

STATE OF
COUNTY OF

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20051026000557950 1/5 \$628.90
Shelby Cnty Judge of Probate, AL
10/26/2005 04:23:30PM FILED/CERT

MEMORANDUM OF LEASE

KNOW ALL MEN BY THESE PRESENTS, that R & S Coal, LLC (the "Lessee"), an Alabama limited liability company, by virtue of a Coal Mining Lease dated April 28, 2005 (the "Lease") did lease certain rights to mine coal by underground mining methods as may exist in certain lands located in Shelby and Bibb Counties, Alabama described in **Exhibit "A"** and shown on map marked **Exhibit "B"**, both attached hereto and made a part of this Memorandum of Lease, from **RGGS LAND & MINERALS, LTD., L.P.**, a Delaware limited liability company, successors to United States Steel Corporation who was successor by conversion to United States Steel LLC and remote successor to USX Corporation. The Lease provides for a term of five (5) years with provisions for up to three (3) extended terms of five (5) years each for a total term of twenty (20) years.

This Memorandum of Lease is placed of record by Lessor and Lessee to serve as notice of the execution and existence of said Lease, and is in no way to supersede, abrogate, change or modify any of the terms, conditions, rights or obligations of any of the parties, all of which are set forth in detail in said Lease. The terms and conditions of said Lease are made a part hereof by reference for all purposes, to be the same effect as though written in extenso herein.

This is the 28th day of April, 2005.

LESSOR: RGGS LAND & MINERALS, LTD., L.P.

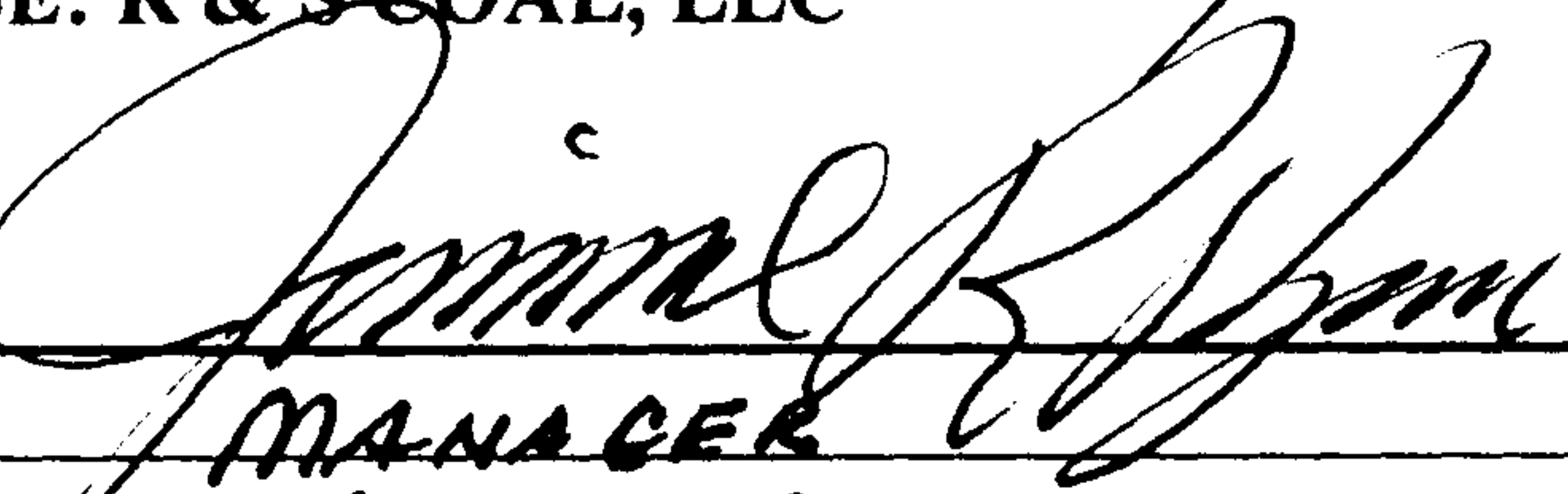
By: Gordy Oil Company, a Texas corporation

Its: General Partner

By: 
Russell D. Gordy, President

Date: 4/27/05

LESSEE: R & S COAL, LLC

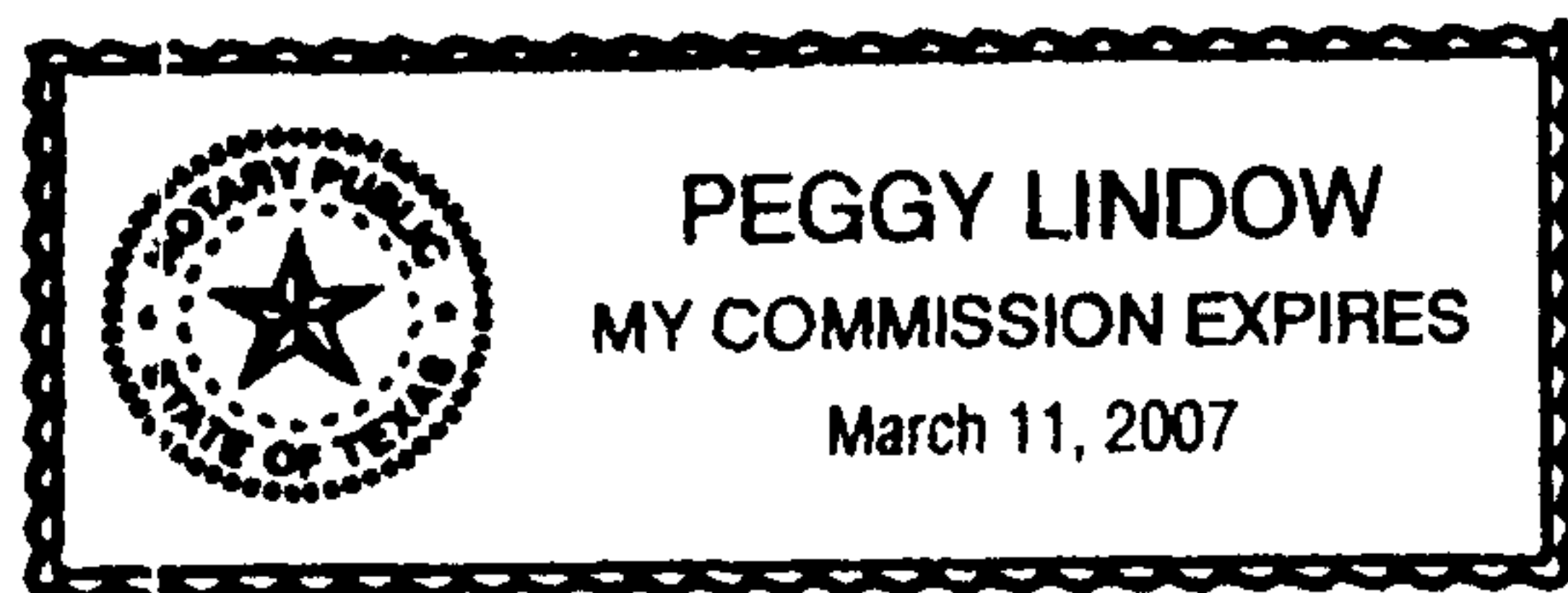
By: 
Its: MANAGER

Date: 4-28-05

STATE OF TEXAS *
*
COUNTY OF HARRIS *

I, Peggy Lindow, a Notary Public, in and for said County in said State, hereby certify that Russell D. Gordy, whose name as President of Gordy Oil Company, a Texas Corporation, general partner of RGGGS Land & Minerals, Ltd., L.P., a Delaware Limited Partnership, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited partnership.

Given under my hand and seal this 27th day of April, 2005.



Peggy Lindow
Notary Public
State of Texas
County of Harris
My Commission Expires 3-11-07

STATE OF ALABAMA *
*
COUNTY OF JEFFERSON *

Before me, the undersigned, a Notary Public in and for said County and State, on this 28th day of APRIL, 2005, personally appeared JIMMIE R. RYAN, known to me to be the identical person who subscribed the name of RR'S COAL LLC to the foregoing instrument as its officer and acknowledged to me that he executed the same as his free and voluntary act and as the free and voluntary act and deed of such corporation, for the uses and purposes therein set forth.

Given under my hand and seal this 28th day of APRIL, 2005.

Carolyn J. Gahler
Notary Public
State of ALABAMA
County of JEFFERSON
My Commission Expires 11-16-08

EXHIBIT A

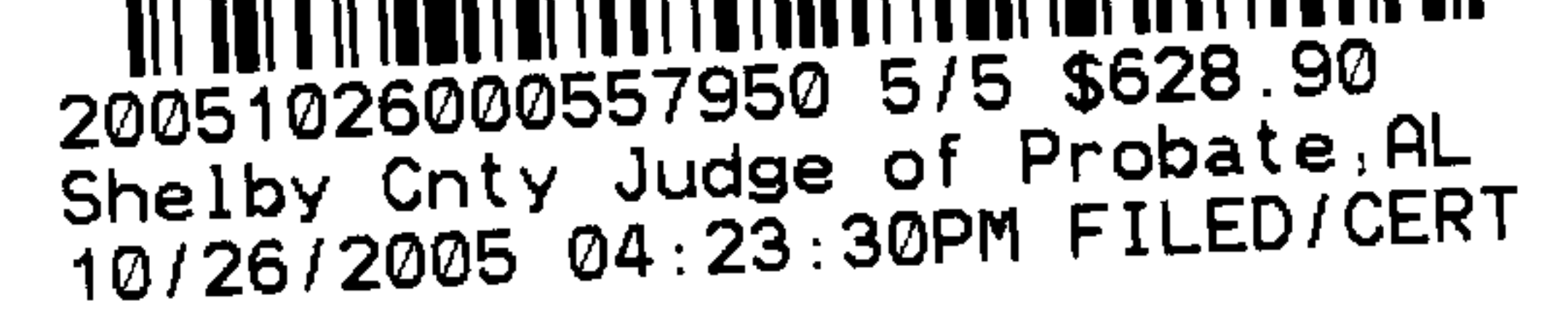
LEGAL DESCRIPTION

The lands described below are lands where RGGS Land & Minerals Ltd., L.P. owns the mineral interests which are hereby leased to R & S Coal, LLC for the mining of coal according to the terms of the document hereto attached.

TOWNSHIP 21 SOUTH, RANGE 4 WEST

Section	Description	Acres
1	The entire section.	640.00
2	The entire section.	640.00
10	The entire section.	640.00
11	The entire section.	640.00
12	The entire section.	640.00
13	The North half of the Northwest quarter.	80.00
	The Southwest diagonal half of the Southwest quarter.	80.00
14	The Northeast quarter.	160.00
	The West half of the Southwest quarter.	80.00
15	The West half of the Northeast quarter.	80.00
	The Southeast quarter of the Northeast quarter.	40.00
	The Southeast quarter.	160.00
	The Northeast quarter of the Southwest quarter.	40.00
	The Northwest quarter.	160.00
20	The East half of the section.	320.00
21	The entire section except 1.80 acres in the Northeast quarter of the Northwest quarter.	638.20
22	The entire section.	640.00
23	The entire section.	640.00
24	The West half of the section.	320.00
25	The Northwest diagonal half of the Northeast quarter of the Northwest Quarter.	20.00
	The West half of the Southwest quarter of the Northwest quarter.	20.00

31	The East half of the section.	320.00
	The Southeast quarter of the Southwest quarter.	40.00
	The Northwest quarter of the Southwest quarter.	40.00
	The North half of the Northwest quarter.	80.00
	The Southwest quarter of the Northwest quarter.	40.00
32	The entire section.	640.00
33	The entire section.	640.00
34	The entire section except the Northeast quarter of the Northwest quarter.	600.00
35	The North half of the Northeast quarter.	80.00
	The Northwest diagonal half of the South half of the Northeast quarter.	40.00
	The Northwest diagonal half of the Southwest quarter of the Southwest Quarter.	80.00
	The Northwest quarter.	160.00
Total Acres :		12,118.20



RGGS LAND & MINERALS LTD., L.P.
Approximate scale 1" = 4,000'

T. 21 S, R. 4 W.

SHELBY CO.



Lands where RGGS Land & Minerals Ltd., L.P. owns mineral interests which are hereby leased to R & S Coal according to the terms of the document hereto attached.