

COMMONWEALTH OF VIRGINIA
BEFORE THE DEPARTMENT OF MINES, MINERALS AND ENERGY

COMPLIANCE AGREEMENT

Purpose and Jurisdiction

This is a Compliance AGREEMENT entered into between the Department of Mines, Minerals and Energy (DMME), Division of Mined Land Reclamation (DMLR) and the following corporate/business entities collectively hereafter referred to as the Justice Companies - A & G Coal Corporation, Virginia Fuel Corporation, Chestnut Land Holdings, L.L.C., Justice Low – Seam Mining, Inc., Meg-Lynn Land Company, Inc., Black River Coal, L.L.C., and Baden Reclamation Company, Inc. The representations and undertakings provided for herein pertain only to the DMME/DMLR and the Justice Companies.

The Justice Companies are permittees for the coal surface mining permits listed on Attachment A. The DMME has become concerned about timely abatement of violations issued to the Justice Companies' permits, timely payment of outstanding civil penalties associated with the violations listed in Attachment B, and the Justice Companies' level of commitment to perform reclamation and maintenance at both active and inactive permit sites.

The purpose of this AGREEMENT is to provide assurance to DMME that the current and outstanding violations will be timely resolved, permit site maintenance will be done to prevent future violations, and reclamation of the sites as required in the approved detailed plans of the respective permits will be timely accomplished. This AGREEMENT sets out a plan for abatement of current violations, payment of outstanding civil penalties, and for commitments by the Justice Companies to maintain sufficient resources in equipment, personnel, and materials to meet the terms of the AGREEMENT and to communicate with DMLR regarding any deviations from the agreed schedule and/or conditions.

The Justice Companies agree that DMME/DMLR is authorized to enforce the Virginia Coal Surface Mining Control and Reclamation Act (Title 45.1, Chapter 19 of the Code of Virginia, as amended) and the Virginia Coal Surface Mining Reclamation

Regulations (VCSMRR). The Justice Companies further agree that the failure to comply with outstanding enforcement action, specifically failure to abate cessation orders issued under 4VAC25-130-843.11(b) VCSMRR, could result in suspension/revocation of permit(s) and/or forfeiture of performance bond under 4VAC25-130-801.19 and 4VAC25-130-800.50 VCSMRR. It is the Justice Companies' intent and purpose to enter into this AGREEMENT to address the outstanding reclamation obligations so as to preclude permit revocation(s) or performance bond forfeiture(s).

Facts

The Justice Companies and DMME agree to the accuracy of the following facts:

1. A & G Coal Corporation (A & G Coal) is the current permittee of record with the DMLR for active coal surface mining and reclamation operations under permit numbers 1101905, 1101914, 1101916, 1101917, 1101918, 1101954, 1101975, 1101991, 1301992, 1102003, 1102028, 1102042, 1302047, 1302048, 1102051, 1102052, 1502053, 1102054, 1502057, and 1102058 in Wise County.
2. Virginia Fuel Corporation (Virginia Fuel) is the current permittee of record with the DMLR for coal surface mining and reclamation operations under Virginia Coal Surface Mining Operation Permit Nos. 1102059, 1202070, 1302069, 1602078, 1602068, 1602071, 1602072, 1702073, 1602074, 1202076, 1102077, 1202075. Operations are located in Lee, Wise, and Dickenson Counties
3. A & G Coal conducts coal surface mining operations under Baden Reclamation Company, Inc. (Baden Reclamation) Permit No. 1101953 in Dickenson County.
4. Justice Low Seam Mining, Inc. (Justice Low -Seam) is the current permittee of record with the DMLR for coal surface mining and reclamation operations under Virginia Coal Surface Mining Operation Permit No. 1102079 in Tazewell County.

5. Meg-Lynn Land Company, Inc. (Meg-Lynn) is the current permittee of record with the DMLR for coal surface mining and reclamation operations under Virginia Coal Surface Mining Operation Permit Nos. 1101800 and 1101824.
6. As listed in Attachment B, DMLR has issued enforcement action and civil penalties to the Justice Companies' permits for violations of the VCSMRR and/or approved permit requirements.
7. Meg-Lynn's Permit No. 1101824 was issued -
 - (a) Notice of Violation No. JRJ0001143 (violation 1 of 1) on September 17, 2013, requiring the operator to backfill all existing highwall required to be eliminated, regrade and seed all disturbed areas on the permit. No mining activity has occurred on the permit since March 2013, and the 6 month temporary cessation expired on September 14, 2013. The abatement date to comply with NOV# JRJ0001143 was December 17, 2013. Meg-Lynn has not complied with the NOV.
 - (b) Cessation Order No. JRJ0001307 (violation 1 of 1) on December 18, 2013 for failure to comply with NOV# JRJ0001143, violation 1 of 1.
8. A & G Coal's Permit No. 1101905 was issued -
 - (a) Notice of Violation No. JRJ0001187 (violation 1 of 1) on October 8, 2013, requiring the operator to backfill all existing highwall required to be eliminated, regrade and seed all disturbed areas on the permit. No mining activity has occurred on the permit since April 2013, and the 6 month temporary cessation expired on October 5, 2013. The abatement date to comply with NOV# JRJ0001187 was set for January 8, 2014. A & G Coal has not complied with the NOV.
 - (b) Cessation Order No. JRJ000¹³⁵²~~1352~~ (violation 1 of 1) on January 13, 2014 for failure to comply with NOV# JRJ0001187, violation 1 of 1.
9. A & G Coal's Permit No. 1101914 was issued -
 - (a) Notice of Violation No. CEV0008373 (violation 1 of 1) on August 13, 2012, requiring the construction of ponds 4A through 4F and maintenance of other ponds. All

required work has been completed, except for the finishing work on the spillways of Ponds 4A and 4F, The abatement date has been extended to February 1, 2014. A & G Coal has not fully complied with the NOV.

(b) Notice of Violation No. CEV0008858 (violation 1 of 2) on September 25, 2013, requiring the operator to construct and/or reconstruct all diversion ditches on the hollow fills identified. The abatement date of NOV# CEV0008858 (violation 1 of 2) has been extended to March 24, 2014. A & G Coal has not fully complied with the NOV.

(c) Notice of Violation No. CEV0008882 (violation 1 of 1) on October 16, 2013, requiring the company to take all necessary measures so as to bring backfilling and regrading to a current status. No mining activity has occurred on the permit since April 2013, and the 6 month temporary cessation expired on October 5, 2013. The abatement date to comply with NOV# CEV0008882 was set for January 14, 2014. A & G Coal has not complied with the NOV.

(d) Cessation Order No. CEV000---- (violation 1 of 1) on January 15, 2014 for failure to comply with NOV# CEV0008882, violation 1 of 1.

10. Baden Reclamation's Permit No. 1101953 was issued –

(a) Notice of Violation No. WAC0009176 (violation 1 of 3) on June 24, 2013, requiring the backfill and regrade of the highwall in Area 4. The abatement date was set for September 19, 2013. The NOV was not complied.

(b) Notice of Violation No. WAC0009303 (violations 1 and 2 of 2) on September 5, 2013, requiring submittal of revision to revise the plans' cross sections and to backfill and regrade Area 1 or submit notice of temporary cessation. No mining activity has occurred on the permit since before August 2013. The NOVs were not complied by the set abatement dates of Oct. 9, 2013 and Dec. 3, 2013, respectively.

(c) Cessation Order No. WAC0009342 (violation 1 of 1) on September 24, 2013 for failure to comply with NOV# WAC0009176, violation 1 of 3- requiring the backfill and regrade of the highwall in Area 4. A show cause order was issued October 10, 2013 to determine whether the permit should be suspended or revoked.

(d) Cessation Order No. WAC0009427 (violation 1 of 1) on November 22, 2013 for failure to comply with NOV# WAC0009303, violation 1 of 2, requiring submittal of revision to revise the plans' cross sections.

(e) Cessation Order No. WAC0009454 (violation 1 of 1) on December 6, 2013 for failure to comply with NOV# WAC0009303, violation 2 of 2 - to backfill and regrade Area 1 or submit notice of temporary cessation.

(f) Notice of Violation No. WAC0009455 (violation 2 of 4) on December 6, 2013 requiring maintenance of Haulroads D and E and had the set abatement date of January 3, 2014.

(g) Cessation Order No. WAC0009500 (violation 1 of 1) on January 8, 2014 for failure to abate NOV# WAC0009455, violation 2 of 4.

11. A & G Coal's Permit No. 1101954 was issued –

(a) Notice of Violation No. JRJ0001179 (violation 1 of 1) on October 8, 2013, requiring the operator to backfill all existing highwall required to be eliminated, regrade and seed all disturbed areas on the permit. No mining activity has occurred on the permit since March 2013, and the 6 month temporary cessation expired on September 23, 2013. The abatement date to comply with NOV# JRJ0001179 was set for January 8, 2014. A & G Coal has not complied with the NOV.

(b) Cessation Order No. JRJ000¹³⁵⁶---- (violation 1 of 1) on January 13, 2014 for failure to abate NOV# JRJ0001179, violation 1 of 1.

12. A & G Coal's Permit No. 1301992 was issued –

(a) Notice of Violation No. JRJ0000169 (violation 1 of 1) on February 21, 2012 requiring the compliance with Revision Nos. 1005008 and 1002560 – reclamation of silos & disturbed area. The abatement date was extended several times from May 29, 2012 to May 30, 2013. Two of the six silos were demolished.

(b) Cessation Order No. JRJ0000976 (violation 1 of 1) on June 4, 2013 for failure to comply with NOV# JRJ0000169. A & G Coal has not fully complied with the CO.

(c) Determination of bond forfeiture on June 11, 2013 for failure to reclaim the silos and disturbed areas.

13. A & G Coal's Permit No. 1102042 was issued –

(a) Notice of Violation No. STJ0008546 (violation 1 of 1) on June 4, 2013 requiring the operator to bring the backfilling and grading to a current status. No mining activity had occurred on the permit during temporary cessation status, which the 6 month limit expired on May 16, 2013. The abatement date to comply with NOV# STJ0008546 was September 23, 2013. A & G Coal did not comply with the NOV.

(b) Cessation Order No. STJ0008746 (violation 1 of 1) on October 3, 2013 for failure to comply with NOV# STJ0008546. A show cause order was issued November 12, 2013 to determine whether the permit should be suspended or revoked.

14. Va. Fuel's Permit No. 1102059 was issued –

(a) Notice of Violation No. HGC0010204 (violation 1 of 1) on September 6, 2013 requiring the return of sufficient equipment and personnel to resume backfilling of the final pit. No work had been conducted to backfill the final pit since June 25, 2013. The abatement date to comply was set for October 20, 2013. Va. Fuel did not comply with the NOV.

(b) Cessation Order No. HGC0010329 (violation 1 of 1) on November 21, 2013 for failure to abate NOV# HGC0010204.

15. A & G Coal's Permit No. 1502053 was issued Notice of Violation No. LJJ0000693 (violation 2 of 2) on October 22, 2013 requiring the operator to reclaim the facility according to the approved plans. No mining activity has occurred on the permit since the 6 month temporary cessation expired on May 30, 2013. The abatement date to comply with NOV# LJJ0000693 was set for January 23, 2014. A & G Coal has not complied with the NOV.

16. A & G Coal's Permit No. 1502057 was issued Notice of Violation No. JKC0000619 (violation 3 of 3) on September 16, 2013, requiring the operator to backfill all remaining highwalls required to be eliminated, regrade, and seed all disturbed areas. No mining activity has occurred on the permit since the 6 month temporary cessation expired on May 18, 2013. The abatement date to comply with NOV# JKC0000619 was set for December 16, 2013. A & G Coal has not complied with the NOV.
17. Va. Fuel's Permit No. 1602071 was issued Notice of Violation No. JRJ0001317 (violation 1 of 1) on December 30, 2013 requiring the operator to backfill all existing highwall required to be eliminated, regrade, and seed all disturbed areas on the permit. No mining activity has occurred on the permit since June 2013, and the 6 month temporary cessation for the 17.72 acres expired on December 20, 2013. The abatement date to comply with NOV# JRJ0001317 was set for March 28, 2014.
18. Va. Fuel's Permit No. 1602078 was issued Notice of Violation No. JRJ0001315 (violation 1 of 1) on December 30, 2013 requiring the operator to backfill all existing highwall required to be eliminated, regrade, and seed all disturbed areas on the permit. No mining activity has occurred on the permit since June 2013, and the 6 month temporary cessation for the 80.3 acres expired on December 20, 2013. The abatement date to comply with NOV# JRJ0001315 was set for March 28, 2014.
19. As noted in Attachment B, the Justice Companies have an outstanding final civil penalties obligation totaling \$118,630.00 as of January 8, 2014. As provided under §§4VAC25-130-843.13(a)(1) and 4VAC25-130-845.20(e) VCSMRR, the failure to submit a final civil penalty is subject to issuance of a show cause order.

AGREEMENT

DMME and the Justice Companies by their signatures to this AGREEMENT agree as follows:

- A. This AGREEMENT addresses the violations identified herein in *Facts 7 through 19*. Nothing in this AGREEMENT precludes DMME from taking any lawful action(s) regarding additional or subsequent VCSMCRA violations after the date of entry of this AGREEMENT or expiration and non-compliance with any expired or expiring Notice of violation cited herein.
- B. The Justice Companies shall submit to DMME by January 16, 2014 a list of those permits identified in *Facts 7-11 and 13-18* that it has chosen to remain in temporary cessation status. Upon execution of this AGREEMENT, the Justice Companies will submit within 15 days of this signed AGREEMENT, permit revision applications to the DMLR for the permits that will continue in temporary cessation status that shall, pursuant to *Va. Code 45.1-270.3F*, calculate the total estimated cost of reclamation for all portions of the permitted sites which have been and continue to be in temporary cessation for greater than six months. Upon the DMME/DMLR's approval of each revision application, the determined cost bond amount in a form required by 4VAC25-130-800.12(a-e) VCSMRR shall be submitted for that permit to the DMLR within 15 days of the revision's approval. The DMLR may reduce the cost estimate to the applicable Pool Bond level once coal surface mining operations have been reactivated for mining with the necessary spread(s) of equipment at the respective permit for no less than 60 continuous days.
- C. The permits in *Facts 7-11 and 13-18* that will no longer remain in temporary cessation status shall be reactivated for mining with the appropriate spread(s) of equipment (per the respective approved permit's plans) within 30 days of the executed AGREEMENT or reclamation of the disturbed areas will commence as noted in Attachment "D" with the equipment listed in Attachment "C".


- D. Justice Companies shall maintain sufficient resources in equipment, personnel, and materials to meet the terms of this AGREEMENT and to immediately communicate in writing with DMLR (to the attention of the Division Director) regarding any deviation(s) from the agreed schedule (Attachment D) and/or conditions of this AGREEMENT.
- E. In the event equipment malfunction occurs, the Justice Companies shall cause the prompt repair of said equipment necessary for compliance with this AGREEMENT or replacement of such with equivalent functioning equipment within five (5) working days.
- F. The appropriate DMME/DMLR field inspectors and supervisors will be provided a copy of the executed AGREEMENT and shall monitor the compliance activities and progress for each applicable permit. The Inspector will notify the appropriate authorized Justice Companies' representative(s) of the status of progress and any concern regarding compliance for each respective permit. Each site visit will be documented by inspection report that the Inspector will send by electronic mail to the authorized representative(s) of the Justice Companies. A minimum of 1 inspection per month per permit will be conducted by the DMME Inspector. The DMME Inspector may conduct other site visits/inspections on an irregular basis to document compliance progress on each respective permit.
- G. DMME/DMLR field and management staff will be available to discuss the status of compliance work under the AGREEMENT with the Justice Companies representative(s) as requested.
- H. This AGREEMENT does not apply to the required maintenance and monitoring that the Justice Companies must continue to conduct on each permit as set forth in the respective approved permit's plans.
- I. The Justice Companies shall complete the reclamation of Permit No. 1301992 in accordance with Attachment "D", *Item #3* by no later than June 30, 2014. The

DMME/DMLR will initiate performance bond collection in the event the company fails to meet any interim phase/objective per *Item #3*, unless the DMLR has first been sufficiently and timely informed of the reasons for such delay and has agreed to such.

- J. The Justice Companies shall submit the outstanding final civil penalty total of \$118,630 per *Fact #19* to the DMLR with its submittal of the AGREEMENT to DMLR for the DMME's approval and signatures. Payment shall be made by cashier's or certified check made payable to the "Treasurer of Virginia" and be submitted to the attention of the Hearings and Legal Services Officer.
- K. In the event the Justice Companies fail to comply with any provision of this AGREEMENT, without the prior consent or approval of the DMME, the DMME shall proceed with action to revoke and render a bond forfeiture determination of the particular permit(s). The Justice Companies shall have the right to request, in writing, administrative review of any subsequent show cause order or bond forfeiture determination within the applicable time limits set under the VCSMRR.
- L. The Justice Companies agree by their authorized representative's signature hereto that they have received full and fair process in this matter including all due process rights guaranteed under the constitutions of the United States and the Commonwealth of Virginia, as well as those rights extended by Virginia's Administrative Process Act, §2.2-4000A and the sections following it, as well as the VCSMCRA, as currently amended. The Justice Companies hereby waive the right to any hearing or other administrative proceeding authorized or required by law or regulation herein regarding the issuance of the enforcement action and civil penalties listed in *Facts 7-19* herein. Nothing, however, in this AGREEMENT shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by DMME to enforce this AGREEMENT.

Signatory Page

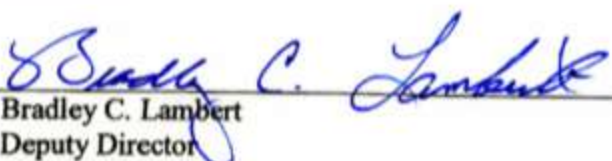
By signature below, the Justice Companies voluntarily accept this AGREEMENT.

By:  _____ 1-10-14
Print: _____ Date
Name: James C. Justice, III
Title: Executive Vice President
For: James C. Justice Companies, Inc.

By signature below, the Director for the Division of Mined Land Reclamation acknowledges receipt of the signed AGREEMENT from The Justice Companies.

By:  _____ 1/13/14
Randy Casey Date
Title: Director,
For: Division of Mined Land Reclamation

By signature below, I hereby approve and accept this AGREEMENT, effective this date.

By:  _____ 1/13/14
Title: Bradley C. Lambert Date
Deputy Director
For: Department of Mines, Minerals and Energy

Attachment "A"

Permittee	CSMO Permit
A & G Coal Corporation	1101905
	1101914
	1101917
	1101918
	1101954
	1101975
	1101991
	1301992
	1102003
	1102028
	1102042
	1302047
	1302048
	1102051
	1102052
	1502053
	1102054
	1502057
	1102058
Airway Resources, L.L.C.	1301742
Baden Reclamation Company, Inc.	1101953
Cane Patch Mining Company, Inc.	1101554
Chestnut Land Holdings L.L.C.	1302066
Justice Low-Seam Mining, Inc.	1102079
Meg-Lynn Land Company, Inc.	1101800
	1101824
Virginia Fuel Corporation	1102059
	1602068
	1202070
	1602071
	1602072
	1702073
	1602074
	1602078

Attachment "B"
Outstanding Violations and Final Civil Penalties

Permit	Company	NOV#	CO#	PSC	Issued	Abatement date	Description
1301742	Airway Resources LLC	LJJ0000452		AO			Penalty of \$385
1101800	Meg-Lynn Land Co. Inc.	LJJ0000149		WM			Penalty of \$420
1101800	Meg-Lynn Land Co. Inc.	LJJ0000149		HR			Penalty of \$495
1101824	Meg-Lynn Land Co. Inc.	JRJ0001143		BR	17-Sep-13	17-Dec-13	backfilling & regrading & seed disturbed areas.
1101824	Meg-Lynn Land Co. Inc.		JRJ0001307	BR	18-Dec-13	NA	Fta NOV# JRJ0001143 BR
1101822	A & G Coal Corp.	DLH0008825		SS			Penalty of \$440
1101905	A & G Coal Corp.	JRJ0001187		BR	08-Oct-13	8-Jan-14	TC expired 10/5/13
1101905	A & G Coal Corp.		JRJ0001082	RV			Penalty of \$22,500
1101914	A & G Coal Corp.	CEV0008858		DS	25-Sep-13	2-Dec-13	diversions breached
1101914	A & G Coal Corp.	CEV0008882		BR	16-Oct-13	14-Jan-14	TC expired 10/5/13 backfilling & regrading
1101953	Baden Reclamation Co. Inc.	WAC0009176		HR			Penalty of \$440
1101953	Baden Reclamation Co. Inc.	WAC0009176		BR			Penalty of \$790
1101953	Baden Reclamation Co. Inc.	WAC0009303		AO	05-Sep-13	15-Nov-13	RON# WAC0009220 not complied - revision
1101953	Baden Reclamation Co. Inc.	WAC0009303		BR	05-Sep-13	3-Dec-13	failure to submit TC notice Area 1
1101953	Baden Reclamation Co. Inc.		WAC0009342	BR	24-Sep-13	NA	fta NOV WAC0009176 BR in area 4 Show Cause Order Oct. 10, 2013
1101953	Baden Reclamation Co. Inc.		WAC0009427	AO	11/22/13	NA	Fta NOV# WAC0009303 AO
1101953	Baden Reclamation Co. Inc.		WAC0009454	BR	5-Dec-13	NA	Fta NOV# WAC0009303 BR – Area 1
1101953	Baden Reclamation Co. Inc.	WAC0009455		AO	4-Dec-13	3-Jan-14	Anniversary materials
1101953	Baden Reclamation Co. Inc.	WAC0009455		HR	4-Dec-13	3-Jan-14	Haulroad D
1101953	Baden Reclamation Co. Inc.	WAC0009455		SM	4-Dec-13	3-Jan-14	Permit sign
1101954	A & G Coal Corp.	JRJ0000859		AO			Penalty of \$225
1101954	A & G Coal Corp.	JRJ0001016		RV			Penalty of \$515
1101954	A & G Coal Corp.	JRJ0001179		BR	08-Oct-13	8-Jan-14	TC expired 9/23/13
1101975	A & G Coal Corp.	LJJ0000475		RV			Penalty of \$515
1301992	A & G Coal Corp.	JRJ0000169		AO	21-Feb-12	30-May-13	Remove silos
1301992	A & G Coal Corp.		JRJ0000976	AO	14-Jun-13	NA	Fta NOVJRJ0000169 AO - silos
1102003	A & G Coal Corp.	RDS0009637		AO			Penalty of \$290
1102028	A & G Coal Corp.	JRJ0000941		AO			Penalty of \$270
1102028	A & G Coal Corp.		JRJ0001084	RV			Penalty of \$22,500
1102042	A & G Coal Corp.	STJ0008546		BR			Penalty of \$1,215

Permit	Company	NOV#	CO#	PSC	Issued	Abatement date	Description
1102042	A & G Coal Corp.	STJ0008548		RV			Penalty of \$495
1102042	A & G Coal Corp.	STJ0008546		BR	31-May-13	23-Sep-13	Backfill & regrade
1102042	A & G Coal Corp.		STJ0008746	BR	03-Oct-13	NA	fta NOV#STJ0008546 BR
1102052	A & G Coal Corp.	CEV0008746		AO			Penalty of \$405
1102052	A & G Coal Corp.	CEV0008746		RV			Penalty of \$555
1102052	A & G Coal Corp.		CEV0008799	RT			Penalty of \$22,500
1102052	A & G Coal Corp.	LJJ0000603		BR			Penalty of \$405
1502053	A & G Coal Corp.	LJJ0000693		BR	22-Oct-13	23-Jan-14	TC expired 5/30/13
1102054	A & G Coal Corp.	LJJ0000420		OT			Penalty of \$225
1502057	A & G Coal Corp.	KXC0008501		AO			Penalty of \$310
1502057	A & G Coal Corp.	JKC0000428		RV			Penalty of \$440
1502057	A & G Coal Corp.	JKC000619		BR	16-Sep-13	16-Dec-13	TC expired 5/18/13 backfill regrade
1502057	A & G Coal Corp.	JKC000619		SS	16-Sep-13	16-Dec-13	Ponds A3 & A5 need clean out
1102058	A & G Coal Corp.	LJJ0000417		RT			Penalty of \$270
1102058	A & G Coal Corp.	LJJ0000597		RT			Penalty of \$310
1102059	A & G Coal Corp.	HGC0010076		RV			Penalty of \$770
1102059	A & G Coal Corp.		HGC0010160	RV			Penalty of \$17,250
1102059	Va. Fuel Corp.	HGC0010204		BR	06-Sep-13	20-Nov-13	backfill & regrade
1102059	Va. Fuel Corp.		HGC0010329	BR	21-Nov-13	NA	fta NOV# HGC0010204 BR
1602068	Va. Fuel Corp.	STJ0008550		RV			Penalty of \$495
1602068	Va. Fuel Corp.		STJ0008623	RV			Penalty of \$22,500
1602071	Va. Fuel Corp.	JRJ0001317		BR	30-Dec-13	28-Mar-14	TC expired 12/15/13
1702073	Va. Fuel Corp.	KXC0008422		HR			Penalty of \$675
1602074	Va. Fuel Corp.	JRJ0000939		AO			Penalty of \$310
1602074	Va. Fuel Corp.	KXC0008424		HR			Penalty of \$495
1602078	Va. Fuel Corp.	JRJ0001315		BR	30-Dec-13	28-Mar-14	TC expired 12/20/13
1602078	Va. Fuel Corp.	JRJ0000988		RV			Penalty of \$515
1102079	Justice Low Seam Mining, Inc.	TMM0008380		RT			Penalty of \$385
1102079	Justice Low Seam Mining, Inc.	TMM0008514		RT			Penalty of \$850
1402094	Black River Coal LLC	TMM0008631		AO	10-Dec-13	2-Jan-14	Failure to submit anniversary fees
1402094	Black River Coal LLC		TMM0008657	AO	3-Jan-14	NA	Fta NOV# TMM0008631 AO

Attachment "C"

Equipment

1 - D-6 Bulldozer

1 - D-8 Bulldozer

1 - 155 Bulldozer

1 - 275 Bulldozer

2 – Articulated Trucks

2 – 325 Komatsu Hydraulic Excavators

1 – 320 Komatsu Long Arm Excavator

Work Crew/Operators

Minimum of 35 hours/person/week

Minimum of 140 hours/person/month

Attachment "D"
Reclamation Schedule

1. **Permit No. 1102042** – Beginning the week of January 6, 2014, a 325 Komatsu excavator and D-8 Caterpillar bulldozer will commence operation to reclaim all disturbed areas of the permit in accordance with the approved permit plans. The pieces of equipment and personnel shall be operated as a unit for not less than 140 hours per month (35 hours per week). An articulated truck (30-35 ton capacity) will be provided as necessary to accomplish the required backfilling and regrading in an expeditious manner. Seeding will follow highwall elimination as it progresses. Temporary seeding will be conducted if directed by the DMLR Inspector on reclaimed areas until such time that permanent seeding may be accomplished (commencing March 15, 2014). It is anticipated that reclamation of the disturbed areas will be completed by August 1, 2014.
2. **Permit No. 1101953** – Beginning no later than the week of January 20, 2014, a 325 Komatsu excavator and 155 Komatsu bulldozer will commence operation to reclaim all disturbed areas of increment Areas 1 and 4 in accordance with the approved permit plans. The pieces of equipment and personnel shall be operated as a unit for not less than 140 hours per month (35 hours per week) – for January 2014, the unit will be used for 105 hours. For the other increment areas that are in temporary cessation status of 6 months or longer, the Justice Companies shall submit the applicable cost bonds under Va. Code 45.1-270.3 F and *Item B* of the AGREEMENT. Temporary seeding will be conducted if directed by the DMLR Inspector on reclaimed areas until such time that permanent seeding may be accomplished (commencing March 15th).
The Justice Companies shall comply with NOV# WAC0009455 (violations 1, 2, and 3 of 4) by no later than January 3, 2014 or by any extension date granted by the DMME/DMLR Inspector. Failure to comply would result in the issuance of the appropriate failure to abate cessation.
3. **Permit No. 1301992** – Drilling of the four (4) standing silos in preparation of demolition will begin the week of January 13, 2014 and will be completed by the week of March 10, 2014. Demolition of the 4 silos will occur the week of March 17, 2014. The reclamation of the demolished silos, debris, and disturbed areas will be completed by June 30, 2014. The final regrade configuration will be covered with suitable material that will establish a root zone and vegetation. The Justice Companies will notify DMME of the blasting/demolition contractor as soon as the contract between the contractor and the Justice Companies is executed.
4. **Permit No. 1102059** – The Justice Companies is currently in negotiations to obtain a sublease agreement with Alpha Natural Resources for additional coal reserves adjacent to this permit. As no mining has occurred on this permit since June 25, 2013, the Justice Companies shall submit the applicable cost bonds under Va. Code 45.1-270.3 F and *Item B* of the AGREEMENT for this permit.

5. **Permit No. 1101824 and 1101905** - Beginning the week of January 13th, a 155 Komatsu and a 275 Komatsu, will be in operation on these permit areas eliminating highwall as well as performing final reclamation on the down slope areas. The pieces of equipment and personnel shall be operated as a unit for not less than 140 hours per month (35 hours per week) – for January 2014, the unit will be used for 105 hours.

In the event reclamation operations are not commenced by the beginning of February 2014, and due to the fact that no mining has occurred in over 6 months, the Justice Companies shall submit the applicable cost bonds under Va. Code 45.1-270.3 F and *Item B* of the AGREEMENT for these permits.

Temporary seeding will be conducted if directed by the DMLR Inspector on reclaimed areas until such time that permanent seeding may be accomplished (commencing March 15th). The anticipated completion deadline of reclamation is the end of July, 2014. If due to unforeseen events such as adverse weather or safety issues at this site, the Justice Companies will immediately (within five working days) submit to DMME an explanation of the events that caused the delay(s) and an anticipated timeframe to restart reclamation work at the site (due to the unexpected delay) and any impact to the original completion date of July 2014. If deemed necessary for stabilization temporary seed mixes may be applied to prevent erosion on final graded areas during the winter.

6. **Permit No. 1101914** – The Justice Companies plan to begin reclamation on this permit commencing the beginning of no later than the week of January 13, 2014. A Caterpillar D-6 bulldozer, Komatsu 325 excavator, and a 35 ton haul truck with support of an additional bulldozer will be in operation. The pieces of equipment and personnel shall be operated as a unit for not less than 140 hours per month (35 hours per week) – for January 2014, the unit will be used for 105 hours.

In the event reclamation operations are not commenced by the beginning of February 2014, and due to the fact that no mining has occurred in over 6 months, the Justice Companies shall submit the applicable cost bonds under Va. Code 45.1-270.3 F and *Item B* of the AGREEMENT for this permit.

Temporary seeding will be conducted if directed by the DMLR Inspector on reclaimed areas until such time that permanent seeding may be accomplished (commencing March 15th). The anticipated completion deadline of reclamation is the end of June 2015, as additional reserves remain. If due to unforeseen events such as adverse weather or safety issues at this site, the Justice Companies will immediately (within five working days) submit to DMME an explanation of the events that caused the delay(s) and an anticipated timeframe to restart reclamation work at the site (due to the unexpected delay) and any impact to the original completion date of July 2014. If deemed necessary for stabilization temporary seed mixes may be applied to prevent erosion on final graded areas during the winter.

The Justice Companies shall comply with NOV# CEV0008373 (violation 1 of 1) by no later than February 1, 2014 or by any extension date granted by the DMME/DMLR Inspector. Failure to comply would result in the issuance of the appropriate failure to abate cessation order(s).

TO: JAMES C JUSTICE COMPANIES, INC
302 S JEFFERSON ST
ROANOKE, VA 24011

RECEIPT

RECEIPT	DATE	AMOUNT	RECEIVED FROM:	POSTED
059286	01/13/14	118,630.00	JAMES C JUSTICE COMPANIES, I	BY DWW

CASH	CHECK	PERMIT:
N	6885701033	

DESCRIPTION	RECEIPT DETAIL		QUANTITY	AMOUNT
		PERMIT #		
Civil Penalty Assessment			1.00	118,630.00

		BOND INFORMATION	AMOUNT
TYPE	COMPANY		
TRAN	ID NO.		

COMMENT: COMPLIANCE AGREEMENT

006857

11-24

Office AU #

1210(8)

CASHIER'S CHECK

6885701033

Operator I.D.: va003034

va003037

January 10, 2014

PAY TO THE ORDER OF *****TREASURER OF VIRGINIA***
RE: A & G COAL CORPORATION**

*****One hundred eighteen thousand six hundred thirty dollars and no cents*****

****\$118,630.00****

WELLS FARGO BANK, N.A.
701 PARK AVE SW
NORTON, VA 24273
FOR INQUIRIES CALL (800) 394-3122


AUTHORIZED SIGNATURE

VOID IF OVER US \$ 118,630.00

AUTHORIZED SIGNATURE

⑈6885701033⑈ ⑆121000248⑆4861 509719⑈