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# COMMONWEALTH OF VIRGINIA

*Department of Mines, Minerals and Energy*

Division of Mined Land Reclamation

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[www.dmme.virginia.gov](http://www.dmme.virginia.gov)

August 14, 2017

James C. Justice, III  
Southern Coal Corporation  
P. O. Box 2178  
Beaver, West Virginia 25813

Sent Electronically and by Regular Mail

**RE: Southern Coal Corporation's August 11, 2017 Proposal Regarding - Notice of Bond Forfeiture Determinations – Permit Nos. 1101824, 1101905, 1101914, and 1102052**

Thank you for the company's proposal dated August 11, 2017, to address the reclamation obligations of Permit Nos. 1101824, 1101905, 1101914, and 1102052, so as to preclude the bond forfeiture of each.

The anticipated completion dates specified in the company's August 11, 2017 letter for each permit will be acceptable to DMME, as long as the following conditions are met –

- 1) The equipment to address the reclamation of the four permits is separate from the Reclamation and Maintenance Units of the Agreed Modification to the Second Amendment of the Compliance Agreement, executed as of August 29, 2016. The Reclamation and Maintenance Units must continue to operate in accordance with the schedule and requirements of the Agreed Modification to avoid imposition of the non-compliance daily penalties or further compliance action.
- 2) If the Maintenance Unit is not required to perform maintenance/repair work on other Southern Coal Corporation permits, it may be used to assist work on Permit Nos. 1101824, 1101905, 1101914, and/or 1102052, based upon the DMLR Inspector(s) recommendation.
- 3) If Southern Coal Corporation ceases continuous reclamation work on any of the permits without the expressed written DMME approval, bond forfeiture action will immediately proceed for the appropriate permit(s).

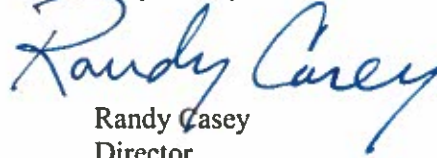
Your written acceptance of these conditions and initiation of reclamation on the dates specified in the company's August 11, 2017 letter, will place the bond forfeiture actions of July 31, 2017 in abeyance.

Please be advised that the company is still subject to the Show Cause Orders of –

- A. July 17, 2017 – A & G Coal Corporation Permit No. 1102057 – work is underway to perform the required maintenance, which upon completion will terminate the show cause order.
- B. July 24, 2017 –
  - 1) Meg-Lynn Land Company, Inc. Permit No. 1101800 – to comply NOV# LJJ0002921 (HR) and CO# JKC0002311 (HR) – maintenance of Haulroad A culvert. The required maintenance (upon completion) will terminate the show cause order.
  - 2) A & G Coal Corporation Permit No. 1101914 – to abate the violations not included in the July 31, 2017 Notice of Bond Forfeiture Determination. This includes the payment of the required renewal fees of \$75,628 by September 11, 2017.
  - 3) Virginia Fuel Corporation Permit No. 1602068 – the payment of anniversary fees of \$14,083 by September 11, 2017.
  - 4) A & G Coal Corporation Permit No. 1102054 – the payment of anniversary fees of \$17,729 by September 11, 2017.

The company's immediate compliance with the Show Cause Orders would result in the vacation of the appropriate show cause order. Non-compliance would proceed to permit suspension or revocation, subject to administrative review.

Respectfully,



Randy Casey  
Director  
Division of Mined Land Reclamation

c: Gavin M. Bledsoe  
Butch Lambert  
Ken Coomer