

MR-2

STATE OF WEST VIRGINIA

NEW PERMIT

Department of Environmental Protection



PERMIT NUMBER O201312

Issue Date February 10, 2015

NPDES NUMBER WV1027018

Expiration Date February 10, 2020

PERMIT

TO ENGAGE IN SURFACE MINING

Issued To:

NORTH CENTRAL RESOURCES, LLC

County Barbour Nearest Post Office Volga Limited To 279.62 Acres

Pursuant to Article 3, Chapter 22 of the Code of West Virginia, a PERMIT is hereby granted to the above named permittee to engage in surface mining in the state of West Virginia. As a condition of this permit, all surface coal mining and reclamation operations shall be conducted as described in and in compliance with the complete application and only on those lands specifically designated on the map(s) submitted. All operations shall be conducted to prevent significant imminent environmental harm to the health or safety of the public. The permittee shall, as soon as possible after learning of such condition or of noncompliance with any term or condition of the permit, warn any person whose health and safety is in imminent danger and the permittee shall immediately commence implementation of measures necessary to comply and shall also accelerate or provide the additional monitoring necessary to determine the nature and extent of such noncompliance.

The following are special terms and conditions of this permit: 1) The permittee shall notify the inspector five (5) days prior to beginning of operations unless operations begin within five (5) days of permit issuance; 2) The permittee shall obtain a NPDES (402)* Permit prior to initiation of mining activities; the NPDES Permit must be maintained through final release of this permit; 3) No instream work or filling activities can commence in waters of the U. S. until 404* Authorization is granted by the U.S. Army Corps of Engineers and its associated State (401)* Water Quality Certification is made; 4) MSHA approval must be obtained prior to initiation of any construction activities.

(*note: 401, 402 and 404 refer to applicable Sections of the Clean Water Act)

5) No disturbance shall be allowed on this permitted area until such time that all applicable workers on this site are covered by a workers compensation account approved by the West Virginia Insurance Commission and a sufficient wage bond approved by the West Virginia Division of Labor.

6) Prior to disturbance the Company shall provide documentation showing approval of this plan by MSHA.

A copy of this PERMIT and the complete approved application upon which it is based shall be kept at the site of operations at all times.

Randy C. Huffman SECRETARY, Department of Environmental Protection

2/10/2015 DATE

Howard D. Ward By: Director, Division of Mining and Reclamation

**DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF MINING AND RECLAMATION
PERMITTING SECTION**

APPLICANT: North Central Resources, LLC.

SMA/PERMIT NO. O201312 SMA

NPDES NO. WV1027018 NPD

FACTS AND FINDINGS

ADDENDUM TO NEW or SIGNIFICANT REVISION OF A PERMIT

The Secretary of the West Virginia Department of Environmental Protection (DEP) has found that the following applies to this application:

1. The application is accurate and complete and all of the requirements of Article 3 of Chapter 22 of the Code and the Rules and Regulations promulgated thereunder have been complied with.
2. The applicant has demonstrated that reclamation as required by Article 3, Chapter 22 of the Code can be accomplished under the reclamation plan contained in the application.
3. An assessment of probable cumulative impact of all anticipated mining in the area on the hydrologic balance has been made by the Secretary and the proposed operation has been designed to prevent material damage to the hydrologic balance outside the permit area.
4. The area proposed to be mined is not included within an area designated or under consideration of unsuitable for surface mining subject to the prohibitions or limitations of subsection (d) Section 22 of the Act and is not within an area under administrative study by the Department of Environmental Protection for such designation.
5. The proposed surface mining will not affect the continued existence of endangered or threatened species or result in destruction or adverse modification of their critical habitats, as determined under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.).
6. The area proposed to be mined is not on any lands subject to the prohibitions or limitations in Sections 22-3-22(d)(1), (d)(2), (d)(3), (d)(4) and (d)(5) except as provided in 22-3-22(d)(4) of the Code.
7. The applicant has submitted proof or made the demonstration that all current violations are in the process of being corrected in accordance with Section 3.32.c.1. and 2. of the Rules and Regulations.
8. The applicant or the operator if other than the applicant does not control or has not controlled mining operations with a demonstrated pattern of willful violations of the State Code of such nature and duration with such irreparable damage to the environment as to indicate an intent not to comply with the provisions of the Code.
9. Surface coal mining and reclamation operations to be performed under the permit will not be inconsistent with other such operations anticipated to be performed in areas adjacent to the proposed permit area. The application 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.

10. The operator shall submit bond as required by Section 22-3-11 of the Code prior to the issuance of a permit.
11. The applicant has, with respect to prime farmland, made a negative determination or satisfied the requirements of Section 22-3-18(d)(1) of the Code.
12. The proposed post-mining land use of the permit area is approved in accordance with 22-3-13-(b)(2) of the Code.
13. The permittee shall conduct its operations:
 - A. In accordance with any measures specified in the permit as necessary to prevent significant, imminent environmental harm to the health or safety of the public; and
 - B. utilizing any methods specified in the permit by the Secretary in approving alternate methods of compliance with the performance standards of the Code and the federally approved regulatory program.
14. The applicant has satisfied the applicable requirements for experimental practices, mountain top removal mining, variances from approximate contour, prime farmland, steep slope mining, variance for delay in contemporaneous reclamation in situ processing, auger mining, and coal preparation plants not located within the permit area of a mine, when such are proposed in the application.
15. The permittee shall conduct all surface coal mining and reclamation operations only as described in the approved application, except to the extent that the Secretary otherwise stipulates in the permit.
16. The permittee shall allow rights of entry as provided by 22-3-15(a) and (g) of the Code. Without advance notice, delay, or a search warrant, upon presentation of appropriate credentials, the permittee shall allow the authorized representatives:
 - A. of the DEP authority to have the right to entry; and
 - B. of the DEP authority to be accompanied by private persons for the purpose of conducting an inspection, when an inspection is in response to an alleged violation reported to the regulatory authority by the private person.
17. For permits where the Secretary has approved a long-term, intensive agricultural post-mining land use, the permittee may be exempted from the revegetation requirements of Section 9 of the Rules and Regulations.

In addition, the following marked as "YES" have been found to apply to this application.

- | YES | NO | |
|-------------------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 1. In cases where the private mineral estate has been severed from the private surface estate, the applicant has submitted evidence of his right to extract the coal by surface mining methods. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 2. The chemical analysis requirements of 22-3-9(a)(14) of the Code have been found to be unnecessary and a statement of the test borings or core samples have been waived. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 3. Approval is granted for the use of off-site geologic data in accordance with Section 3.23(f)(6) of the Rules and Regulations. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 4. The requirements for submission of soil surveys have been waived. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 5. The proposed operation is within one-hundred feet of the outside right-of-way of a public road and it has been determined that the interest of the public and the landowners affected thereby will be protected. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. Approval is granted for the long-term agricultural post-mining land use as part of the mining and reclamation plan. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 7. Approval is granted for the placement of spoil material outside the permit area and it has been determined that environmental harm will not result from such placement. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. The applicant has paid all federal reclamation fees. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 9. The proposed operation will adversely affect a public park or a publicly owned place listed on the National Register of Historic Places and the federal, state, or local agency with jurisdiction over such entity has approved the mining operations. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 10. The remainder of the Subsidence Control Plan for underground mines has been waived because it has been determined from the Subsidence Control Plan survey that no material damage or diminution of value or foreseeable use of the land could be caused by subsidence. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. Approval is granted for disturbance by surface mining operations within one-hundred feet of an intermittent or perennial stream. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 12. Approval is granted to locate a sediment control structure in a perennial stream and the Secretary finds that there is not other suitable location for such structure. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 13. The criteria of 22-3-13(b)(15) of the Code have been met and the provisions of Section 38-2-6.5(g) through (k) and Section 38-2-6.6 of the Rules and Regulations have been waived for specific utility structure(s). |


PERMIT SUPERVISOR

December 23, 2014
DATE

WAIVER OR VARIANCE APPROVAL

This sheet must be completed for each variance or waiver requested in Section L of the application.

North Central Resources, LLC

O201312 SMA

Variance/Waiver Requested Within 100' of a stream Section P-1

Explain Applicant's justification for request:

Portions of the proposed disturbance essential for the operation of this proposed refuse facility are within 100 feet of perennial and intermittent stream segments of an unnamed tributary of/and Indian Fork of Elk Creek of West Fork River, Left Branch of Gnatty Creek of Elk Creek and Big Run of Buckhammon River of Tygart River. Please see the *Stream and Wetland Delineation Map*.

A. Adversely affect the water quantity of the stream:

The construction of the proposed refuse facility and associated structures will not have permanent impacts on the water quantity of the streams. The project has been analyzed for pre-during and post mining flows. Based upon these analyses the proposed refuse area will not increase runoff volumes from the site. It is suspected that flow from the site will be temporarily lessened during the initial phases of construction. However this is anticipated to return to normal flows once the refuse cells have been equalized.

B. Adversely affect the water quality of the stream:

The project is not anticipated to adversely affect water quality outside of the project area. The applicant will be required to comply with site specific discharge limitations on all NPDES outlets. Additionally, the material to be placed within the refuse area has been tested and will be treated as required.

C. Adversely affect other environmental resources of the stream:

Streams within the permit area will be filled, however resources outside of the permit boundary are not anticipated to be materially affected due to the site specific NPDES limitations and the application of appropriate Best Management Practices and Sediment Control. Mitigation proposed within the affected watershed as part of the 404/401 permits will improve environmental resources.

D. Cause or contribute to violations of applicable state or federal water quality standards:

The permittee will not cause or contribute to violation of applicable state or federal water quality standards. The permittee will comply with all applicable state and federal water quality standards, and comply with all reporting requirements of the National Pollutant Discharge Elimination System (NPDES) monitoring program. The best management practices, as outlined in this narrative, will be employed to prevent any cause or contribution to violations of applicable laws.

Information sources used by WVDEP in addition to that present in the application:

A preinspection was held on March 19, 2013.

Explain WVDEP's justification for findings and approval:

1. The applicant proposes to permit 279.62 acres in order to construct a refuse facility to support deep mining operations. The proposed refuse area is within 100 feet of perennial and intermittent stream segments of an unnamed tributary of/and Indian Fork of Elk Creek of West Fork River, Left Branch of Gnatty Creek of Elk Creek and Big Run of Buckhannon River of Tygart River.
2. These streams will be filled during mining. Consequently a 404 USACE permit and 401 State Certification are required. Temporary and permanent sediment control is being used. Revegetation is planned to reduce stream impacts.
3. Proper construction techniques should insure that there are no adverse effects to related environmental resources, water quantity or quality of the stream. In addition, by meeting the prescribed limits within the NPDES permit, the proposed disturbance will not cause or contribute to violations of applicable State and Federal water quality standards. Mitigation required as part of the 404/401 permit is designed to improve environmental resources within the watershed.

Request meets the regulatory requirement? Yes No

Variance/Waiver Approved? Yes No

DEP Engineer *Clarence E. Wright*

December 23, 2014
Date

WAIVER OR VARIANCE APPROVAL

This sheet must be completed for each variance or waiver requested in Section L of the application.

North Central Resources, LLC

O201312 SMA

Variance/Waiver Requested In-stream drainage control Section P-2

Explain Applicant's justification for request:

Pond 1 is an existing in-stream pond that will be upgraded.

Information sources used by WVDEP in addition to that present in the application:

A preinspection was held on March 19, 2013.

Explain WVDEP's justification for findings and approval:

1. Pond 1 is an existing in-stream pond that will be upgraded. This is the most practical location due to the existing disturbance.
2. Temporary and permanent sediment control will be used to control sediment.
3. The company has applied for a 404 permit from the Corps of Engineers and a 401 permit from the state of West Virginia. Construction cannot begin until the permits are obtained.

Request meets the regulatory requirement? Yes No

Variance/Waiver Approved? Yes No

DEP Engineer Clarence C. Wright

December 23, 2014
Date

WAIVER OR VARIANCE APPROVAL

This sheet must be completed for each variance or waiver requested in Section L of the application.

North Central Resources, LLC

O201312 SMA

Variance/Waiver Requested Postmining land use change **Section** F-4

Explain Applicant's justification for request:

The applicant proposes an alternative postmining land use for the SMA from a pre-mining land use of forestland, hayland/pasture, rangeland and previously mined and not reclaimed to a proposed post-mining land use of hayland/pasture. This is compatible with adjacent land use and local zoning laws. A reclamation plan is provided to achieve this land use and the proposed land use change was included within the advertisement.

Information sources used by WVDEP in addition to that present in the application:

A preinspection was held on March 19, 2013.

Explain WVDEP's justification for findings and approval:

1. The applicant proposes to change the postmining land use to hayland/pasture from a pre-mining land use of forestland, hayland/pasture, rangeland and previously mined and not reclaimed per the request by the landowner.
2. The reclamation plan is provided to achieve this land use and it is compatible with adjacent lands.
3. The post mining land use does not present any actual or probable hazard to the public health, or threat of water diminution or pollution.
4. The land use change was advertised and there were no comments on the proposed change.

Request meets the regulatory requirement? Yes No

Variance/Waiver Approved? Yes No

DEP Engineer *Clairne E. Wright* December 23, 2014
Date