acres more or less.

EXHIBIT B

A parcel of land located in the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 14, Township 14 South, Range 3 West and the NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 23, Township 14 South, Range 3 West being more particularly described as follows: Begin at the intersection of the easterly right of way line of I-65 and the northerly right of way line of Cane Creek Road; thence in an easterly direction along the northerly right of way line of Cane Creek Road a distance of 633.10 feet to the easterly line of said NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 23, Township 14 South, Range 3 West; thence 96 degrees 12 minutes 55 seconds left in a northerly direction, a distance of 554.27 feet to the NE corner of said $\frac{1}{4}$ - $\frac{1}{4}$ Section; thence 0 degrees 23 minutes 35 seconds right in a northerly direction a distance of 589.55 feet; thence 88 degrees 20 minutes 05 seconds left in a westerly direction a distance of 642.91 feet to the easterly right of way of I-65, said point being on a curve having a radius of 17,040.34 feet and a central angle of 2 degrees 29 minutes 10 seconds; thence 90 degrees 17 minutes 03 seconds left to tangent of said curve in a southerly direction along said curve to the left and along said right of way line a distance of 739.43 feet to the end of said curve; thence 1 degree 49 minutes 43 seconds left from tangent of said curve, in a southerly direction a distance of 359.54 feet to the point of beginning.

LESS & EXCEPT:

A parcel of land located in the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 23, Township 14 South, Range 3 West, being more particularly described as follows:

Begin at the intersection of the Easterly right of way line of I-65 and the Northerly right of way line of Cane Creek Road; thence in an Easterly direction along the Northerly right of way line of Cane Creek Road a distance of 229.23 feet to the point of beginning; thence continue Easterly 403.87 feet to the Easterly line of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 23, Township 14 South, Range 3 West; thence 96 degrees 12 minutes 55 seconds left in a Northerly direction, a distance of 270.93 feet; thence 90 degrees left in a westerly direction a distance of 401.50 feet; thence 90 degrees left in a Southerly direction a distance of 227.20 feet to the Northerly right of way of Cane Creek Road and the point of beginning.

Applicant: Warrior 282 LLC
Mine Name: Warrior Mine No. 1
Permit Number: P-

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

PAGE ___ OF ___ Not Applicable

Legal description: _____

Describe the nature of the interest: _____

=====
Legal description: _____

Describe the nature of the interest: _____

=====
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: _____

=====
Legal description: _____

Describe the nature of the interest: _____

Applicant: <u>Warrior 282 LLC</u>
Mine Name: <u>Warrior Mine No. 1</u>
Permit Number: <u>P-3953</u>

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/NW, NW/SW and SW/SW of Section 13; SE/NW, SW/NE, SE/NE, NE/SW, SE/SW, NW/SE, NE/SE, SW/SE and SE/SE of Section 14; NE/NW, NE/NE and NW/NE of Section 23; NW/NW of Section 24, all within Township 14 South, Range 3 West, Jefferson County, Alabama

3. Give the acreage of the permit, each increment and the type of bonding.
 - a. Total permit acreage: 167 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>23</u>	<u>Letter of Credit</u>
2.	<u>32</u>	<u>Letter of Credit</u>
3.	<u>8</u>	<u>Letter of Credit</u>
4.	<u>52</u>	<u>Letter of Credit</u>
5.	<u>47</u>	<u>Letter of Credit</u>
6.	<u>5</u>	<u>Letter of Credit</u>

- c. Identify the increment(s) on which mining will initially begin upon issuance of this permit: Increment No. 6

4. Has any acreage in the proposed permit area been previously disturbed by mining? (XXX)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>
<u>Pre-law</u>		<u>Not Reclaimed</u>
<u>P-3103</u>	<u>75.0</u>	<u>Expired</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).

 Warrior 282 LLC, will accept the reclamation responsibility for the previously disturbed areas which they redisturb.

5. Is disturbance to be conducted within 300 feet, measured horizontally from an occupied dwelling? (XXX)YES ()NO.

If YES, attach a signed waiver from the owner of the dwelling indicating the minimum distance disturbance will be allowed by the owner.

See attachment I-D-5 for waivers.

Applicant: <u>Warrior 282 LLC</u>
Mine Name: <u>Warrior Mine No. 1</u>
Permit Number: <u>P-3953</u>

PART I D. (CONTINUED)

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 of issuance
<u>MSHA ID</u>	<u>01-03446</u>	<u>MSHA</u>	<u>*</u>	<u>Issued 12-12-11</u>
<u>NPDES</u>	<u>AL0079928</u>	<u>ADEM</u>	<u>**</u>	<u>Issued 03-04-09</u>

* 228 West Valley Avenue, Birmingham, AL 35209

** 1400 Coliseum Blvd., Montgomery, AL 36130

8. Is the property in the permit covered by zoning or other land use restrictions?

()YES (XXX)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
_____	_____	_____
_____	_____	_____

9. Describe access to the proposed mine from a known point on the nearest public highway: From Birmingham, AL travel I-65 north to exit 282, turn right onto New Cane Creek Road. Travel east on New Cane Creek Road for approximately 0.1 miles to the mine entrance located on the left.

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 for I.E.13.

Applicant: <u>Warrior 282 LLC</u>
Mine Name: <u>Warrior Mine No. 1</u>
Permit Number: <u>P-</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, Warrior 282 LLC, 504 Pine Ridge Trail, Birmingham, AL 35213, hereby gives notice that it has filed an application with the Alabama Surface Mining Commission to permit a surface mining site whose access is as follows: From Birmingham, AL travel I-65 north to exit 282, turn right onto New Cane Creek Road. Travel east on New Cane Creek Road for approximately 0.1 miles to the mine entrance located on the left. The area to be permitted is located within the SW/NW, NW/SW and SW/SW of Section 13; SE/NW, SW/NE, SE/NE, NE/SW, SE/SW, NW/SE, NE/SE, SW/SE and SE/SE of Section 14; NE/NW, NE/NE and NW/NE of Section 23; NW/NW of Section 24, all within Township 14 South, Range 3 West, Jefferson County, Alabama, as shown by the Warrior, Alabama, United States Geological Survey quadrangle map. 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.

THE BIRMINGHAM NEWS COMPANY
PUBLISHERS OF
THE BIRMINGHAM NEWS

PASTE CLIPPING HERE

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, Warrior 282 LLC, 504 Pine Ridge Trail, Birmingham, AL 35213, hereby gives notice that it has filed an application with the Alabama Surface Mining Commission to permit a surface mining site whose access is as follows: From Birmingham, AL travel 145 north to exit 282, turn right onto New Cane Creek Road. Travel east on New Cane Creek Road for approximately 0.1 miles to the mine entrance located on the left. The area to be permitted is located within the SW/NW, NW/SW and SW/SW of Section 13; SE/NW, SW/NE, SE/NE, NE/SW, SE/SW, NW/SE, NE/SE, SW/SE and SE/SE of Section 14; NE/NW, NE/NE and NW/NE of Section 23; NW/NW of Section 24, all within Township 14 South, Range 3 West, Jefferson County, Alabama, as shown by the Warrior, Alabama, United States Geological Survey quadrangle map. 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.
Bham News: Dec 17, 20, 27, 2010; Jan 3, 2011

On this 3rd day of January

A.D. Two Thousand , and Eleven, 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:

- January 3, 2011
- Dec. 17, 2010
- Dec. 20, 2010
- Dec. 27, 2010

Vickie Webb
Signed- Vickie Webb

State of Alabama
County of Jefferson

On 1-3-, 2011, 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.

Latonia Yvett Billingsley
Latonia Yvett Billingsley, Notary Public

MY COMMISSION EXPIRES AUGUST 2012