

Applicant: Quality Coal Co., Inc.
Mine Name: Dutton Hill Mine No. 2
Permit Number: P-

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: Quality Coal Co., Inc.
Street Address: P.O. Box 2705
City: Jasper State: AL Zip: 35502-2705
Mailing Address: P.O. Box 2705
City: Jasper State: AL Zip: 35502-2705
Telephone Number: (205) 384-6300
Social Security Number(Voluntary): _____
Employer Identification Number: _____
ASMC License#: L-743

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
Mailing Address: P.O. Box 2705
City: Jasper State: AL Zip: 35502-2705
Telephone Number: (205) 384-6300

Applicant: Quality Coal Co., Inc.
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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 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: <u>Quality Coal Co., Inc.</u> Mine Name: <u>Dutton Hill Mine No. 2</u> Permit Number: <u>P-</u>
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PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS

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

Page 1 of 6

Legal description of property or permit map symbol: _____
Lonicera (S) & (M)
Surface/Mineral/or Fee Simple (both): Surface & Mineral
Legal owner(s) of record: Lonicera Company, LLC
Address: 600 North 20th Street Suite 400 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.
Lease	Lonicera Company, LLC	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.
 Mine Name: Dutton Hill Mine No. 2
 Permit Number: P-

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

Legal description of property or permit map symbol: _____
Ronnie C. Nelson (S)
 Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Ronnie C. Nelson
 Address: 595 Dutton Hill Road 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.
Lease	Ronnie C. Nelson	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: _____
Vaudie Sherer (S)
 Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Vaudie Sherer
 Address: 128 Riverlake Drive City: Woodstock State: GA Zip: 30188
 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	Vaudie Sherer	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.
 Mine Name: Dutton Hill Mine No. 2
 Permit Number: P-

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

Legal description of property or permit map symbol: _____
Shipman 1/2 Int. (S)
 Surface/Mineral/or Fee Simple (both): 1/2 Interest Surface
 Legal owner(s) of record: Betty Nell & S.E. Shipman
 Address: 842 Pleasant Grove Road City: Oakman State: AL Zip: 35579
 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	Betty Nell & S.E. Shipman	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: _____
Bonner 1/2 Int. (S)
 Surface/Mineral/or Fee Simple (both): 1/2 Interest Surface
 Legal owner(s) of record: Billy Howard & Helen Bonner
 Address: 842 Pleasant Grove Road City: Oakman State: AL Zip: 35579
 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 Howard & Helen Bonner	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.
 Mine Name: Dutton Hill Mine No. 2
 Permit Number: P-

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

Legal description of property or permit map symbol: _____
Jon Kyle Ingle (S)
 Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Jon Kyle Ingle
 Address: 1962 Cooner Road City: Jasper State: AL Zip: 35503
 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	Jon Kyle Ingle	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: _____
Frank Rutledge (S)
 Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Frank Rutledge
 Address: 107 West Ridgewood Road City: Jasper State: AL Zip: 35504
 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 Rutledge	Quality Coal Co., Inc.		No

Applicant: Quality Coal Co., Inc.
 Mine Name: Dutton Hill Mine No. 2
 Permit Number: P-3980

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

Legal description of property or permit map symbol: _____
A.M. Stovall Est. (S) & (M)
 Surface/Mineral/or Fee Simple (both): Surface & Mineral
 Legal owner(s) of record: A.M. Stovall Estate
 Address: 153 Redridge Road City: Hamilton State: AL Zip: 35570
 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	A.M. Stovall Estate	Quality Coal Co., Inc.	1-5-15	No

Legal description of property or permit map symbol: _____
Jean & Johnny Dewayne Snow (S)
 Surface/Mineral/or Fee Simple (both): Surface
 Legal owner(s) of record: Jean & Johnny Dewayne Snow
 Address: 990 Pleasant Grove Road City: Oakman State: AL Zip: 35579
 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	Jean & Johnny Dewayne Snow	Quality Coal Co., Inc.	5-21-07 1-31-14	No

STATE OF ALABAMA)
)
COUNTY OF WALKER)

COAL MINING LEASE

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 5TH day of January, 2014, by and between A.M. Stovall Estate an individual [or, an Alabama corporation/limited liability company, limited partnership or partnership] hereinafter called the "Lessor", and **QUALITY COAL COMPANY, INC.**, an Alabama corporation, hereinafter called the "Lessee",

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of and no/100 dollars in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands are hereinafter sometimes referred to as the "Property", including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal therefrom in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, or other lands owned by Lessee, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as

Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. **TERM.** The term of this Lease shall be five (5) years, beginning on the date of this Lease as set forth above.

2. **ROYALTY.** Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. **Surface-only owned property [if applicable].** [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property.

B. **Mineral-only owned property [if applicable].** [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property.

C. **Fee Simple owned property [if applicable].** [REDACTED] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property.

3. **RECORDS.** Lessee will keep proper books of account of the weights of all coal mined from the Property and, for the purpose of information and checking the certificates of weights furnished by Lessee. Lessor, its officers, agents or employees, at all reasonable times, shall have access to said books of account and other records insofar as it is necessary to ascertain such weights, but said books and records shall not be conclusive of Lessor's rights.

4. MANNER OF OPERATION. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where by reason of terrain or inherent nature of conditions of the depth, strata or thinness of coal seam the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse".

5. REMOVAL OF EQUIPMENT. All machinery, buildings, railroads, tramtracks and property of any and all kinds heretofore or hereafter placed in or upon the Property by Lessee shall remain the property of Lessee. Upon the expiration of the term of this Lease or upon the termination of this Lease as otherwise provided for herein, Lessee shall have the right, within six months from the date of such expiration or termination, to remove from the Property all of Lessee's material, equipment, structures and installation placed by Lessee on, in or under the Property.

6. TERMINATION. Lessee shall have the right to terminate this Lease at any time by giving Lessor sixty (60) days notice in writing of Lessee's intention to do so, upon the happening of any one of the following events:

A. In the sole discretion of Lessee, that such coal does not exist in an economically feasible quantity or quality;

B. In the sole discretion of Lessee, that such coal cannot be mined and/or sold in an economical manner;

C. In the sole discretion of Lessee, that such coal cannot be mined without incurring unreasonable expenses or employing extraordinary means; or

D. In the sole discretion of Lessee, that all economically recoverable coal has been removed.

The parties further agree that this Lease shall not be construed to require Lessee to mine and remove any coal from the Property, or any part thereof, and until Lessee does so mine, remove and sell coal so mined and removed from the Property, the sole obligation and liability on the part of Lessee shall be the payment of the royalties as specified herein.

Notwithstanding anything elsewhere herein contained, at any time after this Lease has been in force for one year, Lessee may terminate this Lease by paying to Lessor One Hundred and no/100 Dollars and tendering to such Lessor a release of this Lease. Thereupon Lessee shall be released and discharged of and from all obligations thereafter maturing or accruing, but shall remain liable for payments and obligations accrued or matured prior to the termination date. It is agreed that the said \$100.00 is a substantial payment, and it as well as Lessee's other obligations hereunder, constitute sufficient consideration for the right of termination granted to Lessee. It is also agreed that such right of termination does not render this Lease executory or terminable at the will of Lessor and Lessor will never contend to the contrary.

Upon the expiration or termination of this Lease, Lessee is herein granted the right-of-entry to do all things necessary to obtain a 100% bond release from the Alabama Surface Mining Commission.

7. **FORCE MAJEURE.** Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any

royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

8. **NOTICE.** Any notice provided for or permitted herein to be given by either party to the other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail, postage prepaid and addressed to the parties as follows:

LESSOR TO LESSEE:

**QUALITY COAL COMPANY, INC.
P.O. BOX 2705
JASPER, ALABAMA 35502**

LESSEE TO LESSOR:

**A.M. STOVALL ESTATE
153 REDRIDGE ROAD
HAMILTON, ALABAMA 35570**

9. **PAYMENT OF ROYALTY.** Lessee shall make payment of all royalties hereunder, if applicable, to Lessor at the above address.

10. **ASSIGNMENT.** Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease shall insure to the benefit of, and be binding upon, the

respective heirs, representatives, successor and assigns of the parties hereto as well as the parties themselves.

11. LESSEE INDEPENDENT CONTRACTOR. It is expressly understood that Lessee is an independent contractor, and Lessor shall have no control or right to exercise any control whatsoever over Lessee, Lessee's employees, sub-lessees or assigns in their operation under this Lease. Nothing in this Lease shall give or be deemed to give Lessor the right to exercise any control over Lessee, Lessee's employees, sub-lessees or assigns, or advise or assist Lessee or Lessee's employees, sub-lessees or assigns in its operations hereunder.

12. WARRANTY. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, hold and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the non-existence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

13. TAXES. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be

required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

14. ABANDONED WORKINGS. Lessor expressly states that it does not know the location or condition, to a reasonable degree certain, of any abandoned mine working on the Property.

15. ARBITRATION. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto, except as provided in paragraph 18, that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration

Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

16. CHOICE OF VENUE. Notwithstanding any language to the contrary herein, Lessee retains the right to elect not to initiate an arbitration proceeding as set forth in paragraph 17 above, and Lessee's election not to initiate an arbitration proceeding shall not in any affect any other part or aspect of this Lease. For the Lessee to elect not to proceed to arbitration, such election not to proceed to arbitration must be submitted expressly in writing to the Lessor and cannot be made orally or by action or conduct. In the event that Lessee so elects not to proceed to arbitration, then parties agree to the following:

With respect to any action, suit or proceedings relating to this Lease or arising in connection with the transaction contemplated hereby, the parties irrevocably shall submit to the jurisdiction and venue of the courts of Jefferson County, Alabama, Birmingham Division, and waive any objection to the laying of venue of any such action, suit or proceeding in such court, waive any claim that any such action, suit or proceeding has been brought in an inconvenient forum, and waive the right to object that such court does not have jurisdiction over the parties.

17. SECTION HEADINGS. The headings of sections and sections contained in this Lease have been included for administrative convenience only and are not to be construed or interpreted as substantive provisions of this Lease nor to control or influence the construction or interpretation of the substantive provisions.

18. ENTIRE AGREEMENT. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee (or by any officer or officers of any of such parties) relating to the

matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

19. AMENDMENTS AND WAIVERS. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

20. BINDING PROVISIONS. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

21. SEPARABILITY PROVISIONS. Each provision of this Lease shall be considered separable, and if, for any reason, any provision or provisions herein are deemed to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Lease which are valid.

22. INTERPRETATION. If any provision of this Lease is declared invalid by any court, tribunal, or judge, then such provision(s) shall be deemed automatically adjusted to the minimum extent necessary to conform to the requirements for validity as declared at such time and, as to adjusted, shall be deemed a provision of this Lease as though originally included herein. In the event that the provision(s) invalidated is of such a nature that it cannot be so adjusted, the provision(s) (or part thereof) shall be deemed deleted from this Lease as though such provision(s) had never been included herein. In either case, the remaining provisions of this Lease shall remain in effect.

23. APPLICABLE LAW. This Lease shall be governed by and construed and interpreted in accordance with the internal laws of the State of Alabama, without regard to principles of conflict of laws.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:

Robert M. Ingle

Joyce B. Fowler

Rozon Stovall

Gloria B. Pyron

Bob J. Rattner

WITNESS:

J. C. Fowler

Jean M. Loden

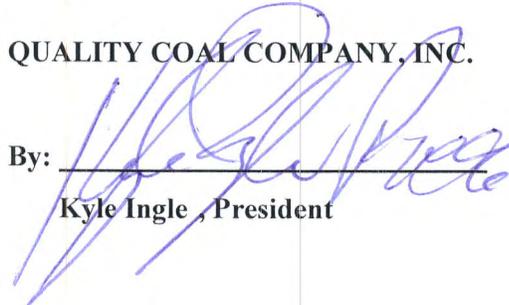
Janice Fowler

Stephani Mansfield

Dail Leno

LESSEE:

QUALITY COAL COMPANY, INC.

By: 

Kyle Ingle, President

WITNESS:

Joe Huelsey

EXHIBIT A

Property Description:

NW/SW of Section 26, Township 14 South, Range 8W, Walker County, Alabama

- +/- 28 Acres of Surface Ownership
- +/- 40 Acres of Mineral Ownership

NE/SE of Section 27, Township 14 South, Range 8W, Walker County, Alabama

- +/- 10 Acres of Surface Ownership
- +/- 40 Acres of Mineral Ownership

AGREEMENT TO EXTEND TERM OF LEASE

This agreement to extend term of lease is made and entered into by and between Johnny, Mary and Jean Snow, hereafter referred to as "Lessor", and Quality Coal Co., Inc., hereafter referred to as "Leasee"

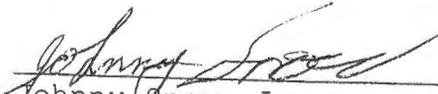
WITNESSETH:

Whereas, on 5/21/2007 the Lessor and the Leasee entered into a five (5) year lease agreement which is set to expire on 5/21/2012 and the parties have been engaged in negotiations to extend the term of the lease.

Now therefore, in consideration of the premises and the mutual covenants, promises and agreements of the parties contained herein, they do hereby covenant and agree as follows:

1. The term of the lease is hereby extended by agreement of the parties for a term of six (6) years from the expiration date of 5/21/2012.
2. All other provisions of the lease which are not specially amended hereby shall remain in force and effect.
3. This agreement shall become effective upon the execution hereof by the last of the parties hereto.

In witness whereof the parties hereto have set their hands and signatures on the date hereafter set forth.



Johnny Snow, Lessor

1-31-14

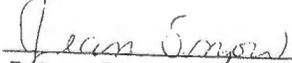
Date



Mary Snow, Lessor

1-31-14

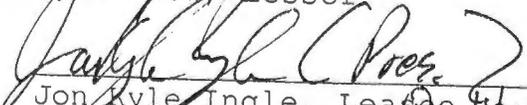
Date



Jean Snow, Lessor

1-31-14

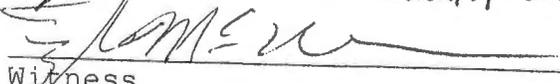
Date



Jon Kyle Ingle, Leasee Quality Coal Co. Inc.

1-31-14

Date



Witness

1-31-14

Date

Applicant: Quality Coal Co., Inc.
 Mine Name: Dutton Hill Mine No. 2
 Permit Number: P-

PART I C. PROPERTY OWNERSHIP, INTERESTS AND RIGHTS (CONTINUED)

Legal description of property or permit map symbol: Billy H. Bonner

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

Legal owner(s) of record: Billy H. Bonner

Address: 842 Pleasant Grove Road City: Oakman State: AL Zip: 35579

Holder(s) 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 H. Bonner	Quality Coal Co., Inc.		No

Legal description of property or permit map symbol: Maynard & Etals O'Rear

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

Legal owner(s) of record: Maynard & Etals O'Rear

Address: 1101 5th Street West City: Jasper State: AL Zip: 35501

Holder(s) 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	Maynard & Etals O'Rear	Quality Coal Co., Inc.	8/20/14	No

STATE OF ALABAMA)
)
COUNTY OF WALKER)

COAL MINING LEASE

THIS COAL MINING LEASE (hereinafter referred to as the "Lease"), made and entered into on this 20 day of AUGUST, 2014, by and between Anna Ross Johnson and husband Louis Johnson, Binnie Ross Kasazkow, Michael Ross O'Rear, a married man, Taylor Macklin O'Rear, a married man, as an individual and as attorney in fact for Robert Edward Ross, Lynn Marie Wieber, Stephen John Ross, and Susan Ann Cover, Pursuant to the Power of Attorney Recorded. In Volume 1882 At Page 223-228 in the Probate Office of Walker County, Alabama, hereinafter called the "Lessor", and Quality Coal Company, Inc., an Alabama corporation, hereinafter called the "Lessee",

WITNESSETH:

FOR AND IN CONSIDERATION of the sum of [REDACTED] in hand paid by Lessee to Lessor, the receipt and sufficiency of which is hereby acknowledged, and for the further consideration of the covenants as herein expressed to be kept and performed, Lessor hereby leases, lets and demises to the Lessee all of that certain mineral and mining rights, located in Walker County, Alabama, more particularly described as follows:

(See attached hereto as Exhibit "A")

which lands shall hereinafter be referred to as the Property, including the exclusive right of ingress, egress and regress in, to and upon the Property, and to prospect, mine, stockpile, transport, process, blend, remove and sell or market coal there from in such manner as Lessee may desire, and to do thereon all things that may be necessary or helpful in efficiently conducting the operations of mining and removing coal from the Property.

It is specifically understood and agreed that this Lease is or may be taken, held or operated in conjunction with the right to mine adjacent and neighboring lands, and if this Lease be so taken, held or operated, it may be worked in conjunction with such other lands and leases, and the mining operations on all such lands shall be conducted by the Lessee in such manner as Lessee may deem most efficient and effective, and Lessee shall have the right during the term and existence of this Lease to transport productions from other lands and leases over the Property hereby leased, and to construct drains across the Property for the purpose of draining other lands and leases, and to use water from the Property in connection with the mining operations on other lands, and to do on the Property all things that may be necessary or helpful in the efficient operation of this and other lands and leases as a single mining operation.

1. The initial lease will began on the date of this lease as set forth above for the purpose of permitting and bonding and establishing a mine plan in pursuant to creating Dutton Hill Mine #2 Term. The second phase of this lease shall begin on the date (to be determined) that the permit for Dutton Hill Mine #2 is issued by Alabama Surface Mining Commission and shall continue for a period of five (5) years beginning on said date.

2. Royalty. Lessee shall, as rental for the rights herein granted, pay to the Lessor not later than the 20th day of each month for all merchantable coal mined, shipped and sold from the Property during the preceding month a royalty equal to the following:

A. Surface-only owned property [if applicable]. The greater of N/A of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or N/A dollars per ton of 2,000 pounds avoirdupois.

B. Mineral-only owned property [if applicable]. The greater of [redacted] of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or [redacted] dollars per ton of 2,000 pounds avoirdupois.

C. Fee Simple owned property [if applicable]. The greater of N/A % of the actual sales price F.O.B. loading point, less all freight, handling and transportation charges, of all merchantable coal mined, shipped and sold from the Property, or N/A dollars per ton of 2,000 pounds avoirdupois.

3. Manner of Operation. Lessee agrees to mine said coal in accordance with reasonable mining practices, provided that Lessee shall not be obligated to mine where the removal of the coal is not economical or practicable. Lessee shall have the right during the term(s) of this Lease to construct, maintain and remove buildings, tipples, ponds, railroads and roads, and store materials and supplies for the purpose of mining or removing coal. All machinery, equipment, structures, improvements, and other personal property placed in, on or under the Property by Lessee shall remain the property of the Lessee, his agents or assigns and shall at all times have the right to so remove its said property and shall have all rights of ingress and egress to and from the Property reasonably necessary for such removal. Lessor agrees that the Lessee shall maintain right of way and right to the Property for the purpose of reclamation compliance until Lessee has received a Phase III release from the Alabama Surface Mining Commission. Any pond(s) constructed on the Property as part of the mining process will remain permanent. Lessee will remain responsible for the pond(s) until it receives a Phase III Release from the Alabama Surface Mining Commission. Upon said release, Lessor shall take on the responsibility for the pond(s) on the Property. Lessor understands and agrees that the Property, disturbed in this mining operation, is to be reclaimed back to the "Undeveloped or No Current Landuse" and to leave all sediment basins as "Permanent Water Impoundment, Fish and Wildlife Habitat" as provided within the Alabama Surface Mining Regulations. Lessor agrees that he will be responsible for the sound and future maintenance of the permanent water impoundments after a Phase III bond release is granted by the Alabama Surface Mining Commission.

4. Force Majeure. Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof (including but not limited to the payment of any royalties) when such failure is caused by explosion; accident; the elements; damage to or breakdown of mining equipment, treatment or processing facilities; fire; restrictions, prohibitions or regulations of federal, state or local government or agency thereof; strikes; work stoppage or labor difficulty; acts of God; war, civil commotion or act of the public enemy; or any circumstances or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee (any such cause being for purposes hereof as "Force Majeure"). Additionally, if the mining hereunder is prevented or suspended for any full calendar month during the term of this Lease (including extensions, if any) as the result of the above causes, such prevention or suspension of mining shall be excused for that month, and such suspension shall serve to extend the term of this Lease for a period of time equal to the period of time of any suspension as defined in this paragraph.

5. Notice. Any notice provided for or permitted herein to be given by either party to the

other party shall be conclusively deemed to have been given upon deposit thereof in the United States Mail, registered or certified mail. postage prepaid and addressed to the parties as follows:

LESSEE:

LESSOR:

QUALITY COAL COMPANY, INC.

P.O. BOX 2705

Jasper, AL 35502

6. Warranty. Lessor warrants and represents that it has full right and power to execute and perform this Lease and to grant the Property or estate demised herein and further warrants that the Lessee upon complying with the terms herein shall peaceably and quietly have, hold and enjoy the Property or demised estate and all rights and privileges belonging or in any wise appertaining thereto, during the full term. Lessor further warrants that Lessor has good and merchantable title to the Property, free from all encumbrances, restrictions, liens, defects in title, violations of law, leases and tenancies. Lessor further warrants the nonexistence of any zoning prohibition against the use of the Property or demised estate for the purpose for which the same is hereby leased, and should such zoning prohibition be in effect at the time of this Lease or be put into effect at any time during this Lease, making it impossible for Lessee to continue or carry on its business or any part thereof, at Lessee's option, this Lease may cease and to an end and no further rent or royalties shall be due by Lessee.

7. Taxes. Lessor shall in accordance with law return for ad valorem taxation the interest which it owns in the lands, including the unmined coal contained therein, and shall at such time as required by law pay all taxes or charges in the nature of ad valorem or ownership taxes thereon, excepting the so-called tonnage, license or privilege tax levied upon the severance, removal or mining of the coal therefrom. Lessee shall in accordance with law return for taxation all structures, machinery, equipment and other property placed by it in, under and upon the lands, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee shall also pay so-called tonnage, license or privilege tax upon the severance, removal or mining of coal hereunder and all income, social security, old-age and unemployment taxes which are, or during the life of this Lease may be imposed upon Lessee, and any other taxes that may be required by law with respect to mining of coal hereunder or the sale thereof.

8. Arbitration. In the event of any dispute between the parties hereto arising in any way out of the performance of this Lease or the conditions, duties or obligations set forth in this Lease, or the failure to so perform, the parties hereto hereby agreed to be bound binding arbitration, which is the final, exclusive and required forum for the resolution of all disputes that may occur between the parties hereto that are based on a "legal claim." The Lessee expressly reserves the right to initiate the arbitration process at any time, even if suit has already been filed. A DISPUTE IS BASED ON A "LEGAL CLAIM" AND IS SUBJECT TO THIS AGREEMENT IF IT ARISES OR INVOLVES A CLAIM UNDER ANY FEDERAL, STATE OR LOCAL STATUTE, REGULATION, OR COMMON LAW DOCTRINE. The rules and procedures to be used by the parties are based on the American Arbitration Association ("AAA"), or, at the election of the Lessee, the rules and procedures of the National Arbitration Forum ("NAF"). The parties hereto reserve the right to mutually agree to modify or expand these rules and procedures. The arbitrator shall follow the rules of law of the State of Alabama, any applicable Federal law, any applicable statute of limitations, and any rules stated in this Lease. The arbitrator shall have the authority to grant any remedy or relief that the arbitrator deems just and equitable and which is consistent with applicable law. Judgment upon the award rendered by the arbitrator may be entered in any

court having jurisdiction thereof The parties understand and intend that the transactions contemplated by this Lease and any other matter which may be arbitrated under this Lease involves "commerce," as such term is defined in the federal Arbitration Act, 9 U.S.C. section 1, and that this Lease is enforceable thereunder. The expenses of witnesses or experts for either side shall be paid by the party requiring the presence of such witnesses. Each side shall pay its own legal fees and expenses. To the fullest extent available under the law, the Lessor and Lessee hereby waive their right to a trial before a jury for a legal claim, even if a court holds the other provisions of this Lease unenforceable.

9. Entire Agreement. This Lease represents the entire between and among the parties hereto and supersedes any other agreement, whether written or oral, that may have been made or entered into by Lessor and Lessee relating to the matters contemplated hereby. Each party hereto expressly warrants and represents to the other parties that before executing this Lease said party has fully informed himself or itself of the terms, contents, conditions and effect; that no promises or representations of any kind have been made to him or it on behalf of the other parties to this Lease, except as expressly stated herein; that said party has relied solely on his or its own judgment in executing this Lease; and that each party hereto has had the opportunity to seek and obtain the advice of counsel before entering into this Lease. No provision in this Lease shall be interpreted for or against any party because that party or that party's legal representative drafted the provision.

10. Amendments and Waivers. This Lease may be amended, modified, superseded, or canceled, and any of the terms, representations, warranties or covenants hereof may be waived, only by written instrument executed by each of the parties or, in the case of a waiver, by the party waiving compliance. The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the right at a later time to enforce the same. No waiver by any party of any condition or of any breach of any term, representation, warranty or covenant under this Lease, whether by conduct or otherwise, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any other condition or of any breach of any such condition of breach or waiver of any other condition or of any breach of any other term, representation, warranty or covenant under this Lease.

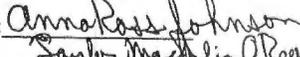
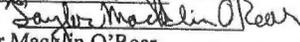
11. Assignment and Binding Provisions. Lessee may assign this Lease in whole or in part without the prior written consent of Lessor. Lessee may be discharged from obligations arising under the Lease subsequent to such an assignment. This Lease is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors, and permitted assigns.

IN WITNESS WHEREOF, the parties have hereunder set their hands and seals on the date first set out above.

LESSOR:

WITNESS:


Anna Ross Johnson

By: 

Taylor Macklin O'Rear
Attorney-In-Fact

Pursuant To the Power of Attorney Recorded
In Volume 1882 At Page 223-228 In The Probate
Office of Walker County, Alabama

Louis Johnson

By: Louis Johnson
Taylor Macklin O'Rear
Taylor Macklin O'Rear
Attorney-In-Fact
Pursuant To the Power of Attorney Recorded
In Volume 1882 At Page 223-228 In The Probate
Office of Walker County, Alabama

Binnie Ross Kasazkow

By: Binnie Ross Kasazkow
Taylor Macklin O'Rear
Taylor Macklin O'Rear
Attorney-In-Fact
Pursuant To the Power of Attorney Recorded
In Volume 1882 At Page 223-228 In The Probate
Office of Walker County, Alabama

Micheal Ross O'Rear

By: Micheal Ross O'Rear
Taylor Macklin O'Rear
Taylor Macklin O'Rear
Attorney-In-Fact
Pursuant To the Power of Attorney Recorded
In Volume 1882 At Page 223-228 In The Probate
Office of Walker County, Alabama

Robert Edward Ross

By: Robert Edward Ross
Taylor Macklin O'Rear
Taylor Macklin O'Rear
Attorney-In-Fact
Pursuant To the Power of Attorney Recorded
In Volume 1882 At Page 223-228 In The Probate
Office of Walker County, Alabama

WITNESS:

Lynn Marie Wieber

By: Lynn Marie Wieber
Taylor Macklin O'Rear
Taylor Macklin O'Rear
Attorney-In-Fact
Pursuant To the Power of Attorney Recorded
In Volume 1882 At Page 223-228 In The Probate
Office of Walker County, Alabama

Stephen John Ross

By: Stephen John Ross
Taylor Macklin O'Rear

Taylor Macklin O'Rear
Attorney-In-Fact
Pursuant To the Power of Attorney Recorded
In Volume 1882 At Page 223-228 In The Probate
Office of Walker County, Alabama

Susan Ann Cover
By: Susan Ann Cover
Taylor Macklin O'Rear
Taylor Macklin O'Rear
Attorney-In-Fact
Pursuant To the Power of Attorney Recorded
In Volume 1882 At Page 223-228 In The Probate
Office of Walker County, Alabama

Taylor Macklin O'Rear, Individually
Taylor Macklin O'Rear

LESSEE:
WITNESS:

QUALITY COAL COMPANY INC.
By: [Signature]
Kyle Ingle
Kyle Ingle

Its: President

LESSEE: Quality Coal Company Inc.

LESSEOR: Taylor Macklin O'Rear, an individual and Taylor Macklin O'Rear as attorney in fact.

EXHIBIT A

Township 14S, Range 8-W

Section 27

NW ¼ of NE ¼

SW ¼ of NE ¼

SE ¼ of NE ¼

~~SE ¼ of NW ¼~~ TMO/ET

NW ¼ of SE ¼

Northern ¼ from East to West of the Southwest of the Southeast all lying North of Lost Creek

NE ¼ of SE ¼ of SW ¼ lying Northeast of Lost Creek

Eastern ½ of the NE ¼ of the SW ¼ lying East of Lost Creek

Section 26

SW ¼ of NW ¼

SE ¼ of NW ¼

Applicant: Quality Coal Co., Inc.
Mine Name: Dutton Hill Mine No. 2
Permit Number: P-

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

=====
Page 1 of 2
=====

Name: Lonicera Company, LLC
Address: 600 North 20th Street Suite 400
City: Birmingham State: AL Zip: 35203
Interest owned (Surface, Coal or Fee Simple): Surface & Mineral
Type of Interest(Owner, Lease , or Other): Owner

Name: Ronnie C. Nelson
Address: 595 Dutton Hill Road
City: Jasper State: AL Zip: 35501
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest(Owner, Lease , or Other): Owner

Name: Vaudie Sherer
Address: 128 Riverlake Drive
City: Woodstock State: GA Zip: 30188
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest(Owner, Lease , or Other): Owner

Name: Betty Nell & S.E. Shipman
Address: 842 Pleasant Grove Road
City: Oakman State: AL Zip: 35579
Interest owned (Surface, Coal or Fee Simple): 1/2 Int. Surface
Type of Interest(Owner, Lease , or Other): Owner

Name: Billy Howard & Helen Bonner
Address: 842 Pleasant Grove Road
City: Oakman State: AL Zip: 35579
Interest owned (Surface, Coal or Fee Simple): 1/2 Int. Surface
Type of Interest(Owner, Lease , or Other): Owner

Name: Jean & Johnny Dewayne Snow
Address: 990 Pleasant Grove Road
City: Oakman State: AL Zip: 35579
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest(Owner, Lease , or Other): Owner

Name: Jon Kyle Ingle
Address: 1962 Cooner Road
City: Jasper State: AL Zip: 35503
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest(Owner, Lease , or Other): Owner

Name: Frank Rutledge
Address: 107 West Ridgewood Road
City: Jasper State: AL Zip: 35504
Interest owned (Surface, Coal or Fee Simple): Surface
Type of Interest(Owner, Lease , or Other): Owner

Applicant: Quality Coal Co., Inc.
Mine Name: Dutton Hill Mine No. 2
Permit Number: P-

PART I C. (CONTINUED)

2. OWNERSHIP OF SURFACE AND MINERAL LANDS CONTIGUOUS TO THE AREA TO BE MINED
INSTRUCTIONS:

=====
Page 2 of 2
=====

Name: A.M. Stovall Estate
Address: 153 Redridge Road
City: Hamilton State: AL Zip: 35570
Interest owned (Surface, Coal or Fee Simple): Surface & Mineral
Type of Interest(Owner, Lease , or Other): Owner

Name: Billy H. Bonner
Address: 842 Pleasant Grove Road
City: Oakman State: AL Zip: 35579
Interest owned (Surface, Coal or Fee Simple): Mineral
Type of Interest(Owner, Lease , or Other): Owner

Name: Maynard & Etals O'Rear
Address: 1101 5th Street West
City: Jasper State: AL Zip: 35501
Interest owned (Surface, Coal or Fee Simple): Mineral
Type of Interest(Owner, Lease , or Other): Owner

Applicant: Quality Coal Co., Inc.
Mine Name: Dutton Hill Mine No. 2
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: _____

=====
Legal description: _____

Describe the nature of the interest: _____

=====
Legal description: _____

Describe the nature of the interest: _____

Applicant: <u>Quality Coal Co., Inc.</u> Mine Name: <u>Dutton Hill Mine No. 2</u> Permit Number: <u>P-3980</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. SE/NE, NE/SE, SW/SE & SE/SE of Section 22, SW/NW, NW/SW & SW/SW of Section 23, NW/NW, SW/NW, SE/NW, NW/SW & NE/SW of Section 26, SW/NE, SE/NE & NE/SE of Section 27, Township 14 South, Range 8 West, Walker County, Alabama.

3. Give the acreage of the permit, each increment and the type of bonding.

a. Total permit acreage: 159 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>95</u>	<u>Bond Account</u>
2.	<u>35</u>	<u>Bond Account</u>
3.	<u>28</u>	<u>Bond Account</u>
4.	<u>1</u>	<u>Bond Account</u>

c. Identify the increment(s) on which mining will initially begin upon issuance of this permit: Increment 2

4. Has any acreage in the proposed permit area been previously disturbed by mining?
(X)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.

See permit map.

- 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, indicated as such.

<u>Permit</u>	<u>Acres</u>	<u>Status</u>
<u>Pre-law</u>	<u>110</u>	<u>Unreclaimed</u>

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

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

Applicant: <u>Quality Coal Co., Inc.</u> Mine Name: <u>Dutton Hill Mine No. 2</u> Permit Number: <u>P-</u>
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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? (X) YES () 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.

See Attachment I-D-6, Waiver from the Walker County Commission.

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>01-03423</u>	<u>MSHA</u>	<u>*</u>	<u>1/19/2010</u>
<u>NPDES</u>	<u>AL0075086</u>	<u>ADEM</u>	<u>**</u>	<u>10/31/2007</u>
<u>NPDES</u>	<u>AL0078972</u>	<u>ADEM</u>	<u>**</u>	<u>9/28/2007</u>

* 135 Gemini Circle, Suite 213, Birmingham, AL 35209

** 1400 Coliseum Blvd., Montgomery, AL 36110-2059

8. Is the property in the permit covered by zoning or other land use restrictions?
()YES (X)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 the intersection of AL Highway 69 and AL Highway 124, travel west 1.5 miles on AL Highway 124 to Pleasant Grove Road. Turn left onto Pleasant Grove Road and travel 0.14 miles to the mine entrance which will be located on the left. The boundaries of the permitted area will be marked and signs will be posted at the entrance to the mine.
10. Did the applicant receive assistance from the Small Operator Assistance Program in preparing this application?

()YES (X)NO

If YES, list SOAP I.D. Number: _____

11. Submit a certificate of proof of Liability Insurance with this application. See AMC 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/PermitApplications.html>
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 Daily Mountain Eagle
See Attachment I-E-13, Legal Advertisement

Applicant: <u>Quality Coal Co., Inc.</u>
Mine Name: <u>Dutton Hill Mine No. 2</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, Quality Coal Co., Inc., P. O. Box 2705, Jasper, Alabama 35502, hereby gives notice that it has filed an application with the Alabama Surface Mining Commission to permit a surface mining facility whose access to the site is as follows: from the intersection of AL Highway 69 and AL Highway 124, travel west 1.5 miles on AL Highway 124 to Pleasant Grove Road. Turn left onto Pleasant Grove Road and travel 0.14 miles to the mine entrance which will be located on the left. The boundaries of the permitted area will be marked and signs will be posted at the entrance to the mine. The area to be permitted is located within SE/NE, NE/SE, SW/SE & SE/SE of Section 22, SW/NW, NW/SW & SW/SW of Section 23, NW/NW, SW/NW, SE/NW & NW/SW of Section 26, SW/NE, SE/NE, NW/SE & NE/SE of Section 27, Township 14 South, Range 8 West, Walker County, Alabama as shown on the Jasper, 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/PermitApplications.html>. 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.