



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-5

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:

Issued to: P-3927-63-14-S
SOUTHLAND RESOURCES INC
PO BOX 770
COTTONDALE AL 35453
(SEALES MNE NO. 7)

License No.: L-652

Pursuant to the
Permit map: 1 OF 1

Certified by: ROBERT W USHER #15917

Date: 1-5-12

The permit is revised as follows:

1. Add 29.0 mining acres to Increment #1.
2. Add Slurry Impoundment No. 8 to Increment #1. No additional acres.
3. Modify the Operation Plan.
4. Modify the General Plan.
5. Delete Excess Spoil Fill No. 1 as unneeded. No change in acres.
6. Extension of the approved topsoil variance to the area added by Revision R-5.
7. Grading condition: allowable ungraded acreage on Increment #1 at any given time will be a maximum of 50 acres.
8. Update the property ownership in the NW/SW & SW/NW of Section 32, T19S, R7W.
9. Delay in contemporaneous reclamation to allow the design and construction of Slurry Impoundment No. 8.

CONDITION R5-1: The permittee shall notify the ASMC and seek consultation with the US 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-5-2: 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 R5-1: 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. A Phase I cultural survey was conducted by The University of Alabama, Office of Archaeological Research on November 30, 2011 for the proposed revision (approximately 29 acres). In a letter dated January 5, 2012 it was stated there were no standing structures or archaeological sites identified, based on these findings the proposed revision should have no effect on any historic properties. The Alabama Historical Commission, State Historic Preservation Officer concurred with these findings in a letter dated February 22, 2012 stating the proposed project activities will have no adverse effect on cultural resources eligible for or listed on the National Register of Historic Places. 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 R5-2: The US Fish and Wildlife Service (FWS) determined that no federally listed species or critical habitat would be impacted by the proposed addition of acreage covered by this revision by comments dated January 4, 2012. The Alabama Department of Conservation and Natural Resources (ADCNR) reviewed the proposed addition of acreage and indicated that the closest occurrence of a species of concern was approximately 0.6 miles from the area by letter dated October 13, 2011. The US Army Corps of Engineers (USACE) determined that a permit was not required for the project area in a letter dated January 6, 2012. The ASMC finds that the proposed operation will not jeopardize the continued existence of endangered or threatened species or critical habitat thereof.

FINDING R5-3: 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.

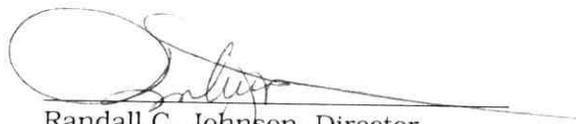
ACREAGE SUMMARY:

*	Increment #1 increases to -----	151 acres
	Increment #2 remains at -----	0 acres
*	Increment #3 remains at -----	88 acres
	Increment #4 remains at -----	0 acres
	Increment #6 remains at -----	15 acres
*	Increment #7 remains at -----	20 acres
	TOTAL -----	274 ACRES

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: March 30, 2012

/ns



Randall C. Johnson, Director

cc: I & E, Permit File