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March 28, 2012

Ms. Christa Marks
Alabama Surface Mining Commission
P.O. Box 2390
Jasper, Alabama 35502-2390

RE: North Pratt Mining, LLC. - Pratt No. 1 Mine

Dear Christa:

Attached please find a hydrogeological evaluation copied from ASMC permit number P-3768, which was originally issued for MR Pratt One, LLC - Pratt Mine (and was subsequently transferred to Bankhead-Gardner, Inc., A2M, LLC., and Sunrise Coal Co., LLC). This report is being submitted for the above referenced mine site due to the fact that the footprint for this proposed operation (both surface facilities and underground recovery area) approximates that of the P-3768 permit area.

Please 'check off' of the 10-day review for this facility based on the preliminary information contained in this report . An additional report bridging the information gap between the old Pratt Mine and the proposed facility will be submitted to ASMC (to your attention) during the Technical Review.

If you have any questions or require additional information, please feel free to call me at (205) 295-3117..

Sincerely,

A handwritten signature in black ink, appearing to read 'Timothy S. Thomas', written over a large, loopy oval scribble.

Timothy S. Thomas, P.E.
for North Pratt Mining, LLC.
TST

ATTACHMENT II-E

GEOLOGY

The MR - Pratt One, L.L.C. - Pratt underground mine surface facilities are located in parts of Section 30, Township 16 South, Range 4 West, Jefferson County, Alabama as seen from the photorevised 1978 Adamsville, AL. Quadrangle (see Mine Site Location Map). The mine site will occupy 74 acres of proposed surface disturbance and the coal recovery area, which is shown on the Coal Recovery Map, will occupy approximately 575 acres for the proposed five year mine plan.

The mine faceup area will be located in the NE 1/4 of the SW 1/4 of Section 30, and four entries will be driven in a southeasterly direction to enter the coal reserves. The initial main entries will be 18 feet wide and will be spaced on 70 foot centers and will continue to a point that provides clearance of an on-site railroad from subsidence. Mining under the railroad will produce a recovery of less than 24% (to ensure that no subsidence will occur in this area). At the point where clearance from the Railroad is obtained, the main entries will be widened to 20 feet and cross cuts 20 feet wide will be taken on 70 foot centers. An additional main entry will be added to make a total of five entries. This spacing will be used in all the main headings and will produce pillars of 50 feet wide and 50 feet long and coal recovery of approximately 48%. Panels will be five entries wide with entries and cross cuts spaced on 60 foot centers. This spacing will produce pillars of 40 feet

wide and 40 feet long and coal recovery of approximately 55%. No secondary mining will be conducted and no subsidence is planned. It is anticipated that continuous miners and continuous haulage will be used for room and pillar mining.

The Pratt Mine is located, structurally, within the Warrior Coal Basin. The strata which underlies and outcrops in this region is of the Pottsville Formation of the Pennsylvanian Age. The Warrior Basin is the southern most of a series of Pennsylvanian basins of the Appalachian Plateau. The Pottsville Formation in this area consists of thin to thick bedded sandstones, siltstones, shales, clays, and coal seams. Structurally, the Warrior Basin is formed by a large gentle syncline that extends from north-central Mississippi in the west to north-central Alabama in the east. The syncline is tilted southwestward with a regional dip of 30 to 200 feet per mile. Toward the interior of the Warrior Basin, the regional southwest dip of Pottsville strata is modified by a series of three synclines and two anticlines. Of these, the major structures are the Warrior and Coalburg synclines, and the Sequatchie anticline. The fold axes are parallel to the Appalachian system in a northeast-southwest direction and plunge to the southwest with the regional dip.

As shown on the attached Geological Structures Map taken from maps 12 and 13 of "Areal Geology of Jefferson County, Alabama" by the Geological Survey of Alabama, the proposed recovery area is located approximately 5 miles to the east of the fold axis of the

Sequatchie anticline, and approximately 6 miles to the west of the fold axis of the Coalburg Syncline.

Locally, the strata which outcrops in the immediate vicinity of the Pratt Mine site includes sandstones, siltstones, shales, and coal associated with the Pratt Coal Group. According to "Depositional Setting of the Pottsville Formation in the Black Warrior Basin", the Pratt Coal Group lies approximately 140 to 400 feet above the Mary Lee Group and from 220 to 400 feet below the Cobb Coal Group and occurs within a stratigraphic interval from 60 to 290 ft. thick.

Information utilized to describe local geologic conditions, including the identification and orientation of surface and near subsurface strata within the recovery area and adjacent areas, includes data taken from a study conducted by U.S.X. on Pratt Coal Seam reserves owned by U.S.X..

The target coal seam for this facility is the Pratt Coal Seam of the Pratt Coal Group. Previous surface and underground mining has occurred on the Pratt Seam within and adjacent to the proposed permit area (see Previous Mining Map). The Pratt Seam exists at an elevation which ranges between approximately 310 and 370 ft. MSL within the recovery area and averages approximately 3.0 ft. thick with a range from approximately 2.6 to 3.2 ft. thick. Total sulfur percentage for the Pratt Seam within the proposed coal recovery area averages approximately 1.96 percent for 'raw' coal (see

attached analysis).

No faults are known to exist within the proposed recovery area.

Exploratory drilling utilized for this report includes rotary air and core drilling conducted by U.S.X., which was initiated in December of 1982, and earlier drilling conducted by U.S.X. and includes drill holes S50, M823, S48, S26, S25, S27, M30, M824, M825, M267, S47, and M822 (see attached drill hole lithologies). All holes drilled by U.S.X. were logged by a qualified geologist. In addition, lithologic information was utilized from monitoring well 802-011 which was drilled for the Drummond Coal - Flat Top South Mine (P-3665) by qualified personnel of the Drummond Company. It is assumed all information obtained for this report is valid.

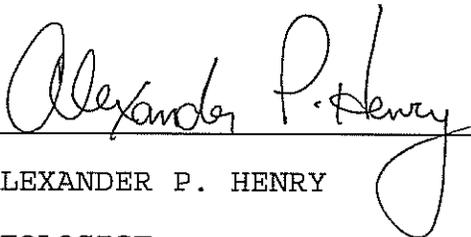
The above mentioned exploratory drill holes (along with Pratt Coal elevations from adjacent underground mining) were utilized to construct the attached Structure-Contour Map. This map reveals that the orientation of Pratt Coal within the proposed recovery area is not complex. This coal dips toward the southwest at an average of approximately 0.64 degrees and the strike direction averages approximately North 27 degrees West.

Lithologic information mentioned above and target coal seam orientations were utilized to construct the attached Fence Diagrams A-A' and B-B'. The lithologic information shown on the Fence Diagrams will be utilized to determine impact to aquifers above and

below the Pratt Coal Seam as a result of surface and underground disturbance in association with this proposed facility.

CERTIFICATION STATEMENT:

All geologic information submitted in Part II-E was prepared for MR-Pratt One, L.L.C. at the Pratt Mine site by me or under my supervision and I hereby certify that it is true and correct to the best of my knowledge or belief.



Date: 1-17-97

ALEXANDER P. HENRY

GEOLOGIST