BROOKS RUN MINING COMPANY, L.L.C. 25 LITTLE BIRCH ROAD SUTTON, WEST VIRGINIA 26601

STATUS OF COMPENSATORY MITIGATION FOR THE SEVEN PINES SURFACE MINE

PROJECT SITE UN-NAMED TRIBUTARY OF THE LEFT FORK OF WOLF CREEK

BRAXTON COUNTY WEST VIRGINIA

PREPARED BY:

P. O. BOX 946
402 HEROLD COURT
SUMMERSVILLE, WV 26651
(304) 872-6331

BROOKS RUN MINING COMPANY, LLC WOLF CREEK STREAM MITIGATION PROJECT

BACKGROUND

Under Section 404 (a) of the Clean Water Act (CWA), permits issued by the U. S. Army Corps of Engineers (Corps) require specific mitigation activities for resources adversely affected by activities authorized by permits issued by the Corps. In conjunction with their Seven Pines surface mine located near Erbacon, Webster County, West Virginia, Brooks Run Mining Company, LLC (Brooks Run) received approval from the Corps to construct nine (9) permanent fills and eleven (11) temporary sediment control structures. The structures are all located within jurisdictional waters of the Corps on tributaries of the Birch and Elk Rivers. The project area for the mine is shown on the map labeled Figure 1.

A Compensatory Mitigation Plan dated August, 2004 was prepared by Summit Engineering, Inc. for Brooks Run detailing the mitigation projects required in conjunction with the issuance of the 404 (a) permit. The plan was subsequently reviewed and approved by the Corps, as well as the West Virginia Department of Environmental Protection (WVDEP).

As part of the mitigation plan, an off-site project was selected on an unnamed tributary of the Left Fork of Wolf Creek of the Elk River in Braxton County. The project location is shown on Figure 2. A coal preparation plant and underground mine operated by Oneida Coal Company were previously located on the site and the WVDEP Article 3 permits (UO-359 and P-526) were transferred to a predecessor company of Brooks Run on December 18, 1997 as part of an acquisition. The facilities were never operated by Brooks Run and the company dismantled the preparation plant and completed reclamation of the site in 2001.

Much of the un-named tributary flowing through the permit area was enclosed in large diameter culvert pipe and the approved reclamation plan specified removal of the culverts and construction of a rock rip-rip channel over two thousand (2000) feet long, designed to pass a 100 year storm event. Brooks Run constructed the channel per plan, utilizing shot sandstone rock available near the site, nominally 12 to 24 inches in size. While this channel provided the desired erosion protection, there was no visible flow in numerous sections of the stream and water could only be detected by closely observing the ground between selected rocks. Photographs of the area taken in 2004 are attached.

SCOPE OF PROJECT

In short, the objective of the stream mitigation plan was replacement of the rock rip-rap channel with a naturally functioning stream to provide appropriate plants, trees and biologic habitat to promote aquatic life and provide habitat for other wildlife in the area. The mitigation area began just below the discharge from in-stream sediment Pond No. 13 and extended to the mouth of the unnamed tributary at the intersection of the Left Fork of Wolf Creek, a distance of approximately 2,300 feet. The restoration plan specified construction of a stream channel designed to handle a one (1) year, twenty-four (24) hour rainfall event within the confines of the previously constructed channel along with a larger constructed flood plain to accommodate larger flows. A drawing of the typical cross-sections for the stream from the approved plan is included.

In addition, twenty-three (23) structures, such as log dams, boulders, deflectors, etc. were required to be placed in the new channel to enhance the stream. The specific type and location of each enhancement structure was specified in the approved plan (copy attached) and constructed accordingly. Upon completion of the stream enhancements, grasses and trees as outlined in the approved plan were required to be planted.

STREAM RESTORATION WORK

During the third quarter, 2006, Brooks Run employed Criste Engineering Services (Criste) of Summersville, West Virginia, to prepare bid specifications and solicit bids for the stream restoration work from a list of area contractors provided by Brooks Run, with a bid deadline of October 16, 2006. Subsequently, Brooks Run selected Breakaway, Inc. of Sutton, West Virginia, to perform the work.

Criste was then employed to monitor the construction work and began by performing a baseline survey of the work area, staking reference points for the construction company and marking the locations of all required stream enhancement structures. Breakaway, Inc. moved equipment on site during the last week of November, 2006, and installed temporary sediment controls in preparation for stream reconstruction.

The initial work consisted of removal of much of the existing large rock rip-rap and construction of the new stream channel with a substrate of cobbles, pebbles, sand and silt along with smaller rip-rap materials. A survey crew checked the channel on a regular basis to assure conformity to the required stream cross-sections. Upon completion of the stream channel configuration, the enhancement structures were constructed utilizing materials found in the project area. Work on the project occurred sporadically due to the holidays and winter weather but was completed at the end of March, 2007.

Prior to initiating construction, Gary Criste and Gary Meade, biologist with the WVDEP, reviewed the site at Criste's request for any concerns or suggestions for the stream restoration. Gary Meade visited the site again on March 23, 2007, at Criste's request to view the nearly completed work. Photographs of the completed site taken in early April, 2007, are attached.

Hydroseeding of the area was completed in May, 2007, with the mixture of grasses outlined in the approved plan. In the spring of 2008, Williams Forestry planted a mixture of trees in the project area consisting of eight hundred (800) each of alder, sycamore and willow trees.

MONITORING

Periodic site visits are made to examine the results of the stream mitigation work and check for any problems. Through the seasonal flows of the stream and distribution of sediments (as aided by the installed structures) the stream bed has developed into a natural channel of varying sized substrates with ripples and small pools clearly visible in the flowing waters. Minnows have also been observed in pools throughout the reach of the mitigated portion of the stream. Vegetation growth in the project area has been very good, with trees, cattails and other heavy vegetation growing along the stream within and adjacent to the constructed flood plain. Some native sycamore trees were maintained during the construction process and have continued to grow well.

No stream bank erosion problems or bank stability problems have been observed during the site visits to-date. Other than some logging by surface owners near the head of the watershed, there have been no activities within the watershed which would affect the waters in the stream since completion of the project. The existing pond above the mitigated section of stream provides some sediment control for the area to offset any impact to the stream.

2009 represents the one year mark since completion of the last plantings on site. During the spring of 2010, a field assessment of the site will be conducted to sample and measure the trees and vegetation to determine actual densities of the desired species and measure the impact of any invasive species within the project area. A biological assessment of the stream will be conducted at the same time to gauge the success of the project.

Stream cross-sections will also be surveyed at the original stations used during construction to document any changes, though the survey work is planned for winter or very early spring of 2010 as surveys of the relatively small cross-sections are more easily accomplished during periods when the vegetation is dormant.

Brooks Run Mining Company, LLC Stream Restoration Project - Unnamed Tributary of the Left Fork of Wolf Creek.

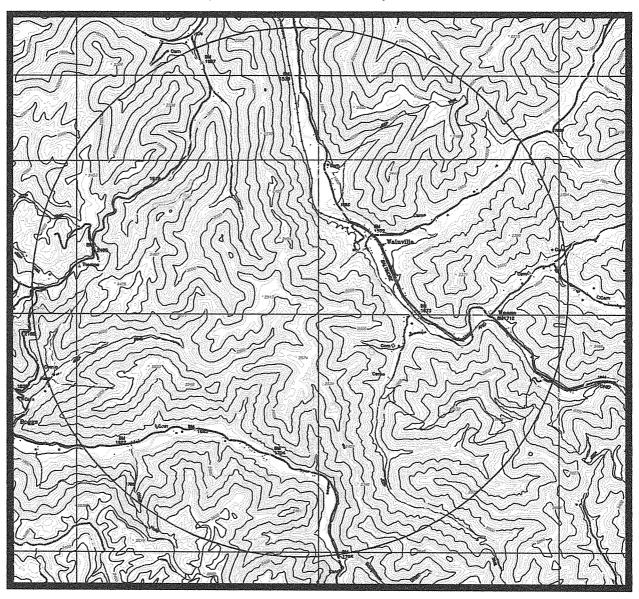


Figure 1 Project Location - Seven Pines Mines
Glade District Webster County
USGS Quadrangle: Cowen

Brooks Run Mining Company, LLC Stream Restoration Project Unnamed Tributary of the Left Fork of Wolf Creek

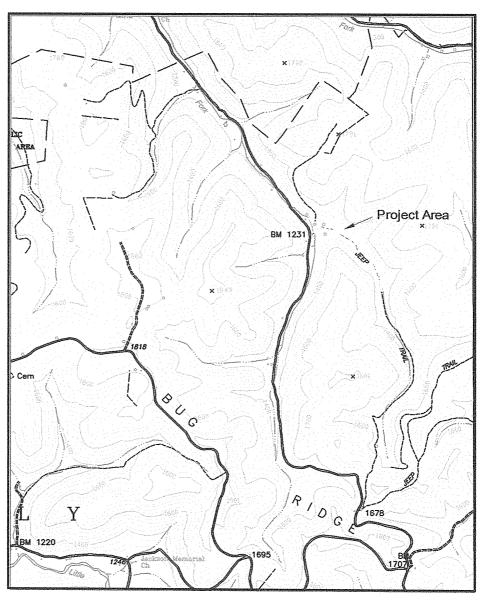


Figure 2
Mitigation Site Location

Holly District Braxton County USGS Quadrangle: Little Birch