



# United States Department of the Interior

OFFICE OF SURFACE MINING  
Reclamation and Enforcement  
710 Locust Street, Second Floor  
Knoxville, TN 37902

March 3, 2008

Subject:

Area No. 2  
OSM Permit No. 3205

We are pleased to present you with the subject permit and approved application to conduct surface coal mining and reclamation operations. A total cumulative bond amount of \$419,000.00 has been calculated and approved. The bond includes \$42,000.00 for Increment No.1, \$4,000.00 for Increment No. 3 and \$6,000 for water supply replacement. The remainder of the total bond in the amount of \$367,000.00 must be posted prior to mining Increment No. 2.

Surface coal mining and reclamation operations authorized by this permit must be accomplished in accordance with the terms and conditions of the approved permit, the provisions of the Surface Mining Control and Reclamation Act of 1977 (SMCRA), and the regulations for the Tennessee Federal Program. Transfer, assignment, or sale of these permit rights is not effective without the approval of the Office of Surface Mining Reclamation and Enforcement.

We were informed on February 25, 2008, by Dave Turner of the Tennessee Department of Environment and Conservation, Division of Water Pollution Control, that NPDES permit No. TN0079898 and the Individual and General Aquatic Resource Alteration Permits (ARAP) permits will be issued upon issuance of the SMCRA permit.

Thirty days after permit issuance, you must pick up the application on file for public review in the Courthouse or it will be discarded. You may contact Doug Siddell at (865) 545-4103, extension 173, if you have any questions.

Sincerely,

  
for Earl Bandy, Director  
Knoxville Field Office

Enclosures

cc: Mr. Michael B. Erp, P.E.  
Southeast Technology, Inc.  
149 Creek Terrace, Suite 2  
Somerset, KY 42501

Mr. Don Owens  
TN WPC

Inspection Group

Jo Gault, Technical Group  
GIS

Elaine Hartmann  
Technical Group

PERMIT NO. 3205

UNITED STATES OF AMERICA  
DEPARTMENT OF THE INTERIOR  
OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

This permit is issued for the United States of America by the Office of Surface Mining Reclamation and Enforcement (OSM) to:

for the surface coal mining and reclamation operation:

Area No. 2  
Campbell County, Tennessee  
Latitude: 36°34'20" N. Longitude: 84°10'02" W.

This permit for an 85.9 acre area becomes effective on March 3, 2008, and expires on March 2, 2013, for a permit term of 5 years.

The permit is issued subject to the following conditions:

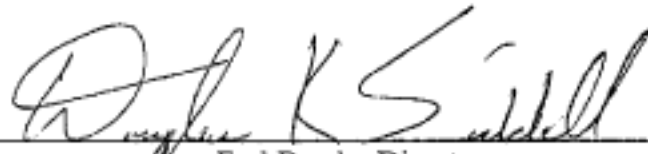
- Sec. 1 The permittee shall conduct surface coal mining and reclamation operations only on those lands that are specifically designated as the permit area on the maps submitted with the application and authorized for the term of the permit and that are subject to the performance bond.
- Sec. 2 The permittee shall conduct all surface coal mining and reclamation operations only as described in the approved application, except to the extent that the OSM otherwise directs in the permit.
- Sec. 3 The permittee shall comply with the terms and conditions of the permit, all applicable performance standards of the Surface Mining Control and Reclamation Act (Act) and the requirements of the Federal Program for Tennessee.
- Sec. 4 The permittee shall allow the authorized representative of the Secretary, including but not limited to inspectors and fee compliance officers, without advance notice, delay, or a search warrant, upon presentation of appropriate credentials to:
- a. Have the right of entry provided for in 30 CFR 842.13; and

- b. Be accompanied by private persons for the purpose of conducting an inspection in accordance with 30 CFR 842, when the inspection is in response to an alleged violation reported to OSM by the private person.
- Sec. 5 The permittee shall take all possible steps to minimize any adverse impacts to the environment or public health and safety resulting from noncompliance with any term or condition of the permit, including but not limited to:
- a. Any accelerated or additional monitoring necessary to determine the nature and extent of noncompliance and the results of the noncompliance;
  - b. Immediate implementation of measures necessary to comply; and
  - c. Warning, as soon as possible after learning of such noncompliance, any person(s) whose health and safety is in imminent danger due to the noncompliance.
- Sec. 6 As applicable, the permittee shall comply with 30 CFR 701.11(d) and subchapter B and K for compliance, modification, or abandonment of existing structures.
- Sec. 7 The operator shall pay all reclamation fees required by 30 CFR Chapter VII, Subchapter R, for coal produced under this permit for sale, transfer or use, in the manner required by 30 CFR Chapter VII, Subchapter R.
- Sec. 8 The permit will be suspended and/or revoked if the permittee fails to resolve to the satisfaction of OSM any non-respondent quarters reportable on OSM-1 or OSM-1A (Coal Production and Reclamation Fee Report) due prior to permit issuance and/or to pay all monies found to be due and owing for those non-respondent quarters for the permittee or any operations owned or controlled by the permittee or any operations owned or controlled by the owners or controllers of the permittee.
- Sec. 9 Wavier(s): None
- Sec. 10 Special Condition(s):
- In the event that Mr. Tim Bolinger's water supply is damaged by the proposed surface coal mining operation and is replaced by \_\_\_\_\_ will pay Mr. Bolinger a one time payment of \$5,000 to prepay the electricity costs to operate the well pump as agreed to in the letter dated December 4, 2007, and signed by Mr. Tim Bolinger and \_\_\_\_\_
- Sec. 11 Provision(s): None

Sec. 12 Appeal Rights:

- a. The permittee has the right to appeal any actions or decisions of any official of OSM, pursuant to 30 CFR 775, within 30 days, by contacting the U.S. Department of the Interior, Office of Hearings and Appeals, 801 N. Quincy St., MS 300-QC, Arlington, VA 22203; or
- b. Under applicable regulations, any action or decision of any other official of the Department of the Interior, arising in connection with this permit.

THE UNITED STATES OF AMERICA

  
\_\_\_\_\_  
for Earl Bandy, Director  
Knoxville Field Office

3/3/08  
Date