

Date: 2-11-16

Alabama Surface Mining Commission  
P. O. Box 2390  
Jasper, AL 35502-2390

RE: Black Warrior Minerals, Inc.  
Mine No. 2, P-3987

To Whom It May Concern:

I am the legal owner of record of certain properties in Jefferson County, Alabama on which a portion of the land disturbed by the above referenced mining operation is located. I prefer that the post mining landuse for my property be left as Undeveloped/No Current Use with all roads to remain as permanent for landowner access and all sediment basins be left as Permanent Water Impoundments for Fish & Wildlife. I do agree to assume all responsibility for sound maintenance of all sediment basins after a Phase III bond release has been issued.

Sincerely,

A handwritten signature in black ink, appearing to be "Sumlearn, LLC", written over a large, light-colored circular scribble or stamp.

**Sumlearn, LLC**

DATE 5 Feb. 2016

Alabama Surface Mining Commission  
P. O. Box 2390  
Jasper, AL 35502-2390

RE: Black Warrior Minerals, Inc.  
Mine No. 2, P-3987

To Whom It May Concern:

We are the legal owners of record of certain property in Jefferson County, Alabama on which a portion of the land disturbed by the above referenced mining operation is located. We prefer that the post mining landuse for my property be left as Undeveloped/No Current Use with all roads to remain as permanent for landowner access and all sediment basins be left as Permanent Water Impoundments for Fish & Wildlife. We do agree to accept all responsibility for sound maintenance of all basins left after a Phase III Bond release has been issued.

Sincerely,

By: Thomas M. Willis  
Thomas M. Willis,  
Individually, and as Partner

By: John David Willis  
John David Willis  
Individually, and as Partner

By: Charles Ray Willis  
Charles Ray Willis,  
Individually, and as Partner

By: Marie Awad  
Marie Awad  
Individually, and as Partner

DATE June 3<sup>rd</sup> 2015

Alabama Surface Mining Commission  
P. O. Box 2390  
Jasper, AL 35502-2390

RE: Black Warrior Minerals, Inc.  
Mine No. 2, P-39xx

To Whom It May Concern:

I am the legal owner of record of certain property located within the permit boundary and disturbed by the above referenced mining operation. We request that all basins, that will meet the requirements, be left as Permanent Water Impoundments. We agree to accept responsibility for future sound maintenance of all basins left after a Phase III Bond Release has been granted. Also, we request that the post mining land use be undeveloped/no current use.

Sincerely,

A handwritten signature in blue ink that reads "Kenneth S. Rogers Eileen Rogers". The signature is written in a cursive style and is positioned above a horizontal line.

Kenneth & Eileen Rogers

DATE 2/14/2014

Alabama Surface Mining Commission  
P. O. Box 2390  
Jasper, AL 35502-2390

RE: Black Warrior Minerals, Inc.  
Mine No. 2, P-3987

To Whom It May Concern:

We are the legal owners of record of certain property in Jefferson County, Alabama on which a portion of the land disturbed by the above referenced mining operation is located. We prefer that the post mining land use for my property be left as Undeveloped/No Current Use with all roads to remain as permanent for landowner access and all sediment basins be left as Permanent Water Impoundments for Fish & Wildlife. We do agree to accept all responsibility for sound maintenance of all basins left after a Phase III Bond release has been issued.

Sincerely,

By: Matthew W. Kennamer  
Matthew W. Kennamer

By: William H. Willis  
William H. Willis

By: Mary T. Willis  
Mary T. Willis

THE STATE OF ALABAMA §

COUNTY OF JEFFERSON §

COAL MINING LEASE

THIS LEASE AGREEMENT, made and entered into on the 21<sup>st</sup> day of May, 2013 between **M, LLC** and **M1, LLC** jointly party of the first part (hereinafter referred to as "Lessor"), and **BLACK WARRIOR MINERALS, INC.**, an Alabama corporation, party of the second part (hereinafter referred to as "Lessee"),

WITNESSETH:

That Lessor for and in consideration of the royalties to be paid and the covenants, agreements and stipulations hereinafter set forth, has granted, demised, let and leased and by these presents does let and lease unto Lessee, to the extent of its interest, and Lessee does hereby lease, for the term, rentals and purposes hereinafter set forth, those certain tracts or parcels of land situated in Jefferson County, Alabama (hereinafter collectively called "said land or premises") and described in Exhibit "A" attached to and made part hereof.

In consideration of the said lease by Lessor, the parties hereto covenant and agree as follows:

1. Purpose: Lessee shall have the right to mine and remove all seams of coal in said land by the surface mining method only, and the right to exercise all of Lessor's mining rights for mining and removing coal by the surface method of mining and removing such coal, and shall have the right to the full extent that the Lessor has such right to use, during the term of this lease, the said lands for all purposes necessary, convenient or desirable in carrying on such operations. It is understood that no right or privilege is given or granted to Lessee except such rights and privileges as the Lessor may lawfully give and grant by virtue of its ownership.

2. Term: The term of this lease shall be for five years (5) commencing on 5-21-2013 and ending on 5-21-2018, unless sooner terminated, said term hereinafter referred to as the initial term of this lease. This Lease may be renewed on a yearly basis after the initial five-year term has expired as long as mining continues. The renewal of each extend term shall be automatic, without the necessity of notice.

3. Royalty: Lessee shall, as rental for the rights herein granted, pay to Lessor not later than the 20<sup>th</sup> day of each month for all coal mined and sold from the premises during the preceding month a royalty equal to the greater of the following:

A. Surface Only. [REDACTED] per ton of each ton of 2000 pounds or [REDACTED] of the sales price F.O.B. pit for each ton of 2,000 pounds of coal removed and sold from the premises during the preceding month;

B. The gross sales price of said coal so mined shall be F.O.B. pit. If coal mined from the premises, the gross sales price shall be deemed to be that which the coal mined from the premises would have brought if not so blended; in the case of coal used by Lessee and not sold, or coal sold F.O.B. some point other than the mine pit, the gross sales price shall be deemed to be that price which the coal would have brought had it been sold F.O.B. mine pit. If coal mined from the premises is to be blended with coal mined elsewhere than from the premises and the gross sales price is to be negatively affected by this blending, then consent must be obtained from Lessor in writing.

Weights and prices shall be determined in the manner from time to time agreed upon between the parties hereto, and in the event of any dispute as to weights or prices, said dispute shall be submitted to arbitration as provided for herein. Remittances of royalties provided for herein shall be accompanied by certificates signed by Lessee

showing the total amount of coal mined and sold during the preceding month and the gross price or prices at which the same has been sold, adjusted as hereinabove provided so as to arrive at a price F.O.B. mine pit.

C. At the beginning of the lease period, Lessee agrees to pay to Lessor the sum of [REDACTED] as advance royalty and said sum shall be credited against any royalty which may become due under the terms hereof. That is to say, the advance royalty payment made shall be recoverable from all royalties due, or paid, for coal mined and sold during the term of this lease. The advance royalty payment will be paid in accordance to Lessor's respective interest in paragraph 24. Payment of Royalty.

4. Method Of Operation: Lessee agrees that all mining operations undertaken by it under the provisions hereof shall be conducted in a proper and workmanlike manner and in accordance with the laws of the State of Alabama and the United States of America, including all laws and regulations pertaining to surface mining and reclamation. It is specifically understood and agreed that Lessee shall not be obligated to mine where by reason of terrain or inherent nature of conditions of depth, strata or thinness of coal seam, the removal of the coal is not economically feasible or practical.

5. Lessor's Lien: All machinery, tram tracks, buildings, structures, trucks and improvements placed by the Lessee on said lands shall remain the property of the Lessee; provided, however, that Lessor shall have and is hereby granted a lien and charge on all such machinery, tram tracks, buildings, structures, trucks, improvements and other property of every kind whatsoever belonging to the Lessee, and the leasehold estate herein granted, and all of the coal mined or removed from or stored or stockpiled on said land hereunder, to secure the payment of any and all royalties, damages and other amounts due or to become due to the Lessor under this agreement.

6. Removal of Property: In the event the Lessee shall have complied with all of the terms of this agreement and shall have paid to the Lessor before the expiration or termination hereof all amounts then owing by it to the Lessor, then and in such event the Lessee shall have and is hereby granted the right and privilege of entering upon and removing from said land, within sixty (60) days following such expiration or termination, all machinery, fixtures and other property of every kind whatsoever, theretofore placed thereon or therein by the Lessee.

7. Records: Lessee shall keep proper books of account of the weights and sale prices of all coal mined and sold from the premises and, for the purpose of information and checking the certificates of weights and prices furnished by Lessee, by 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 and prices, but said books and records shall not be conclusive of Lessor's rights. Promptly after the end of each six-month period of this lease, Lessee shall deliver to Lessor at Lessee's sole expense, a map or blueprint made by a professional mine engineer or geologist acceptable to Lessor, which map shall show the progress of the mine working at the end of such six-month period.

8. Right of Inspection: The Lessor and their engineers, agents and attorneys shall have the right and privilege at all reasonable times of entering upon, examining and surveying said land and said mining operations thereon and inspecting, examining and verifying all books, accounts, statements, sales, maps, invoices, plans, diagrams or other records of whatsoever kind and nature of the Lessee for the purpose of ascertaining the amount of coal taken from said land or the amount received by Lessee for the sale of said coal, and the manner in which the mining operations of the Lessee are being conducted thereon and for any other purpose.

9. Taxes: Lessee shall in accordance with law return for taxation all structures, machinery, equipment, and other property placed by it in, under, and upon the premises, and shall at such times as may be required by law pay all taxes or charges in the nature of taxes thereon. Lessee further agrees to pay all taxes in the nature of severance taxes upon all coal so mined and removed by it.

10. Non-Liability of Lessor and Indemnity by Lessee: Lessor shall not be held liable for any claims on account of or arising from or in any connected with any act or acts of Lessee on or in connection with the premises or the exercise by Lessee of any of the rights herein granted, or at any time or in any way growing out of the mining operations hereunder by Lessee, for any of the following:

(a) Any claim for damage which may accrue to any improvements on the surface of the premise ( or, if surface rights are not granted hereby, to the surface of the premise) by reason of cracking or subsidence or otherwise;

(b) Damages under the Alabama Worker's Compensation Act or similar law;

(c) Liability imposed or sought to be imposed upon Lessor or Lessor's agents, servants, or employees, for injuries or death to persons or damages to property, either or both, on or in or about the premise or at any other location;

(d) Claims for any default or failure by Lessee in compliance with the laws of the State of Alabama or otherwise in connection with the exercise of Lessee's rights hereunder;

(e) Fines, suits demands, and actions of any kind or nature by reason of any breach, violation, or nonperformance by Lessee of any condition hereof, and Lessee agrees to and does hereby indemnify, protect, and hold harmless Lessor against all claims, suits, demands, judgments, decrees, loss, cost, or expense, including attorneys' fees and court cost, which may arise in connection with or in account of any one or more of the claims in connection with or on account of any one or more of the claims described above. Lessee agrees to carry public liability insurance naming Lessor as additional insured in such form and with such limits of liability as may be reasonably satisfactory to Lessor; and to deliver to Lessor certificates evidencing such insurance, or a copy of each such insurance policy, to carry an endorsement prohibiting cancellation during the term of this lease, or any extension thereof, without first giving notice in writing to Lessor.

11. Lessee Independent Contractor: Lessor shall have no control or right to exercise any control whatsoever over Lessee, Lessee's employees or agents in the exercise of their rights of operation under this lease. The right to engineering inspection under this lease, the right to inspect the Lessee's records and other rights herein reserved by the Lessor shall not give, or be deemed to give Lessor the right to exercise control over the Lessee or Lessee's employees in its mining operations hereunder.

12. Lessor's Right to Terminate: If Lessee shall fail to pay when due any monthly-royalty-payment provided for herein or if Lessee shall fail to comply with any other covenant or term of this lease, Lessor shall have the right to terminate this lease if any such default is not remedied within 30 days of Lessor's having given Lessee written notice of such default. In the event that default under this lease is of such a nature that it may not reasonably be corrected within 30 days after written notice, then under such conditions Lessee shall immediately commence work to cure such default upon written notice by Lessor of such default and shall continue to work with diligence to complete such correction as soon as is reasonably possible. For the purposes of this paragraph, written notice 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 Lessee at Black Warrior Minerals, Inc., P. O. Box 1190, Sumiton, Alabama 35148 to the attention of Rancey Perry, President or at such other address as may hereafter be designated in writing by Lessee. Failure by Lessor to terminate this agreement upon the happening of any such event shall not constitute a waiver on the part of Lessor to terminate this agreement upon the subsequent happening of any such event. Upon termination of this lease, Lessor may re-enter the premises and eject Lessee from the same. However, Lessee shall remain liable for all royalties due prior to said termination. The rights and options herein given Lessor to terminate this lease shall not constitute the only remedies available to it, but shall be in addition to any other rights or remedies available to Lessor under the circumstances.

13. Lessee's Right to Terminate: Lessee reserves the right to cancel this lease at any time upon thirty (30) days written notice to Lessor at the address set forth hereunder, in the event that the quality of the coal, or the quantity of the coal as to the size of the seam or continuity of coal, or the thickness or the type of overburden of the coal, or any combination of these factors together or other pertinent factors in the conduct of the mining operations on the land make it unprofitable to extract or mine coal from the said land in the discretion and opinion of the Lessee, or in the event Lessee

shall desire to retire from the business of mining coal, but no such termination shall relieve Lessee of any obligations or liabilities for the royalties herein provided with respect to any coal theretofore mined or any operations theretofore conducted hereunder, or of any other obligations or liabilities theretofore accrued hereunder.

14. Survival of Conditions and Requirements: In the event that this lease is terminated by any means whether as provided for in paragraphs 12 or 13 above, Lessee hereby warrants and guarantees to perform any and all conditions and requirements contained in this lease prior to any such termination and said conditions and requirements of Lessee shall survive this lease.

15. Right of Assignment: None of Lessee's estate or rights hereunder shall or can be assigned, in whole or in part, without the written consent of Lessor having first been obtained, which consent shall not be unreasonably withheld. Lessor's consent must be obtained prior to Lessee's either subletting this lease or having a contract miner perform the actual mining operations; provided further, however, in either event, Lessee shall remain liable and responsible for the performance of any and all obligations herein imposed upon Lessee. Any attempt to assign this lease, in whole or in part, without such written consent shall void this lease. In the event that Lessor withholds its consent to Lessee's choice of a contract miner, Lessee shall have the right to terminate this lease immediately.

16. Warranty of Title: the rights that are herein granted to lessee are limited to those owned by Lessor, and Lessor makes no representation or warranty as to its ownership of any rights in the premises or as to the existence, quality, or location of coal in, on, or under the premises. It is specifically understood and agreed that Lessor shall be under no liability or duty if any claim be made or established or litigation instituted by any third party as to the title or ownership or Lessor in and to any portion of the premises. It is understood and agreed, however, that if, in litigation instituted by third party in a court of competent jurisdiction, it is determined that such third party has title or ownership in and to the coal in the premises and a final judgment is entered assessing damages against Lessee with respect to the coal mined hereunder, Lessor shall refund to Lessee, without interest, the royalties paid by Lessee with respect to the coal mined from that portion of the premises as to which it is determined that such third party has or ownership in and to the coal, but in no event shall such refund be in an amount greater than the amount of such judgment, and in no event shall Lessor be liable to refund more than the total amount of royalties paid by Lessee with respect to the coal mined from that portion of the premises as to which it is determined that such third party has title or ownership in and to the coal. In the event any such claim or litigation, Lessor shall have the right at its option to defend the same, but Lessor shall be under no duty to do so.

17. 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:

(a) To Lessor: M, LLC and M1, LLC  
500 Southland Drive, Suite 212  
Birmingham, AL. 35226

Adrian Lynch  
P.O. Box 26736  
Birmingham, AL. 35260

(b) To Lessee: Black Warrior Minerals, Inc.  
P. O. Box 1190  
Sumiton, AL 35148  
Attn: Rancey Perry, President

or to such other addresses as either Lessor or Lessee shall designate to the other in writing.

19. Arbitration: In the event of any difference in opinion or any controversy between the parties hereto as to whether mining operations are being conducted in accordance with approved mining methods, or as to any other matters involved in the performance hereof, each party agrees, upon notice in writing from the other requesting such action, to appoint a reputable mining engineer as an arbitrator, said arbitrators shall appoint a third arbitrator, and the decision of the majority shall be final and binding on the parties hereto as to such matters as are determined by them. In the event either party fails to appoint such arbitrator after ten (10) days written request by the other party so to do, or in the event the said arbitrators fail to appoint a third arbitrator within ten (10) days, or after they have failed to reach an agreement on any matter submitted, then in either of said events, the presiding or senior Judge of the District Court of the United States for the Northern District of Alabama, or such other person as may be mutually agreed on by the parties to this lease, shall be requested to select an arbitrator, or arbitrators, to make the determination of such matters at issue between the parties; all arbitrators hereunder shall be competent mining engineers. The reasonable compensation of any arbitrators not in the employ of or designated by the respective parties, and the cost of the arbitration, shall be paid jointly.

20. Compliance With Laws of Governing Bodies: In its operations hereunder, Lessee shall adhere to and comply with all rules, regulations and laws of the county, state, and federal governments or any agencies of such governments having jurisdiction (including but not limited to regulations requiring the filling of surface mining pits and restoration of the surface), whether now in effect or subsequently passed or adopted during the term of this lease, and Lessee hereby expressly agrees to indemnify and hold harmless the Lessor from any liability whatsoever brought about by Lessee's failure to comply with said rules, regulations, and laws.

21. Reclamation: It is intended that the area comply with all rules and regulations of state and federal regulatory agencies. Lessor is in agreement for the post mining land use to be termed as "undeveloped" as defined by the Alabama Surface Mining Commission.

22. Force Majeure: Lessee shall not be deemed in default for failure to perform or comply with any of the covenants or conditions hereof when such failure is caused by explosion, accidents, the elements, 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 any circumstance or condition (whether or not similar to those herein enumerated) beyond the reasonable control of Lessee.

23. Waiver of Rights: No failure or failures to exercise any right of the Lessor under this contract shall be deemed as a waiver or bar to the subsequent exercise or enforcement by Lessor of any provision of this contract or any right of the Lessor hereunder.

24. Payment of Royalty: Lessors and Lessee agree that all royalties due hereunder shall be divided and paid to the Lessors according to their respective interest as follows:

A. Rudy James of M, LLC shall receive [REDACTED] of any earnings as described above.

B. Charles Poe of M1, LLC shall receive [REDACTED] of any earnings as described above.

C. Adrian Lynch of M1, LLC shall receive [REDACTED] of any earnings as described above. Lessee shall make said payments payable solely to Adrian Lynch and shall mail said payments to Adrian Lynch at P.O. Box 26236 B'ham, AL 35260

AL 5-21-13

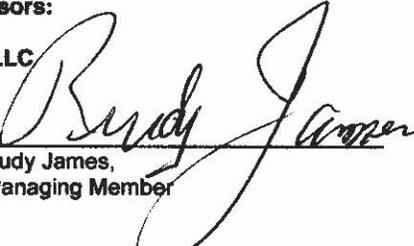
CF  
5-21-13  
5/19/13

RP 5/21/13

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

**Lessors:**

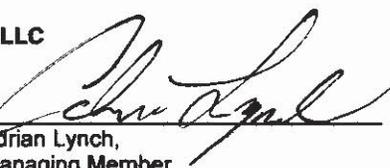
**M, LLC**

By:   
Rudy James,  
Managing Member

**M1, LLC**

By:   
Charles Poe,  
Managing Member

**M1, LLC**

By:   
Adrian Lynch,  
Managing Member

**Lessee:**

**BLACK WARRIOR MINERALS, INC.**

By:   
Rancey Perry  
Its: President

**ATTEST:**

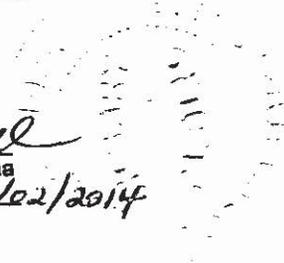
By:   
Michael D. Phillips  
Its: COO

THE STATE of ALABAMA §  
COUNTY OF JEFFERSON §

I, the undersigned authority, a Notary Public in and for said county and state, hereby certify that **Rancey Perry**, whose name is signed as **President** of **Black Warrior Minerals, Inc.** an Alabama corporation, to the foregoing instrument and who is known to me, acknowledged before me on this day, that being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily on the day same bears date for said corporation.

GIVEN under my hand and seal this 15<sup>th</sup> day of May, 2013.

  
Notary Public - State of Alabama  
My Commission expires: 03/02/2014

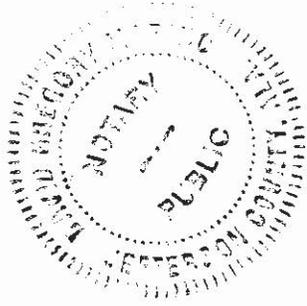


STATE OF ALABAMA §  
JEFFERSON COUNTY §

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that **Rudy James** whose name as Managing Member of **M, LLC** a limited liability company, is signed to the foregoing lease agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said company.

GIVEN under my hand and seal this 21<sup>st</sup> day of May, 2013

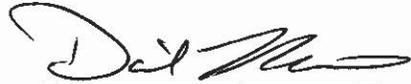
  
Notary Public - State of Alabama  
My Commission expires: 5/28/2016

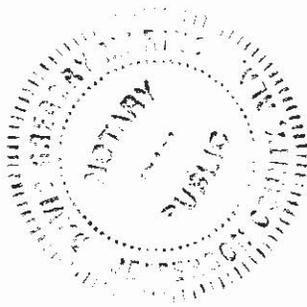


STATE OF ALABAMA §  
JEFFERSON COUNTY §

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that **Charles Poe** whose name as Managing Member of **M1, LLC** a limited liability company, is signed to the foregoing lease agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said company.

GIVEN under my hand and seal this 21<sup>st</sup> day of May, 2013

  
Notary Public - State of Alabama  
My Commission expires: 5/28/2016



STATE OF ALABAMA §  
JEFFERSON COUNTY §

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that **Adrian Lynch** whose name as Managing Member of **M1, LLC** a limited liability company, is signed to the foregoing lease agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the foregoing agreement, he, as such officer and with full authority, executed the same voluntarily for and as the act of said company.

GIVEN under my hand and seal this 21<sup>st</sup> day of May, 2013

  
Notary Public - State of Alabama  
My Commission expires: 5/28/2016



Exhibit "A"

SURFACE RIGHTS ONLY

Township 15 South, Range 3 west

Section 16: NE  $\frac{1}{4}$  of NE  $\frac{1}{4}$  and N  $\frac{1}{2}$  of the SE  $\frac{1}{4}$  of NE  $\frac{1}{4}$ .

Section 15: N $\frac{1}{2}$  of NW  $\frac{1}{4}$ , NE  $\frac{1}{4}$ , A part of the N $\frac{1}{2}$  of the SE $\frac{1}{4}$  lying North of creek.

LAND USE COMMENT BY PROPERTY OWNER

Alabama Surface Mining Commission  
P.O. Box 2390  
Jasper, AL 35502-2390

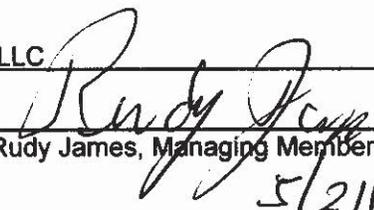
May 21, 2013

RE: BLACK WARRIOR MINERALS, INC.  
MINE No. 1 (Permit No. P-3950)

To Whom It May Concern:

We the undersigned hereby consent to the reclamation plan covering the lands disturbed at the above referenced Mine No 1 Permit No. P-3950, surface rights only, Jefferson County, AL. The reclamation plan is to reclaim M, LLC and M1, LLC properties to undeveloped lands with no current landuse. We also consent to leave access roads as permanent and water impoundments where acceptable, as permanent water impoundments, fish and wildlife habitats. After Phase III Bond Release approval we will be responsible for the sound and future maintenance of the basins.

M, LLC

By: 

Rudy James, Managing Member

Date

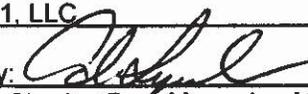
M1, LLC

By: 

Charles Poe, Managing Member

Date

M1, LLC

By: 

~~Charles Poe~~, Managing Member

ADRIAN LYNCH

Date