

CEDAR LAKE MINING, INC.
LITTLE SPRING CREEK - EAST MINE, P-3968

ALABAMA SURFACE MINING COMMISSION
SURFACE MINING PERMIT APPLICATION

PART V
BONDING

Prepared by:

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STATE OF ALABAMA
SURFACE MINING COMMISSION

PO BOX 2390
JASPER, ALABAMA 35502-2390
(205) 221-4130

NOTICE TO SUBMIT INCREMENT BOND AND ACREAGE FEE

DATE: November 25, 2013

TO: Cedar Lake Mining, Inc.

FROM: PERMITTING DIVISION

RE: PERMIT: P-3968

MINE NAME: Little Spring Creek East Mine

This is to inform you that the performance bond for Increment # 5 has been determined to be \$ 10,000

This bond and the additional acreage fee of \$ 70 for 2 acres must be delivered to ASMC prior to any disturbance in this increment.

All surety bonds must be submitted on the enclosed form with a copy of this letter attached.

NOTE: PAYMENTS FOR ACREAGE FEES MUST BE MADE IN THE FORM OF CERTIFIED CHECK, CASHIER'S CHECK, MONEY ORDER, OR CASH. NO PERSONAL OR COMPANY CHECKS WILL BE ACCEPTED FOR PAYMENT OF ACREAGE FEES.

cc: Jerry Williams via email

/ns



Date: November 25, 20

RE: Cedar Lake Mining, Inc.

P-3968 Increment: 5

Base Grading:-----	\$ 0
Base Revegetation:-----	\$ 0
Grading:-----	\$ 0
Topsoil Replacement:-----	\$ 0
Topsoil Substitute:-----	\$ 0
Forest/Range Land:-----	\$ 0
Steep Slope Mining:-----	\$ 0
Post Mine Slope:-----	\$ 0
% Sandstone:-----	\$ 0
Prime Farmland:-----	\$ 0
Adverse PHC:-----	
Tuscaloosa Formation:-----	\$ 0
Highwall Elimination:-----	\$ 0
Incidentals:-----	\$ 8,696
SubTotal:	\$ 8,696
15% contractor Profit & Overhead:	\$ 1,304
TOTAL BOND AMOUNT:	\$ 10,000

Prepared by: 
Brandon Hamilton

Adjustments:

Grading:	_____ Acres @	\$ 250 /Acre	_____ \$ 0
Topsoil Replacement:	_____ Acres @	\$ 500 /Acre	_____ \$ 0
Topsoil Substitute:	_____ Acres @	\$ 200 /Acre	_____ \$ 0
Post-Mine Forest:	_____ Acres @	\$ 150 /Acre	_____ \$ 0
Steep Slope Mining:	_____ Acres @	\$ 100 /Acre	_____ \$ 0
Steeper than 4:1 Post-mine slope:	_____ Acres @	\$ 100 /Acre	_____ \$ 0
Greater than 50% Sandstone:	_____ Acres @	\$ 300 /Acre	_____ \$ 0
Prime Farmland:	_____ Acres @	\$ 1,500 /Acre	_____ \$ 0
Adverse PHC (Site Specific)	_____		_____
Tuscaloosa Formation:	_____ Acres @	\$ 300 /Acre	_____ \$ 0
		Total Adjustments:	_____ \$ 0

Incidentals:

Haul Roads:	_____ Acres @	\$ 1,000 /Acre	_____ \$ 0
Temporary Ponds, Diversions:	_____ No.@	\$ 20,000 /each	_____ \$ 0
Permanent Impoundments:	_____ No.@	\$ 10,000 /each	_____ \$ 0
Permanent roads:	_____ Acres @	\$ 400 /Acre	_____ \$ 0
Coal Stockpiles,Washer &Refuse Disposal Areas:	_____ Acres @	\$ 2,000 /Acre	_____ \$ 0
Topsoil Stockpiles	_____ Acres @	\$ 800 /Acre	_____ \$ 0

Removal of Structures

Washer/Crusher

Buildings

Equipment

Other (List)----->

Minimum Bond Amount

_____ \$ 8,696

Total Incidental Bond: _____ \$ 8,696

Summary of Costs by Category:

Mining Area

Base Grading:----- \$ 0

Base Revegetation:----- \$ 0

Adjustments:

Grading:----- \$ 0

Topsoil Replacement:----- \$ 0

Topsoil Substitute:----- \$ 0

Forest/Range Land:----- \$ 0

Steep Slope Mining:----- \$ 0

Post Mine Slope:----- \$ 0

% Sandstone:----- \$ 0

Prime Farmland:----- \$ 0

Adverse PHC:-----

Tuscaloosa Formation:----- \$ 0

Highwall Elimination:----- \$ 0

Incidentals:----- \$ 8,696

SubTotal: \$ 8,696

15% contractor Profit & Overhead: \$ 1,304

Total Bond: \$ 10,000

Conditions of the Permit which affect Bond Amount:

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 10.30%
- (b) Percent sandstone 17.00%
- (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 BOND TOTAL/INC. #1: \$ \$1,013,845.75

Company: Cedar Lake Mining, Inc. License: L-0775 Acreage Fee \$ 35

Permit # P-3968 Type Action: X New Permit

MINE: Little Spring Creek X New Increment Inc. #1

Expiration Date: _____ Revision. Inc. # _____

<u>Acres to be Bonded</u>		Bond #	
<u>212</u> Mining Acres	Current Amount & (Acres)		\$ _____
<u>0</u> Incidentals	After Revision/Review		\$ _____

Comments:

Base Calculations for Mining Acres

Grading	<u>212</u>	Acres @ \$1,500/acre	\$ <u>318,000.00</u>
Revegetation	<u>212</u>	Acres @ \$800/acre	\$ <u>169,600.00</u>

Highwall Elimination

X Drill & Shoot

Highwall Height (Ft) 69 (hw) $(1/2)[(0.5)(hw)(1.5)(hw)](1/27)(hw)(1.00/yd^3)$ \$ 166,635

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Highwall Length (Ft) 2520 (hw) $(1/2)[(hw)(3)(hw)](1/27)(hw)1.50/yd^3$ \$ -

Adjustments

1.	Grading	<u>212</u>	Acres @ \$250/acre	\$	<u>53,000.00</u>
2.	Topsoil Replacement	<u>0</u>	Acres @ \$500/acre	\$	<u>-</u>
3.	Topsoil Substitute	<u>212</u>	Acres @ \$200/acre	\$	<u>42,400.00</u>
4.	Post-mine Forest	<u>212</u>	Acres @ \$150/acre	\$	<u>31,800.00</u>
5.	Steep Slope' Mining	<u>0</u>	Acres @ \$100/acre	\$	<u>-</u>
6.	Steeper than 4:1 Post-mining slope	<u>0</u>	Acres @ \$100/acre	\$	<u>-</u>
7.	Greater than 50% Sandstone	<u>0</u>	Acres @ \$300/acre	\$	<u>-</u>
8.	Prime Farmland	<u>0</u>	Acres @ \$1,500/acre	\$	<u>-</u>
9.	Adverse PHC	Site Specific		\$	<u>-</u>
10.	Tuscaloosa Formation	<u>0</u>	Acres @ \$300/acre	\$	<u>-</u>

Incidentals

1.	Haul Roads	<u>0.17</u>	Acres @ \$1,000/acre	\$	<u>170.00</u>
2.	Temporary Ponds, Diversions	<u>5</u>	Structures @ \$20,000/Struct.	\$	<u>100,000.00</u>
3.	Permanent Impoundments	<u>0</u>	Structures @ \$10,000/Struct.	\$	<u>-</u>
4.	Permanent Roads	<u>0</u>	Acres @ \$400/acre	\$	<u>-</u>
5.	Coal Stockpiles, Washer & Refuse Disposal Areas	<u>0</u>	Acres @ \$2,000/acre	\$	<u>-</u>
6.	Topsoil Stockpiles	<u>0</u>	Acres @ \$800/acre	\$	<u>-</u>
7.	Removal of Structures				
	<u>Washer/Crusher</u>			\$	<u>-</u>
	<u>Buildings</u>			\$	<u>-</u>
	<u>Equipment</u>			\$	<u>-</u>
	<u>Other (List)</u>			\$	<u>-</u>
TOTAL INCIDENTAL BOND				\$	<u>100,170.00</u>

Summary of Costs by Category

Mining Area	Base Grading	\$	<u>318,000.00</u>
	Base Revegetation	\$	<u>169,600.00</u>
Adjustments	1. Grading	\$	<u>53,000.00</u>
	2. Topsoil Replacement	\$	<u>0.00</u>
	3. Topsoil Substitute	\$	<u>42,400.00</u>
	4. Forest/Range Land Use	\$	<u>31,800.00</u>
	5. Steep Slope' Mining	\$	<u>0.00</u>
	6. Post-mining Slope	\$	<u>0.00</u>
	7. % Sandstone	\$	<u>0.00</u>
	8. Prime Farmland	\$	<u>0.00</u>
	9. Adverse PHC	\$	<u>0.00</u>
	10. Tuscaloosa Formation	\$	<u>0.00</u>
Highwall Elimination		\$	<u>166,635.00</u>
Incidentals		\$	<u>100,170.00</u>
	Subtotal	\$	<u>881,605.00</u>
	15% Contractor Profit & Overhead	\$	<u>132,240.75</u>
	TOTAL	\$	<u>1,013,845.75</u>

Conditions to Permit which affect Bond Amount

- 1.
- 2.
- 3.
- 4.

ESTIMATED BOND TOTAL/INC. #5: \$ \$8,970.00

Company: Cedar Lake Mining, Inc. License: L-0775 Acreage Fee \$ 35

Permit # P-3968 Type Action: X New Permit

MINE: Little Spring Creek X New Increment Inc. #5

Expiration Date: _____ Revision. Inc. # _____

<u>Acres to be Bonded</u>		Bond #	
<u>2</u> Mining Acres	Current Amount & (Acres)	\$	_____
<u>2</u> Incidentals	After Revision/Review	\$	_____

Comments:

Base Calculations for Mining Acres

Grading	<u>2</u>	Acres @ \$1,500/acre	\$ <u>3,000.00</u>
Revegetation	<u>2</u>	Acres @ \$800/acre	\$ <u>1,600.00</u>

Highwall Elimination

Drill & Shoot

Highwall Height (Ft)	<u>0</u> (hw)	$(1/2)[(0.5)(hw)(1.5)(hw)](1/27)(hw)(1.00/yd^3)$	\$ <u>-</u>
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Highwall Length (Ft)	<u>0</u> (hw)	$(1/2)[(hw)(3)(hw)](1/27)(hw)1.50/yd^3$	\$ <u>-</u>
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CEDAR LAKE MINING, INC.
LITTLE SPRING CREEK-EAST MINE, P-3968

Adjustments

1.	Grading	<u>2</u>	Acres @ \$250/acre	\$	<u>500.00</u>
2.	Topsoil Replacement	<u>0</u>	Acres @ \$500/acre	\$	<u>-</u>
3.	Topsoil Substitute	<u>2</u>	Acres @ \$200/acre	\$	<u>400.00</u>
4.	Post-mine Forest	<u>2</u>	Acres @ \$150/acre	\$	<u>300.00</u>
5.	Steep Slope' Mining	<u>0</u>	Acres @ \$100/acre	\$	<u>-</u>
6.	Steeper than 4:1 Post-mining slope	<u>0</u>	Acres @ \$100/acre	\$	<u>-</u>
7.	Greater than 50% Sandstone	<u>0</u>	Acres @ \$300/acre	\$	<u>-</u>
8.	Prime Farmland	<u>0</u>	Acres @ \$1,500/acre	\$	<u>-</u>
9.	Adverse PHC	Site Specific		\$	<u>-</u>
10.	Tuscaloosa Formation	<u>0</u>	Acres @ \$300/acre	\$	<u>-</u>

Incidentals

1.	Haul Roads	<u>2</u>	Acres @ \$1,000/acre	\$	<u>2,000.00</u>
2.	Temporary Ponds, Diversions	<u>0</u>	Structures @ \$20,000/Struct.	\$	<u>-</u>
3.	Permanent Impoundments	<u>0</u>	Structures @ \$10,000/Struct.	\$	<u>-</u>
4.	Permanent Roads	<u>0</u>	Acres @ \$400/acre	\$	<u>-</u>
5.	Coal Stockpiles, Washer & Refuse Disposal Areas	<u>0</u>	Acres @ \$2,000/acre	\$	<u>-</u>
6.	Topsoil Stockpiles	<u>0</u>	Acres @ \$800/acre	\$	<u>-</u>
7.	Removal of Structures				
	Washer/Crusher			\$	<u>-</u>
	Buildings			\$	<u>-</u>
	Equipment			\$	<u>-</u>
	Other (List)			\$	<u>-</u>
TOTAL INCIDENTAL BOND				\$	<u>2,000.00</u>

Summary of Costs by Category

Mining Area	Base Grading	\$	<u>3,000.00</u>
	Base Revegetation	\$	<u>1,600.00</u>
Adjustments	1. Grading	\$	<u>500.00</u>
	2. Topsoil Replacement	\$	<u>0.00</u>
	3. Topsoil Substitute	\$	<u>400.00</u>
	4. Forest/Range Land Use	\$	<u>300.00</u>
	5. Steep Slope' Mining	\$	<u>0.00</u>
	6. Post-mining Slope	\$	<u>0.00</u>
	7. % Sandstone	\$	<u>0.00</u>
	8. Prime Farmland	\$	<u>0.00</u>
	9. Adverse PHC	\$	<u>0.00</u>
	10. Tuscaloosa Formation	\$	<u>0.00</u>
Highwall Elimination		\$	<u>0.00</u>
Incidentals		\$	<u>2,000.00</u>
	Subtotal	\$	<u>7,800.00</u>
	15% Contractor Profit & Overhead	\$	<u>1,170.00</u>
	TOTAL	\$	<u>8,970.00</u>

Conditions to Permit which affect Bond Amount

- 1.
- 2.
- 3.
- 4.