

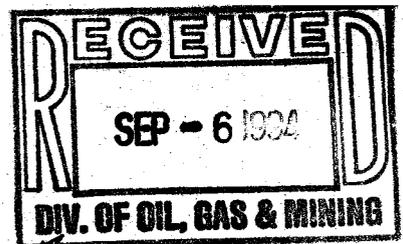
0014

Exhib # 1

6.2 1994

AGREEMENT

ACT 1007/025
2



THIS AGREEMENT is made and entered into this 24th day of January, 1994, by and between VIRGINIA IRON, COAL AND COKE COMPANY, a Delaware corporation, hereinafter referred to as "VICC" and THE DEPARTMENT OF MINES, MINERALS AND ENERGY, DIVISION OF MINED LAND RECLAMATION, an agency of the Commonwealth of Virginia, hereinafter referred to as "DMME/DMLR".

W I T N E S S E T H:

WHEREAS, VICC is either the owner, lessee or sublessee of certain coal, coal land and the mining rights thereon and appurtenant thereto located in Wise County, Virginia;

WHEREAS, VICC employed Robin Coal Corporation, hereinafter referred to as "Robin" and B & E Mining Corporation, hereinafter referred to as "B & E" as contract mining companies on small portions of the above-mentioned coal properties located in Wise County, Virginia;

WHEREAS, DMME/DMLR issued Permit No. 1100580 to Robin and Permit No. 1100428 to B & E to conduct mining in accordance with all Virginia laws and regulations;

WHEREAS, because of certain actions or failures to take action on the part of Robin and B & E, DMME/DMLR issued Notices of Violation and Cessation Orders which resulted in the reclamation bonds being forfeited on the above-mentioned permits;

WHEREAS, DMME/DMLR has made a presumption that VICC "owned or controlled" Robin and B & E as that term is defined by Section 480-03-19.700.5 of the Virginia Coal Surface Mining Reclamation Regulations.

WHEREAS, VICC does not concede or admit that it "owned or controlled" Robin and B & E as that term is defined by the Surface Mining Act; and

WHEREAS, VICC and DMME/DMLR enter this Agreement to resolve any and all outstanding violations and/or civil penalties on the Robin and B & E sites.

NOW, THEREFORE, in consideration of the covenants and agreements set forth below by the respective parties hereto, to be kept and performed, it is hereby mutually agreed by and between the parties hereto as follows:

I. VICC's OBLIGATIONS

1. VICC, without admitting liability pursuant to the ownership and control definitions of either the Virginia or Federal Regulations, agrees to pay Two Thousand Seven Hundred Forty Dollars (\$2,740.00) in full settlement of the outstanding civil penalties on the Robin site and Ten Thousand Three Hundred Seventy-Five Dollars (\$10,375.00) in full settlement of all outstanding civil penalties on the B & E site for a total civil penalty payment of Thirteen Thousand One Hundred Fifteen Dollars (\$13,115.00). The parties acknowledge that this civil penalty amount was established by computing one hundred percent (100%) of the outstanding Notice of Violation civil penalties with Seven Hundred Fifty Dollars (\$750.00) for each Cessation Order issued to Robin and B & E. Payment in full to the Treasurer of Virginia is due upon execution of this agreement by the parties and shall be sent or delivered to the DMME/DMLR assessment office.

2. VICC, without admitting liability under the ownership and control definitions of either the Virginia or Federal Regulations, will reimburse the Virginia State Bond Pool in full for any monies spent by that entity in completing all reclamation work necessary to correct all environmental violations at the Robin and B & E sites. VICC will complete any maintenance required on the Robin site during the five (5) year post reclamation period expiring August 28, 1995.

3. Compliance by VICC with the provisions of this agreement shall fully release VICC and its affiliated companies with respect to any and all outstanding violations and/or civil penalties on the Robin and B & E sites and no further action shall be taken against VICC and its affiliated companies with respect to said sites but shall not release or satisfy any obligations of any other party.

4. VICC, without admitting liability under the ownership and control definitions of either the Virginia or Federal Regulations, agrees to meet with DMME/DMLR to discuss any other similarly situated sites to develop an agreement encompassing any and all civil penalties, bond forfeitures, necessary remedial work and/or reimbursement to the Virginia State Bond Pool.

II. DMME/DMLR's OBLIGATIONS

1. If required, DMME/DMLR agrees to obtain for VICC access to the Robin site and to any other site which may later be covered by this agreement through such legal action necessary to allow VICC to complete its undertakings under this agreement.

2. DMME/DMLR shall not cause VICC or any of its affiliated companies to be "permit blocked" on the basis of the outstanding violations of the Robin and B & E sites while VICC remains in compliance with this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the day and year first above written.

VIRGINIA IRON, COAL AND COKE COMPANY

NAME: R.C. Pridyter

TITLE: Vice President

DATE: 01-24-94

DEPARTMENT OF MINES, MINERALS AND ENERGY, DIVISION OF MINED LAND RECLAMATION

NAME: Benz R. W. ...

TITLE: Deputy Director for Regulatory Services

DATE: 1-24-94

O. GENE DICKNER
DIRECTOR

KATHY J. REYNOLDS
ASSISTANT DIRECTOR
FOR ADMINISTRATION

BENNY R. WAMPLER
ASSISTANT DIRECTOR
FOR MINING



DIVISIONS
ENERGY
GAS AND OIL
MINED LAND RECLAMATION
MINERAL MINING
MINERAL RESOURCES
MINES

COMMONWEALTH of VIRGINIA

Department of Mines, Minerals and Energy

P.O. Drawer 900

Big Stone Gap, VA 24219

TO: VIRGINIA IRON COAL & COKE CO. (703) 523-8100
P. O. BOX 1578 FAX (703) 523-8148
COEBURN, VA 24230

RECEIPT

RECEIPT DATE AMOUNT RECEIVED FROM: POSTED
037068 01/24/94 279,346.01 VIRGINIA IRON COAL & COKE CO. BY LJF

CASH CHECK PERMIT:
N 102290

RECEIPT DETAIL

DESCRIPTION	QUANTITY	AMOUNT
Reclamation Taxes	1.00	266,231.01
Civil Penalty Assessment	1.00	13,115.00

BOND INFORMATION

TRAN COMPANY	AMOUNT
TYPE ID No.	

COMMENT: ROBIN #1100580 (2,740 ASSESSMENT & 266,128.49 RECL. (B & E #1100428 \$10,375.00)
Assessment + \$102.52 Recl.)

Received By
Division of Mined Land Reclamation

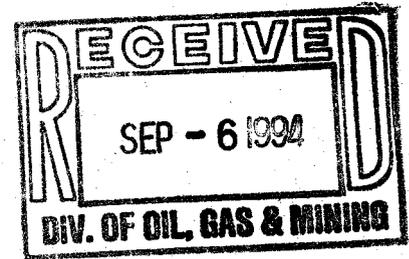
DMLR-R
REV. 1/92

EQUAL OPPORTUNITY EMPLOYER

Exhibit # 2

MEMORANDUM

Date: July 28, 1994
From: Barry H. Spry
VICC
To: Keith Zobell
Subject: Reply - Outstanding Violations Shown in AVS



-
- Item 1:** A copy of the January 24, 1994 settlement agreement has been included.
- Item 2:** Items 3, 4, 5 and 8 on Table 1.13-1
- 3.) R.B.J. Coal Co.- April 29, 1994 settlement agreement (included).
 - 4.) Crystal Coal Company - 100% of the penalty was paid in same agreement as R.B.J. This item is no longer listed on the outstanding penalty list.
 - 5.) Randa Coal Corp. - 100% of the penalty was paid in same agreement as R.B.J. This item is no longer listed on the outstanding penalty list.
 - 8.) Eastern Energy Resources - Settlement agreement executed June 13, 1994 (Included).
- Item 3:** Violations
- 1) Kentucky violations on permit No. 098-5150 covered in Kentucky settlement agreement (Items 4, 5 and 18 of violations).
 - 2) Violation 85-77-7 for permit 1100580 was not an outstanding civil penalty and has been removed from the AVS (Item 15 of the violations). If you need verification, call Mary Gay Fletcher at the Virginia Division of Mined Land Reclamation (703)523-8174.
 - 3) The OSM Cessation Order C90-132-126-7 (Item 17 of the violations) should not be on the AVS system in reference to VICC or its affiliates. VICC reached a settlement agreement with OSM in 1990 in response to a Federal Violation. The C.O. was written to the operator (Custom Coal Co.) after the VICC settlement with OSM, a later modification included VICC in the Cessation Order, and the final modification removed VICC from the Cessation Order. Colleen Carlson with AVS in Lexington, Kentucky (800-643-9748) is fully aware of the situation and is trying to have it removed from the system.
 - 4) A settlement agreement for has been included covering the Turner Coal Co. Permit 3036 (Item 21 of the violations).

- 5) Item 22 of the violations I am not aware of concerning the WV (West Virginia) state violation. This item may be a mistake and may not show up on the AVS system now.

check

- (6) Items 23, 24, 25 of the violations are covered under a settlement agreement for B & E Mining Corporation P.N. 1100428 and Robin Coal Corporation P.N. 1100580.

Item 4

In our response to the items on page 1-65 of your application (R645-301-113.110 and 113.120), we also respond with a No statement as you have, but include the following attachment as a clarification.

Sample Narrative

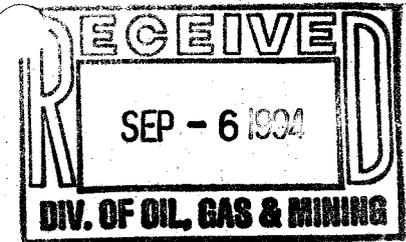
Information has been provided listing, to the best of our knowledge and belief, all independent contractor entities which have had permits issued in their name and which could be linked through a presumptive ownership and control relationship to our company and its affiliates, pursuant to Section 480-03-19.700.5 of the VCSMRR. However, under the Violation History Section C. 1a. i. and ii. of the attached application form (page 6 of 8), the response has been listed as NO for both items. Virginia Iron, Coal & Coke Company and its affiliates do not concede or admit to ownership or control of these entities as is defined by the Surface Mining Act or by State or Federal Regulations. Virginia Iron, Coal & Coke Company and its affiliates do not admit liability or obligation for actions or failures to take action on the part of the independent contractors which resulted in Notices of Violations, Cessation Orders, Civil Penalties or Bond Forfeitures.

(Note: In our Permit Violation History section of the application, sections C. 1A. i and C. 1A. ii correspond with your items R645-301-113.110 and R645-301-113.120, respectively.)

I hope this information helps to clear up your problems. Call me when you receive this information so that we can go over the issues.

Exhibit #3

FIRST AMENDMENT TO AGREEMENT



THIS AMENDMENT is made and entered into this 29th day of April, 1994, by and between VIRGINIA IRON, COAL AND COKE COMPANY, a Delaware corporation, hereinafter referred to as "VICC" and THE DEPARTMENT OF MINES, MINERALS AND ENERGY, DIVISION OF MINED LAND RECLAMATION, an agency of the Commonwealth of Virginia, hereinafter referred to as "DMME/DMLR".

WITNESSETH:

WHEREAS, VICC and DMME/DMLR entered into an agreement dated the 24th day of January, 1994 to resolve certain outstanding violations and/or civil penalties brought about because of certain actions or failures to take action on the part of certain contract mine operators operating on lands owned or controlled by VICC (the "Agreement");

WHEREAS, in Section I.4. of the Agreement VICC agreed ". . . to meet with DMME/DMLR to discuss any other similarly situated sites to develop an agreement encompassing any and all civil penalties, bond forfeitures, necessary remedial work and/or reimbursement to the Virginia State Bond Pool";

WHEREAS, VICC and DMME/DMLR have identified RBJ Coal Co., Inc. ("RBJ") Permit Number 1200353, Crystal Coal Company ("Crystal") Permit Number 3522-S and Randa Coal Corporation ("Randa") Permit Number 3747-U as similarly situated sites;

WHEREAS, VICC and DMME/DMLR wish to amend the Agreement to include these sites on the same terms and conditions.

NOW, THEREFORE, in consideration of the covenants and agreements contained in the Agreement and contained herein, it is hereby mutually agreed by and between the parties hereto as follows:



1. The RBJ, Crystal and Randa sites are added as sites covered by the Agreement.
2. VICC agrees to pay to DMME/DMLR One Thousand Five Hundred Ninety-Five Dollars (\$1,595.00) in full settlement of the outstanding civil penalties on the RBJ site, One Thousand Three Hundred Twenty-Two Dollars (\$1,322.00) in full settlement of the outstanding civil penalties on the Crystal site and Five Hundred Forty Dollars (\$540.00) in full settlement of the outstanding civil penalties on the Randa site for a total additional civil penalty payment of Three Thousand Four Hundred Fifty-Seven Dollars (\$3,457.00). The parties acknowledge that the civil penalty amount was established by computing one hundred percent (100%) of the outstanding Notice of Violation civil penalties with Seven Hundred Fifty Dollars (\$750.00) for each Cessation Order issued on or prior to October 3, 1988.
3. DMME/DMLR agrees that it shall not cause VICC or any of its affiliated companies to be "permit blocked" on the basis of the outstanding violations of the RBJ, Crystal and Randa sites while VICC remains in compliance with the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this amendment to be executed as of the day and year first above written.

VIRGINIA IRON, COAL AND COKE COMPANY

Name: R. G. Peindexter

Title: Vice President

DEPARTMENT OF MINES, MINERALS
AND ENERGY, DIVISION OF MINED
LAND RECLAMATION

Name: Ben R. W. [Signature]

Title: Deputy Director for Regulatory Services

TO: VIRGINIA IRON COAL & COKE CO.
P. O. BOX 1578
COEBURN, VA 24230

RECEIPT

RECEIPT DATE AMOUNT RECEIVED FROM: POSTED
037109 01/31/94 3,457.00 VIRGINIA IRON COAL & COKE CO. BY LJF

CASH CHECK PERMIT:
N 104471

RECEIPT DETAIL
DESCRIPTION QUANTITY AMOUNT
Civil Penalty Assessment 1.00 3,457.00

BOND INFORMATION
TRAN COMPANY AMOUNT
TYPE ID No.

COMMENT: RBJ (1,595) CRYSTAL (1,322) RANDA (540)

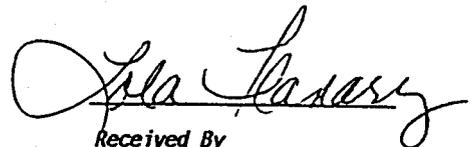
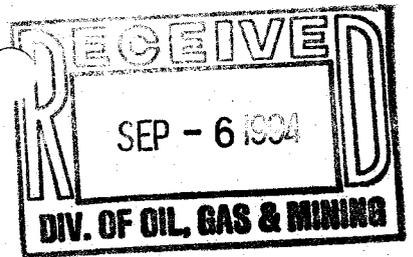

Received By
Division of Mined Land Reclamation

Exhibit #4



AGREEMENT

THIS AGREEMENT is made and entered into this 13th day of June, 1994, by and between VIRGINIA IRON, COAL AND COKE COMPANY, a Delaware corporation, hereinafter referred to as "VICC" and THE DEPARTMENT OF MINES, MINERALS AND ENERGY, DIVISION OF MINED LAND RECLAMATION, an agency of the Commonwealth of Virginia, hereinafter referred to as "DMME/DMLR".

W I T N E S S E T H:

WHEREAS, VICC is either the owner, lessee or sublessee of certain coal, coal land and the mining rights thereon and appurtenant thereto located in Wise County, Virginia;

WHEREAS, VICC employed Double B Coal and Lumber Company, hereinafter referred to as "Double B", Pasco, Inc. hereinafter referred to as "Pasco", Jil Mar Coal Company, hereinafter referred to as "Jil Mar", Allied Coal Corporation, hereinafter referred to as "Allied" and Blackstone Mining Co., Inc., hereinafter referred to as "Blackstone" as contract mining companies on small portions of the above-mentioned coal properties located in Wise County, Virginia;

WHEREAS, DMME/DMLR issued Permit No. 2240 to Double B, Permit No. 3067 to Pasco, Permit No. 2958 to Jil Mar, Permit No. 1846 to Eastern Energy Resources, Inc., hereinafter referred to as "Eastern", acting as a subcontractor for Allied and Permit No. 3238 to Baker Hollow Coal Company, hereinafter referred to as "Baker", acting as a subcontractor for Blackstone to conduct mining in accordance with all Virginia laws and regulations;

WHEREAS, because of certain actions or failures to take action

on the part of Double B, Pasco, Jil Mar, Eastern and Baker, DMME/DMLR issued certain Notices of Violation and Cessation Orders which resulted in the reclamation bonds being forfeited on the above-mentioned permits;

WHEREAS, DMME/DMLR has made a presumption that VICC "owned or controlled" Double B, Pasco, Jil Mar, Eastern and Baker as that term is defined by Section 480-03-19.700.5 of the Virginia Coal Surface Mining Reclamation Regulations;

WHEREAS, VICC does not concede or admit that it "owned or controlled" Double B, Pasco, Jil Mar, Eastern and Baker as that term is defined by the Surface Mining Act; and

WHEREAS, VICC and DMME/DMLR enter this Agreement to resolve any and all outstanding violations and/or civil penalties on the Double B, Pasco, Jil Mar, Eastern and Baker sites with regard to VICC.

NOW, THEREFORE, in consideration of the covenants and agreements set forth below by the respective parties hereto, to be kept and performed, it is hereby mutually agreed by and between the parties hereto as follows:

I. VICC's OBLIGATIONS

1. VICC, without admitting liability pursuant to the ownership and control definitions of either the Virginia or Federal Regulations, agrees to complete or cause to be completed the reclamation work required to bring the sites covered by DMLR Permit No. 2240 (Double B), DMLR Permit No. 3067 (Pasco), and DMLR Permit No. 2958 (Jil Mar) into compliance with the reclamation

requirements set forth in such permits. VICC also agrees to complete or cause to be completed that reclamation work required to bring only that portion of the site covered by DMLR Permit No. 1846 (Eastern) which was the subject of an independent mining contract between VICC and Bluston Mining, Inc. dated January 12, 1981 (assigned to Allied) into compliance with the reclamation requirements set forth in such permit.

2. VICC, without admitting liability under the ownership and control definitions of either the Virginia or Federal Regulations, will pay Seven Thousand Four Hundred Eighty Two Dollars and Sixty Three Cents (\$7,482.63) to reimburse the Commonwealth of Virginia for reclamation expenditures in excess of the forfeited bond amounts. The parties acknowledge that this amount was derived by combining the excess expenditures on the Double B DMLR Permit No. 2240 site of Seven Thousand Four Hundred Thirteen Dollars and Ten Cents (\$7,413.10), the Baker DMLR Permit No. 3238 site of Fifty Eight Dollars and Ninety Cents (\$58.90) and the Pasco DMLR Permit No. 3067 site of Ten Dollars and Sixty Three Cents (\$10.63). Payment in full to the Treasurer of Virginia will be made upon execution of this Agreement by the parties and shall be sent or delivered to the DMME/DMLR Assessment office.

3. Since there is no threat of environmental harm with respect to any of the sites covered by this Agreement, VICC shall first complete the site it is currently reclaiming and then proceed to reclaim the sites covered by this Agreement one after another until all sites are completed. VICC will use its best efforts to

complete reclamation of the sites by the summer of 1996. A proposed schedule of reclamation activity is attached hereto as Attachment #1 and made a part hereof. Based upon the completion of an economic evaluation currently in progress, VICC reserves the right to complete the reclamation on the site covered by DMLR Permit No. 2958 (Jil Mar) by repermitting and remining said site. VICC will notify DMME/DMLR of such decision to reclaim or repermit no later than August 31, 1994.

4. Compliance by VICC with the provisions of this agreement shall fully release VICC and its affiliated companies with respect to any and all outstanding violations and/or civil penalties on the Double B, Pasco, Jil Mar, Eastern and Baker sites and no further action shall be taken against VICC and its affiliated companies with respect to said sites but shall not release or satisfy any obligations of any other party.

5. By separate agreement of even date herewith, VICC agrees to settle in full the outstanding civil penalties attributable to the Eastern site hereinbefore referenced; however, such settlement extends only to VICC and shall not serve to release or satisfy any obligations of any other party.

II. DMME/DMLR's OBLIGATIONS

1. If required, DMME/DMLR agrees to obtain for VICC access to any site which may be covered by this agreement through such legal action necessary to allow VICC to complete its undertakings under this agreement.

2. DMME/DMLR shall not cause VICC or any of its affiliated

companies to be "permit blocked" on the basis of the outstanding violations of the Double B, Pasco, Jil Mar, Eastern and Baker sites while VICC remains in compliance with this agreement.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed as of the day and year first above written.

VIRGINIA IRON, COAL AND COKE COMPANY

NAME: R.C. Priddy
TITLE: Vice President
DATE: 05-24-94

DEPARTMENT OF MINES, MINERALS AND ENERGY, DIVISION OF MINED LAND RECLAMATION

NAME: [Signature]
TITLE: Deputy Director for Regulatory Services
DATE: 6-13-94

dmlr/double b/agr

Reclamation Project Proposed Schedule

Date: 02-May-94

By: Don Boyer

Project	2nd Quarter '94		3rd Quarter '94			4th Quarter '94			1st Quarter '95			2nd Quarter '95			3rd Quarter '95			4th Quarter '95			1st Quarter '96			2nd Quarter '96			3rd Quarter '96		
	May-94	Jun-94	Jul-94	Aug-94	Sep-94	Oct-94	Nov-94	Dec-94	Jan-95	Feb-95	Mar-95	Apr-95	May-95	Jun-95	Jul-95	Aug-95	Sep-95	Oct-95	Nov-95	Dec-95	Jan-96	Feb-96	Mar-96	Apr-96	May-96	Jun-96	Jul-96	Aug-96	
Silver Eagle																													
Pasco																													
Eastern Energy																													
Double B																													
Jil-Mer																													

Attachment : #1

O. GENE DISHNER
DIRECTOR-

KATHY J. REYNOLDS
DEPUTY DIRECTOR
FOR RESOURCE MANAGEMENT

BENNY R. WAMPLER
DEPUTY DIRECTOR
FOR REGULATORY SERVICES



DIVISIONS
ENERGY
GAS AND OIL
MINED LAND RECLAMATION
MINERAL MINING
MINERAL RESOURCES
MINES
ADMINISTRATION

COMMONWEALTH of VIRGINIA

Department of Mines, Minerals and Energy

P.O. Drawer 900
Big Stone Gap, VA 24219
(703) 523-8100
FAX (703) 523-8148

TO: VIRGINIA IRON COAL & COKE CO.
P. O. BOX 1578
COEBURN, VA 24230

RECEIPT

RECEIPT	DATE	AMOUNT RECEIVED FROM:	POSTED
037739	06/29/94	58.90 VIRGINIA IRON COAL & COKE CO.	BY LJJ

CASH	CHECK
N	112574

PERMIT: 323801X
BAKER HOLLOW COAL CO.

RECEIPT DETAIL

DESCRIPTION	QUANTITY	AMOUNT
Bond Forfeitures	1.00	58.90

BOND INFORMATION

TRAN TYPE	COMPANY ID No.	AMOUNT
-----------	----------------	--------

COMMENT: BAKER HOLLOW FORF. (RE-IMBURSEMENT FOR STATE EXPENDITURES)

A handwritten signature in cursive script, appearing to read "J. L. Foxary".

DMLR-R
REV. 1/92

EQUAL OPPORTUNITY EMPLOYER Received By
Division of Mined Land Reclamation
TTY / TDD (800) 821-1120 — Virginia Relay Center

O. GENE DISHNER
DIRECTOR

KATHY J. REYNOLDS
DEPUTY DIRECTOR
FOR RESOURCE MANAGEMENT

BENNY R. WAMPLER
DEPUTY DIRECTOR
FOR REGULATORY SERVICES



DIVISIONS
ENERGY
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MINERAL MINING
MINERAL RESOURCES
MINES
ADMINISTRATION

COMMONWEALTH of VIRGINIA

Department of Mines, Minerals and Energy

P.O. Drawer 900
Big Stone Gap, VA 24219
(703) 523-8100
FAX (703) 523-8148

TO: VIRGINIA IRON COAL & COKE CO.
P. O. BOX 1578
COEBURN, VA 24230

RECEIPT

RECEIPT	DATE	AMOUNT RECEIVED FROM:	POSTED
037738	06/29/94	10.63 VIRGINIA IRON COAL & COKE CO.	BY LJF

CASH	CHECK	PERMIT: 306701X
N	112574	PASCO, INC.

RECEIPT DETAIL

DESCRIPTION	QUANTITY	AMOUNT
Bond Forfeitures	1.00	10.63

BOND INFORMATION

TRAN TYPE	COMPANY ID No.	AMOUNT

COMMENT: PASCO FORF. (RE-IMBURSEMENT FOR STATE EXPENDITURES)

O. GENE DISHNER
DIRECTOR

KATHY J. REYNOLDS
DEPUTY DIRECTOR
FOR RESOURCE MANAGEMENT

BENNY R. WAMPLER
DEPUTY DIRECTOR
FOR REGULATORY SERVICES



DIVISIONS
ENERGY
GAS AND OIL
MINED LAND RECLAMATION
MINERAL MINING
MINERAL RESOURCES
MINES
ADMINISTRATION

COMMONWEALTH of VIRGINIA

Department of Mines, Minerals and Energy

P.O. Drawer 900
Big Stone Gap, VA 24219

TO: VIRGINIA IRON COAL & COKE CO. (703) 523-8100
P. O. BOX 1578 FAX (703) 523-8148
COEBURN, VA 24230

RECEIPT

RECEIPT	DATE	AMOUNT RECEIVED FROM:	POSTED
037737	06/29/94	7,413.10 VIRGINIA IRON COAL & COKE CO.	BY LJF

CASH	CHECK	PERMIT: 224001X
N	112574	DOUBLE B COAL & LUMBER

RECEIPT DETAIL

DESCRIPTION	QUANTITY	AMOUNT
Bond Forfeitures	1.00	7,413.10

BOND INFORMATION

TRAN	COMPANY	AMOUNT
TYPE	ID No.	

COMMENT: DOUBLE B FORF. (RE-IMBURSEMENT FOR STATE EXPENDITURES)

Lola Flaxary

DMLR-R
REV. 1/92

EQUAL OPPORTUNITY EMPLOYER Received By
TTY / TDD (800) 821-1120 — Virginia Relay Center *Division of Mined Land Reclamation*

Exhibit #5

DATE: 07 JUN 94

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 12:06:08

STATE: UT

APPNO: ACT007005

SEQNO: 0

PAGE: 1 OF 3

APPLICANT'S ENTITY ID: 060111

APPLICANT'S NAME : COASTAL STATES ENERGY CO

VTTYPE	RP	VIOLNO	VDATE	
0	CIVIL	072619	084-65-2-HR:1100428:0:VA	841204
1	CIVIL	072619	085-77-4-AO:1100428:0:VA	350626
2	CIVIL	072619	085-77-4-OT:1100428:0:VA	850626
3	CIVIL	079286	051577:0985150:0:KY	840530
4	CIVIL	079286	051582:0985150:0:KY	830317
5	CIVIL	072619	84-65-2-AO:1100428:0:VA	841017
6	CIVIL	072619	84-65-2-HR:1100428:0:VA	841017
7	CIVIL	072619	84-65-2-RT:1100428:0:VA	841017
8	CIVIL	072619	85-77-3-WM:1100428:0:VA	850204
9	CIVIL	072619	85-77-4-AO:1100428:0:VA	850430

TO VIEW VIOLATIONS OR OFT, SELECT WITH A "X" AND PRESS AN FKEY
F2/PROCEED F3/QUIT F4/MAIN F7/FORW F8/BACK F9/VIOL INFO F10/VOFT

10:09

DATE: 07 JUN 94

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 12:06:08

STATE: UT

APPNO: ACT007005

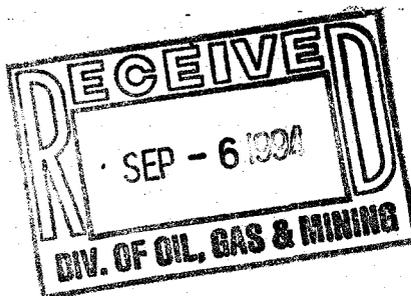
SEQNO: 0

PAGE: 2 OF 3

APPLICANT'S ENTITY ID: 060111

APPLICANT'S NAME : COASTAL STATES ENERGY CO

VTTYPE	RP	VIOLNO	VDATE	
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2	CIVIL	072619	85-77-5-BR:1100428:0:VA	850528
3	CIVIL	072619	85-77-5-SS:1100428:0:VA	850528
4	CIVIL	072619	85-77-6-WM:1100428:0:VA	850626
5	CIVIL	072619	85-77-7-SS:1100428:0:VA	850703
6	CIVIL	058433	87-85-6-WM:1100580:0:VA	870827
7	CMIS	080833	090-132-126-7:463.00	700821
8	FORF	079286	0985150:0:KY	850326
9	FORF	072619	1100428:0:VA	850830
10	FORF	058433	1100580:0:VA	880328



F2/PROCEED F3/QUIT F4/MAIN F7/FORW F8/BACK F9/VIOL INFO F10/VOFT

10:09

DATE: 07 JUN 94

APPLICANT VIOLATOR SYSTEM
APPLICATION EVALUATION REPORT

TIME: 12:00:00

STATE: UT APPNO: ACT007005

SEQNO: 0

PAGE: 3 OF 3

APPLICANT'S ENTITY ID: 060111

APPLICANT'S NAME : COASTAL STATES ENERGY CO

VTTYPE	RP	VIOLNO	VDATE
21 FORF	073145	3056:0:VA	930512
22 STATE	041429	014-C:E011300:0:WV	940405
23 STATE	072619	357704:1100423:0:VA	350626
24 STATE	058433	878504:1100580:0:VA	870601
25 STATE	058433	378505:1100580:0:VA	870827

F2/PROCEED F3/QUIT F4/MAIN F7/FORW F8/BACK F9/VIOL INFO F10/VOFT

10:09

Exhibit #6

**TABLE 1.13-1
OUTSTANDING VIOLATION/PENALTY LIST
January 26, 1994**

1) B & E Mining Corporation - P.N. 1100428

Regulatory Agency: Virginia Division of Mined Land Reclamation

Status: The site was reclaimed by Virginia Iron, Coal & Coke Company in 1986-87. A settlement agreement between Virginia Iron, Coal & Coke Company and the Virginia Division of Mined Land Reclamation was signed and executed January 24, 1994.

VIOL./C.O.	VIOLATION NO.	VIOLATION DATE	REFERENCE	PENALTY
CO	C85-77-4	06/26/85	AO	\$22,500.00
CO	C85-77-4	06/26/85	OT	\$22,500.00
NOV	85-77-6	06/26/85	WM	\$950.00
NOV	85-77-4	04/30/85	AO	\$775.00
NOV	84-65-2	10/17/84	RT	\$520.00
NOV	85-77-3	02/04/85	WM	\$445.00
NOV	84-65-2	10/17/84	HR	\$620.00
CO	C84-65-2	12/04/84	HR	\$7,500.00
NOV	85-77-5	05/28/85	BR	\$1,890.00
NOV	85-77-6	07/03/85	SS	\$815.00
NOV	84-65-2	10/17/84	AO	\$520.00
NOV	85-77-4	04/30/85	WM	\$775.00
NOV	85-77-5	05/28/85	SS	\$815.00
				\$60,625.00

2) Robin Coal Corporation - P.N. 1100580

Regulatory Agency: Virginia Division of Mined Land Reclamation

Status: The site was reclaimed by the Virginia Division of Mined Land Reclamation. A settlement agreement between Virginia Iron, Coal & Coke Company and the Virginia Division of Mined Land Reclamation was signed and executed January 24, 1994.

VIOL./C.O.	VIOLATION NO.	VIOLATION DATE	REFERENCE	PENALTY
NOV	87-85-5	10/21/87	BR	\$830.00
NOV	87-85-6	08/27/87	WM	\$410.00
CO	C87-85-4	07/26/87	SS	\$8,250.00
CO	C87-85-5	11/24/87	BR	\$22,500.00
				\$31,990.00

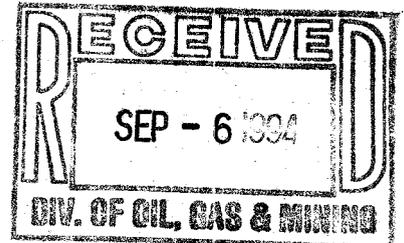
3) R.B.J. Coal Co., Inc. - P.N. 1200353

Regulatory Agency: Virginia Division of Mined Land Reclamation

Status: The bond has been released on this site. Only the outstanding penalties exist.

VIOL./C.O.	VIOLATION NO.	VIOLATION DATE	REFERENCE	PENALTY
NOV	87-90-8	08/25/87	WM	\$405.00
CO	C87-90-7	12/27/87	BR	\$20,250.00
NOV	87-90-7	06/23/87	BR	\$440.00
				\$21,095.00

**Table 1.13-1
OUTSTANDING VIOLATION/PENALTY LIST
January 26, 1994**



4) Crystal Coal Company - P.N. 3522

Regulatory Agency: Virginia Division of Mined Land Reclamation

Status: The bond has been released on this site. Only the outstanding penalties exist.

VIOL./C.O.	VIOLATION NO.	VIOLATION DATE	REFERENCE	PENALTY
NOV	85-77-3	06/24/85	WM	\$345.00
NOV	86-86-5	09/24/86	WM	\$345.00
NOV	85-29-4	12/16/85	WM	\$540.00
NOV	85-77-2	04/08/85	WM	\$92.00
				\$1,322.00

5) Randa Coal Corporation - P.N. 3747

Regulatory Agency: Virginia Division of Mined Land Reclamation

Status: The bond has been released on this site. Only the outstanding penalties exist.

VIOL./C.O.	VIOLATION NO.	VIOLATION DATE	REFERENCE	PENALTY
NOV	84-81-1	02/07/84	BR	\$540.00
				\$540.00

6) Silver Eagle Mining Co., Inc. - P.N. 1200286

Regulatory Agency: Virginia Division of Mined Land Reclamation

Status: The site is currently being reclaimed by Virginia Iron, Coal & Coke Company. A settlement agreement between Virginia Iron, Coal & Coke Company and the Virginia Division of Mined Land Reclamation has been executed covering the reclamation obligations for the site.

VIOL./C.O.	VIOLATION NO.	VIOLATION DATE	REFERENCE	PENALTY
CO	C92-90-7	05/29/92	HR	\$22,500.00
NOV	92-90-8	05/29/92	RT	\$290.00
CO	C92-90-7	05/29/92	SS	\$22,500.00
CO	C92-90-8	06/19/92	RT	\$22,500.00
				\$67,790.00

7) Silver Eagle Resources, Inc. - P.N. 1400604

Regulatory Agency: Virginia Division of Mined Land Reclamation

Status: The site is currently being reclaimed by Virginia Iron, Coal & Coke Company. A settlement agreement between Virginia Iron, Coal & Coke Company and the Virginia Division of Mined Land Reclamation has been executed covering the reclamation obligations for the site.

VIOL./C.O.	VIOLATION NO.	VIOLATION DATE	REFERENCE	PENALTY
CO	C92-90-2	05/29/92	HR	\$22,500.00
CO	C92-90-2	05/29/92	SS	\$22,500.00
NOV	92-90-2	04/29/92	SS	\$270.00
NOV	92-90-3	05/29/92	RT	\$270.00
CO	C92-90-3	06/19/92	RT	\$22,500.00
				\$68,040.00

**TABLE 1.13-1
OUTSTANDING VIOLATION/PENALTY LIST
January 26, 1994**

8) Eastern Energy Resources, Inc. - P.N. 1846

Regulatory Agency: Virginia Division of Mined Land Reclamation

Status: Unknown

VIOL./C.O.	VIOLATION NO.	VIOLATION DATE	REFERENCE	PENALTY
CO	C83-73-1	01/20/84	BR	\$22,500.00
CO	C83-73-1	12/07/83	HR	\$22,500.00
CO	C83-73-1	12/07/83	SS	\$22,500.00
CO	C83-73-1	12/07/83	WM	\$22,500.00
NOV	83-73-1	10/21/83	BR	\$900.00
NOV	83-73-1	10/21/83	HR	\$900.00
NOV	83-73-1	10/21/83	SS	\$900.00
NOV	83-73-1	10/21/83	WM	\$540.00
				\$93,240.00

NOTE:

This list is being supplied to fulfill the regulatory requirements of submitting permit and violation history information for entities which are covered under the current regulatory definition of ownership and control. Virginia Iron, Coal and Coke Company and its affiliates do not concede or admit to ownership or control of these entities as is defined by the Surface Mining Act or by State or Federal Regulations. Virginia Iron, Coal and Coke Company and its affiliates do not admit liability or obligation for actions or failures to take action on the part of the independent contractors which resulted in Notices of Violations, Cessation Orders, Civil Penalties or Bond Forfeitures.

BOND FORFEITURE LIST

January 26, 1994

- 1) B & E Mining Corporation - P.N. 1100428
Forfeiture Date: 8/30/85
Regulatory Agency: Virginia Division of Mined Land Reclamation
- Bond Amount Forfeited: \$73,500.00
Bond Pool Expenditures: \$102.52
- Reclamation Status: Area reclaimed by Virginia Iron, Coal & Coke Company in 1986-1987.
- Current Status: Settlement agreement between Virginia Iron, Coal & Coke Company and the Virginia Division of Mined Land Reclamation signed and executed January 24, 1994.
- 2) Robin Coal Corporation - P.N. 1100580
Forfeiture Date: 3/28/88
Regulatory Agency: Virginia Division of Mined Land Reclamation
- Bond Amount Forfeited: \$59,500.00
Bond Pool Expenditures: \$266,128.49
- Reclamation Status: Area reclaimed by the Division of Mined Land Reclamation.
- Current Status: Settlement agreement between Virginia Iron, Coal & Coke Company and the Virginia Division of Mined Land Reclamation signed and executed January 24, 1994.
- 3) Silver Eagle Mining Co., Inc. - P.N. 1200286
Forfeiture Date: 10/14/92
Regulatory Agency: Virginia Division of Mined Land Reclamation
- Bond Amount Forfeited: \$100,000.00
Bond Pool Expenditures: \$0.00

BOND FORFEITURE LIST

January 26, 1994

Reclamation Status: Area currently being reclaimed by Virginia Iron, Coal & Coke Company.

Current Status: Settlement agreement between Virginia Iron, Coal & Coke Company and the Virginia Division of Mined Land Reclamation dated September 9, 1993.

4) **Silver Eagle Resources, Inc. - P.N. 1400604**

Forfeiture Date: 10/14/92

Regulatory Agency: Virginia Division of Mined Land Reclamation

Bond Amount Forfeited: \$100,000.00

Bond Pool Expenditures: \$0.00

Reclamation Status: Area currently being reclaimed by Virginia Iron, Coal & Coke Company.

Current Status: Settlement agreement between Virginia Iron, Coal & Coke Company and the Virginia Division of Mined Land Reclamation dated September 9, 1993

5) **Turner Coal Co., Inc. - P.N. 3036**

Forfeiture Date: 6/19/81

Regulatory Agency: Virginia Division of Mined Land Reclamation

Bond Amount Forfeited: \$74,800.00

Bond Pool Expenditures: N/A

Reclamation Status: Area reclaimed by Virginia Iron, Coal & Coke Company in 1993.

Current Status: Settlement agreement between Virginia Iron, Coal & Coke Company and the Virginia Division of Mined Land Reclamation dated April 6, 1993. No outstanding reclamation or civil penalty liabilities are known to exist for this site.

6) **Coeburn Industries, Inc. - P.N. 2511**

Forfeiture Date: 9/09/80

Regulatory Agency: Virginia Division of Mined Land Reclamation

BOND FORFEITURE LIST

January 26, 1994

Bond Amount Forfeited: \$16,000.00
Bond Pool Expenditures: N/A

Reclamation Status: Area reclaimed by Virginia Iron, Coal & Coke Company.

Current Status: Settlement agreement between Virginia Iron, Coal & Coke Company and the Federal Office of Surface Mining dated 1990. No outstanding reclamation or civil penalty liabilities are known to exist for this site.

7) **Double B. Coal & Lumber Co. - P.N. 3230**

Forfeiture Date: 6/08/81

Regulatory Agency: Virginia Division of Mined Land Reclamation

Bond Amount Forfeited: \$10,400.00
Bond Pool Expenditures: N/A

Reclamation Status: Area repermited by Nessa Coal Co. P.N. 3377 and then repersmitted by Red River Coal Co. P.N. 1100574. No outstanding Reclamation liabilities.

Current Status: No outstanding reclamation or civil penalty liabilities are known to exist for this site.

8) **Double B. Coal & Lumber Co. - P.N. 2240**

Forfeiture Date: 6/09/81

Regulatory Agency: Virginia Division of Mined Land Reclamation

Bond Amount Forfeited: \$52,000.00
Bond Pool Expenditures: N/A

Reclamation Status: Area reclaimed by the Virginia Division of Mined Land Reclamation using all available bond money.

Current Status: Unknown

BOND FORFEITURE LIST

January 26, 1994

- 9) Jil Mar Coal Co. - P.N. 29589
Forfeiture Date: 3/08/83
Regulatory Agency: Virginia Division of Mined Land Reclamation
- Bond Amount Forfeited: \$33,200.00
Bond Pool Expenditures: N/A
- Reclamation Status: Area reclaimed by the Virginia Division of Mined Land Reclamation using all available bond money.
- Current Status: Unknown
- 10) Baker Hollow Coal Co. - P.N. 3238
Forfeiture Date: 12/17/81
Regulatory Agency: Virginia Division of Mined Land Reclamation
- Bond Amount Forfeited: \$8,000.00
Bond Pool Expenditures: N/A
- Reclamation Status: Area reclaimed by the Virginia Division of Mined Land Reclamation using all available bond money.
- Current Status: Unknown
- 11) Pasco, Inc. - P.N. 3067
Forfeiture Date: 9/02/80
Regulatory Agency: Virginia Division of Mined Land Reclamation
- Bond Amount Forfeited: \$12,000.00
Bond Pool Expenditures: N/A
- Reclamation Status: Area reclaimed by the Virginia Division of Mined Land Reclamation using all available bond money.
- Current Status: Unknown

BOND FORFEITURE LIST

January 26, 1994

- 12) VAB Coal Co., Inc. - P.N. 3061
Forfeiture Date: 11/23/81
Regulatory Agency: Virginia Division of Mined Land Reclamation

Bond Amount Forfeited: \$35,863.95
Bond Pool Expenditures: N/A

Reclamation Status: Area reclaimed by the Virginia Division of Mined Land Reclamation using all available bond money.

Current Status: Unknown
- 13) E & B Energy Corp. - P.N. 098-5150
Forfeiture Date: April 8, 1985
Regulatory Agency: Kentucky DSMRE

Bond Amount Forfeited: \$5,000
Bond Pool Expenditures: N/A

Reclamation Status: Area reclaimed by Enterprise Coal Company.

Current Status: The Office of Surface Mining and the Kentucky Department for Surface Mining Reclamation and Enforcement reached a Comprehensive Agreement with ANR Coal Company's affiliate, Enterprise Coal Company, which was executed on May 12, 1993, detailing remedial measures for the E & B Energy Corp. permit.

BOND FORFEITURE LIST

January 26, 1994

- 14) Cimaron Minerals, Inc. - P.N. 898-5270
Forfeiture Date: February 12, 1992
Regulatory Agency: Kentucky DSMRE
- Bond Amount Forfeited: \$10,000
Bond Pool Expenditures: N/A
- Reclamation Status: Area reclaimed by Enterprise Coal Company.
- Current Status: The Office of Surface Mining and the Kentucky Department for Surface Mining Reclamation and Enforcement reached a Comprehensive Agreement with ANR Coal Company's affiliate, Enterprise Coal Company, which was executed on May 12, 1993, detailing remedial measures for the Cimaron Minerals, Inc. permit.
- 15) Coon Mining Company - P.N. 098-5377
Forfeiture Date: Unknown
Regulatory Agency: Kentucky DSMRE
- Bond Amount Forfeited: Unknown
Bond Pool Expenditures: N/A
- Reclamation Status: Reclaimed
- Current Status: ANR Coal Company's affiliate, Enterprise Coal Company is currently working on a settlement agreement with the Kentucky Department for Surface Mining Reclamation and Enforcement.

BOND FORFEITURE LIST

January 26, 1994

16) Eastern Energy Resources, Inc. - P.N. 1846

Forfeiture Date: 11/13/84

Regulatory Agency: Virginia Division of Mined Land Reclamation

Bond Amount Forfeited: \$118,400

Bond Pool Expenditures: N/A

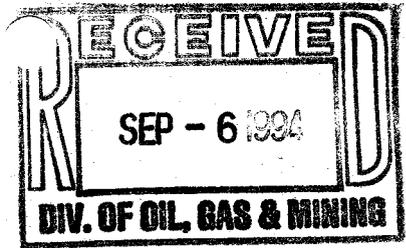
Reclamation Status: Unknown

Current Status: The current reclamation status is unknown. Virginia Iron, Coal & Coke Company owned or controlled only a portion of the area covered under this permit. The area was amended to the permit after its original issuance. The original permit area was located on private surface and mineral.

NOTE: This list is being supplied to fulfill the regulatory requirements of submitting permit and violation history information for entities which are covered under the current regulatory definition of ownership and control. Virginia Iron, Coal and Coke Company and its affiliates do not concede or admit to ownership or control of these entities as is defined by the Surface Mining Act or by State or Federal Regulations. Virginia Iron, Coal and Coke Company and its affiliates do not admit liability or obligation for actions or failures to take action on the part of the independent contractors which resulted in Notices of Violations, Cessation Orders, Civil Penalties or Bond Forfeitures.

Exhibit # 7

Settlement Agreement



The Office of Surface Mining Reclamation and Enforcement, United States Department of the Interior, ("OSM"), and Virginia Iron, Coal and Coke Company ("VICC"), hereby enter into the following stipulations and agreement:

1. Under the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. 1260(c), (the "Act"), OSM and state regulatory authorities must deny coal mining permits to applicants who own or control entities currently in violation of the Act;

2. Turner Coal Co., Inc., ("Turner Coal") is currently in violation of the Act, having failed to perform reclamation required by the Act and owing civil penalties arising from said failure;

3. VICC has been "linked" by OSM through its "ownership and control rule" to Turner Coal. OSM has determined that pursuant to the Act and associated regulations, VICC was an owner/controller of Turner Coal;

4. While VICC denies that it owned or controlled Turner Coal under the definitions and terms of the Act, VICC and OSM have entered into this Settlement Agreement for the purpose of resolving their dispute;

5. VICC agrees to pay to OSM the total of \$14,820.00, said amount representing a compromise of the outstanding civil penalties associated with Notice of Violation No. 81-1-18-2 and Cessation Order No. 81-1-18-4. Said monies to be due and payable by certified check upon execution of the agreement;

6. VICC shall, without admitting liability under the

ownership and control definitions in any state or federal regulations, perform or cause to be performed all remedial actions necessary to bring Turner Coal's Virginia permit No. 3036 into full compliance with all applicable surface mining regulations of the initial regulatory program. In meeting this obligation, VICC shall accomplish all necessary engineering, obtain any required rights of entry, and perform any and all further actions necessary to diligently proceed with aforesaid reclamation work and to fully complete said work on or before July 31, 1993;

7. VICC shall notify OSM when it deems the work on the subject site to be completed. OSM shall then inspect the site, and shall notify VICC of its findings.

8. OSM will continue to inspect the subject site, will take any new enforcement action necessary and will follow its enforcement regulations in the event additional violations occur in the course of the abatement work. VICC will complete all reclamation work necessary to meet the standards of the initial regulatory program, including any remedial work for any newly issued enforcement actions.

9. VICC shall not be liable for or "blocked" as a result of any abandoned mine reclamation fees and associated interest, penalties and administrative costs arising from the previous mining under Virginia permit No. 3036 and Kentucky permit No. 098-5150, that debt having been resolved previously by an agreement between OSM and ANR Coal Company;

10. In consideration for VICC's performance of its

obligations under this agreement, OSM shall cease to cause VICC to be "permit blocked" on the basis of the federal violations identified in this agreement. The parties herein acknowledge that any state violations that may exist are not the subject of this agreement, nor are any later-discovered federal violations of the owned or controlled entities. Thus, other state or federal violations associated with the ownership and control relationship between VICC and Turner Coal or E & B could result in a "permit block" status;

11. Time is of the essence of this Agreement. VICC shall exercise its best efforts to accomplish the reclamation work required under this Agreement in accordance with Paragraph 6. OSM and VICC recognize, however, that VICC's performance of such work may be delayed from time to time due to factors beyond VICC's control, including, but not limited to, inclement weather, unforeseen or unusual physical or geological conditions, equipment or transportation failures, sabotage, labor trouble, requirements for special permits or authorizations from regulatory authorities or private landowners, etc. Where such factors cause delays in VICC's performance of the work, VICC shall inform OSM orally within three (3) days, and in writing within seven (7) days following an event causing such delay and shall explain how the delay was beyond VICC's control. Time extensions will be granted only when the delay is beyond VICC's control. If a landowner refuses to allow VICC access to the site or to allow VICC to perform the required reclamation work, OSM and VICC will engage in the necessary legal

procedures to allow VICC to perform the work. VICC's obligation to complete any such work will be suspended until the parties hereto successfully complete any necessary legal proceedings. If legal proceedings under this provision are initiated, VICC agrees to cooperate fully with OSM.

12. This agreement is entered into by the parties for the purposes herein stated and no others;

13. The parties agree that this writing constitutes their entire agreement. No alteration may be made to this agreement unless in writing and signed by both parties.

By: James J. Von Loren
Virginia Iron, Coal and
Coke Company

By: Albert Haupt
Acting Director, Office of
Surface Mining Reclamation
and Enforcement



United States Department of the Interior

OFFICE OF THE SOLICITOR

Knoxville Field Office
P.O. Box 15006
Knoxville, Tennessee 37901

Telephone: (615) 545-4315
FAX: (615) 545-4314

October 26, 1993

William S. Hudgins, Jr.
Vice President and General Counsel
Virginia Iron, Coal and Coke Co.
P.O. Box 1578
Coeburn, Virginia 24230-1578

Re: Turner Coal Co., Inc. - Virginia Permit No. 3036 and
E & B Energy, Inc. - Kentucky Application No. 098-5150

Dear Mr. Hudgins:

On October 20, 1993, I met with Barry Spry at the "Turner site" near Big Stone Gap, Virginia. Inspectors from the OSM were also present, and we were shown the reclamation efforts that VICC has made on the site. The backfilling appears to be satisfactory, and as I indicated to your people, OSM will take another look next spring to confirm that the vegetation is suitable. There were some small gullies present that VICC's reclamation manager indicated would be corrected.

OSM is satisfied thus far with VICC's compliance with the agreement entered into last spring. We will take another look next spring to confirm the handling of the gullies and revegetation.

Yours very truly,

Patrick L. McKinney
Staff Attorney

PLM:gb

cc: Russell Frum