



STATE OF ALABAMA
SURFACE MINING COMMISSION

P.O. BOX 2390 - JASPER, ALABAMA 35502-2390
(205) 221-4130 • FAX: (205) 221-5077

Permit Revision Number: R-12

REVISION TO PERMIT FOR
SURFACE COAL MINING OPERATIONS

Pursuant to the Alabama Surface Mining Control and Reclamation Act, Act No. 81-435, and duly promulgated rules of the Commission, revision is hereby approved for permit:

P-3894-63-12-S
SOUTHLAND RESOURCES INC
PO BOX 770
COTTONDALE AL 35453
(SEARLES MINE NO. 5)

License No.: L-625
Pursuant to the permit map: 1 OF 1
Certified by: ROBERT W USHER
Date: 4-12-12

The permit is revised as follows:

1. Add 35 mining acres to Increment #4.
2. Modify the Operation Plan.
3. Modify the General Plan.
4. Modify the Sediment Basin 003.
5. Extension of approved topsoil variance to the area added by Revision R-12.
6. Delay in contemporaneous reclamation for the final highwall to be created in the NW/NE of Section 7, Township 20 South, Range 7 West.
7. Update the property ownership in Section 7, Township 20 South, Range 7 West.

CONDITION R-12-1: The permittee shall notify the ASMC and seek consultation with the U.S. Fish and Wildlife Service if:

- a. The permit is modified in any way that causes an effect on species or Critical Habitat listed under the Endangered Species Act of 1973,
- b. New information reveals the operation may affect Federally protected species or designated Critical Habitat in a manner or extent not previously considered, or
- c. A new species is listed or Critical Habitat is designated under the Endangered Species Act that may be affected by the operation.

CONDITION R-12-2: The permittee shall contact the ASMC and consult with the Alabama Historic Preservation Officer if the permit is modified or if previously unknown archaeological or historic resources are discovered on the permit area. Upon discovery of previously unknown artifacts or archaeological features the permittee shall cease operations until the Alabama Historic Preservation Officer approves resumption of operations.

FINDING R-12-1: The Regulatory Authority has taken into account the effect of the proposed permitting action on properties listed or eligible for listing on the National Register of Historic Places. PELA GeoEnvironmental, Inc., conducted two separate Phase I cultural resource surveys on August 1, 2011 for an approximate 9 acre project area and September 28, 2011 for an

approximate 32 acre project area. In letters dated August 3, 2011 and September 28, 2011 PELA recommends that both project areas be cleared from further cultural resource investigation as no cultural materials were recovered during the survey. The State Historical Preservation Officer concurred with PELA, that the proposed project would have no adverse effect on cultural resources eligible for or listed on the National Register of Historic Places (NRHP) in a letter dated October 12, 2011. This finding is supported in part by inclusion of appropriate permit conditions or changes in the operation plan protecting historic resources, or a documented decision that the Regulatory Authority has determined that no additional protection measures are necessary. Concerns for unknown resources, which might be discovered during mining, have been made conditions of the permit.

FINDING R-12-2: Based on biological surveys conducted by McGehee Engineering Corp. conducted on August 5, 2011 and September 16, 2011 for the two project areas, the US Fish and wildlife Service (FWS) provided comments that no federally listed species or critical habitats are known to occur in the project areas by letters dated September 13, 2011 and October 12, 2011. In letters dated July 18, 2011 and September 27, 2011 the Alabama Department of Conservation and Natural Resources (ADCNR) notes the closest recorded sensitive species is approximately 0.4 and 0.5 miles from the subject site. By a letter dated November 28, 2011 the US Army Corps of Engineers (USACE) authorized the approximate 32 acre project site activities by Nationwide Permit 21, permit number: SAM-2011-01527-CMS. The project will impact 425 Linear Feet of ephemeral stream (0.0007 acre). To offset the stream impacts, the applicant shall purchase 0.008 wetland credits (0.007 credits required*1.11 proximity factor) from Big Sandy Mitigation Bank. By a letter dated November 8, 2011 the USACE authorized, by File Number: SAM-2011-014441-CMS, no permit required for the approximate 9-acre addition project area. The ASMC finds that the proposed operation will not jeopardize the continued existence of endangered or threatened species or critical habitat thereof.

FINDING R-12-3: The proposed permit area is:
(a) Not within an area under study or administrative proceedings under a petition, filed pursuant to Chapter 880-X-7 to have an area designated as unsuitable for surface coal mining operations;
(b) Not within an area designated as unsuitable for mining pursuant to Chapter 880-X-7 or subject to the prohibitions or limitations of Section 880-X-7B-.06 and Section 880-X-7B-.07 of this chapter.

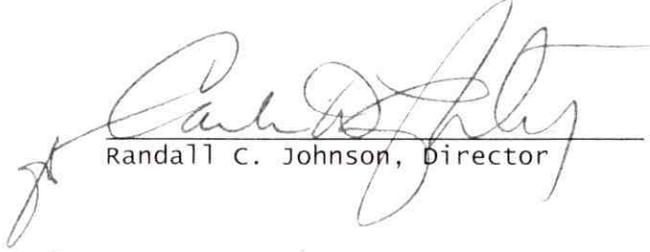
ACREAGE SUMMARY:

* Increment #1 remains at -----	94 acres
* Increment #2 remains at -----	73 acres
* Increment #3 remains at -----	17 acres
* Increment #4 increases to -----	194 acres
* Increment #5 remains at -----	56 acres
* Increment #6 remains at -----	15 acres
* Increment #7 remains at -----	2 acres
Total -----	451 Acres

* Bonded to date

All other terms and conditions remain in effect as well as all Findings in the original permit and any Findings appropriate for this revision.

EFFECTIVE DATE: April 18, 2012


Randall C. Johnson, Director

/ns
cc: I & E, Permit File