

CEDAR LAKE MINING, INC.

BULL GAP MINE, P-39____

ALABAMA SURFACE MINING COMMISSION

SURFACE MINING PERMIT APPLICATION

PART V

BONDING

Prepared by:

TASK Engineering Management Inc.

P.O. Box 660548

Birmingham, Alabama 35266-0548

Telephone 205.978.5070

Email: jw-task@charter.net

V. BONDING

A. Site Conditions

1) Briefly describe the conditions within the increment which you are currently proposing to mine by answering the following:

- (a) Average pre-mining slope 16.30%
- (b) Percent sandstone 70.00%
- (c) Final highwall slope (average) (if applicable) 10.00%
- (d) Acres Prime Farmland 0%
- (e) Acres Abandoned Land 0%
- (f) Average pH of topsoil or topsoil substitute 6.00

Note: If pH range over the increment area is greater than one pH unit (unit 1 thru 14), give approximate number of acres which fall within each unit.

- (g) Overburden acid-base account (expressed as tons of calcium carbonate per 1,000 tons material) N/A (only if total sulfur exceeds 0.5%).

B. Estimate of Reclamation Cost (780.18)

Give a detailed estimate of your cost of reclamation for the increment you are currently proposing to mine. Give individual cost estimate for grading, highwall elimination, topsoil (or topsoil substitute) replacement, revegetation and any other cost which may be applicable (prime farmland, hydrologic factors, etc.) Show Calculations

V. BONDING

ESTIMATED BONDING COST

INCREMENT NO.	<u>1</u>		
Acres:	<u>146</u>		
Acreage Fee:	<u>146</u>	acres @ \$25.00/acre	<u>\$3,650.00</u>
Grading	<u>146</u>	acres @ \$1,000.00/acre	<u>\$146,000.00</u>
Revegetation	<u>146</u>	acres @ \$640.00/acre	<u>\$93,440.00</u>
Highwall Elimination			
Highwall Height (Ft)	<u>120</u> (hw)		
Highwall Length (Ft)	<u>2065</u> (hwl)		
Drill and Shoot	<u>X</u>	$(1/2)[(0.5)(hw)(1.5)(hw)](1/27)(hwl)(0.75/yd^3)$	<u>\$309,750.00</u>
Backfill	<u></u>	$(1/2)[(hw)(3)(hw)](1/27)(hwl)1.50/yd^3$	<u>\$0</u>
Topsoil Substitute	<u>146</u>	acres @ \$100.00/acre	<u>\$14,600.00</u>
Topsoil Variance Application			
Topsoil Replacement	<u>146</u>	acres @ \$300.00/acre	<u>\$43,800.00</u>
Forest(pine trees)	<u>146</u>	acres @ \$100.00/acre	<u>\$14,600.00</u>
Prime Farmland	<u>0</u>	acres @ \$1,000.00/acre	<u>\$0.00</u>
Adverse PHC	<u>0</u>	acres @ \$1,200.00/acre	<u>\$0.00</u>

INCREMENT NO.	<u> 1 </u>	(Cont'd)		
Haul Roads	<u> 0 </u>		acres @ \$800.00/acre	<u> \$0.00 </u>
Permanent Roads	<u> 0 </u>		acres @ \$1,000.00/acre	<u> \$0.00 </u>
Temporary Ponds/ Diversions	<u> 4 </u>		acres @ \$1,500.00/acre	<u> \$6,000.00 </u>
Permanent Water Impoundments	<u> 0 </u>		acres @ \$1,000.00/acre	<u> \$0.00 </u>
Coal Stockpiles, Washer & Refuse Disposal Areas	<u> 0 </u>		acres @ \$1,500.00/acre	<u> \$0.00 </u>
			SUB-TOTAL INCREMENT NO. 1	\$631,840.00
			15% CONTRACTOR COST	\$94,776.00
			TOTAL COST INCREMENT NO. 1	\$726,616.00

INCREMENT NO.	<u>6</u>		
Acres:	<u>16</u>		
Acreage Fee:	<u>16</u>	acres @ \$25.00/acre	<u>\$400.00</u>
Grading	<u>16</u>	acres @ \$1,000.00/acre	<u>\$16,000.00</u>
Revegetation	<u>16</u>	acres @ \$640.00/acre	<u>\$10,240.00</u>
Highwall Elimination			
Highwall Height (Ft)	<u>10</u>	(hw)	
Highwall Length (Ft)	<u>300</u>	(hwl)	
Drill and Shoot	<u>X</u>	$(1/2)[(0.5)(hw)(1.5)(hw)](1/27)(hwl)(0.75/yd^3)$	<u>\$313</u>
Backfill	<u></u>	$(1/2)[(hw)(3)(hw)](1/27)(hwl)1.50/yd^3$	<u>\$0</u>
Topsoil Substitute	<u>16</u>	acres @ \$100.00/acre	<u>\$1,600.00</u>
Topsoil Variance			
Application			
Topsoil Replacement	<u></u>	acres @ \$300.00/acre	<u>\$4,800.00</u>
Forest(pine trees)	<u></u>	acres @ \$100.00/acre	<u>\$0.00</u>
Prime Farmland	<u></u>	acres @ \$1,000.00/acre	<u>\$0.00</u>
Adverse PHC	<u></u>	acres @ \$1,200.00/acre	<u>\$0.00</u>
Haul Roads	<u></u>	acres @ \$800.00/acre	<u>\$0.00</u>

INCREMENT NO. 6 (Cont'd)

Permanent Roads	<u> </u>	acres @ \$1,000.00/acre	<u> </u> \$0.00
Temporary Ponds/ Diversions	<u> </u>	acres @ \$1,500.00/acre	<u> </u> \$0.00
Permanent Water Impoundments	<u> </u>	acres @ \$1,000.00/acre	<u> </u> \$0.00
Coal Stockpiles, Washer & Refuse Disposal Areas	<u> </u>	acres @ \$1,500.00/acre	<u> </u> \$0.00
		SUB-TOTAL INCREMENT NO. 6	\$33,352.50
		15% CONTRACTOR COST	\$5,002.88
		TOTALCOST INCREMENT NO. 6	\$38,355.38