

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

In re:)
) Case No. 15-02741-TOM7
NEW WEI, INC., et al.¹)
) Chapter 7
Debtor(s))

**MOTION TO APPROVE STIPULATION BETWEEN ANDRE M. TOFFEL,
TRUSTEE, AND ARCH INSURANCE COMPANY**

COMES NOW Andre M. Toffel (the “Trustee”), duly appointed interim Chapter 7 trustee of the bankruptcy estates of the Debtors¹ associated with this jointly administered case and as the liquidating trustee of the liquidating trust (the “Liquidating Trust”) created in connection with the October 13, 2017 settlement agreement with Warrior Met Coal, Inc., and, pursuant to 11 U.S.C. 105(a) and Bankruptcy Rule 9019, asks this Court to enter an Order approving the stipulation

¹ The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are New WEI, Inc. (f/k/a Walter Energy, Inc.) (9953); Atlantic Development and Capital, LLC (8121); Atlantic Leaseco, LLC (5308); Blue Creek Coal Sales, Inc. (6986); Blue Creek Energy, Inc. (0986); New WEI 7, Inc. (f/k/a J.W. Walter, Inc.) (0648); Jefferson Warrior Railroad Company, Inc. (3200); New WEI 2, LLC (f/k/a Jim Walter Homes, LLC) (4589); New WEI 13, Inc. (f/k/a Jim Walter Resources, Inc.) (1186); Maple Coal Co., LLC (6791); Sloss-Sheffield Steel & Iron Company (4884); SP Machine, Inc. (9945); Taft Coal Sales & Associates, Inc. (8731); Tuscaloosa Resources, Inc. (4869); V Manufacturing Company (9790); New WEI 19, LLC (f/k/a Walter Black Warrior Basin LLC) (5973); New WEI 18, Inc. (f/k/a Walter Coke, Inc.) (9791); New WEI 22, LLC (f/k/a Walter Energy Holdings, LLC) (1596); New WEI 20, LLC (f/k/a Walter Exploration & Production LLC) (5786); New WEI 1, Inc. (f/k/a Walter Home Improvement, Inc.) (1633); New WEI 6 Company (f/k/a Walter Land Company) (7709); New WEI 16, Inc. (f/k/a Walter Minerals, Inc.) (9714); and New WEI 21, LLC (f/k/a Water Natural Gas, LLC) (1198). The location of the Debtors’ corporate headquarters is 2100 Southbridge Parkway, Suite 650, Birmingham, Alabama 35209.



between Andre M. Toffel, Trustee, and Arch Insurance Company (“Arch”), the material terms of which are set forth in this Motion. In support, the Trustee states the following:

STATUTORY PREDICATE AND JURISDICTION

1. This Motion is asserted pursuant to 11 U.S.C. § 105(a), as well as Federal Rule of Bankruptcy Procedure 9019.

2. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 1334 and 157. Consideration of this Motion is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue of this Motion is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

3. On July 15, 2015 (the “Chapter 11 Petition Date”), Walter Energy, Inc. and numerous of its subsidiaries (collectively, the “Debtors”), including Jim Walter Resources, Inc. (“JWR”), filed Chapter 11 bankruptcy petitions in this Court. The Debtors’ Chapter 11 cases were subsequently consolidated for administrative purposes.

4. Prior to the Chapter 11 Petition Date, Arch Insurance Company (“Arch”) issued the surety bonds listed in the attached Exhibit A (the “Arch Bonds”) on behalf of the Debtors in support of the Debtors’ operations. The Arch Bonds included reclamation bonds assuring the Debtors’ reclamation obligations to state

regulatory authorities under various coal mining permits (the “Bonded Permits”) issued by those regulators to the Debtors for their Debtors’ mining operations. Arch issued the Arch Bonds as consideration for the Debtors’ execution of indemnity agreements obligating the Debtors to indemnify Arch from and against loss under the Arch Bonds. The Debtors’ obligations to Arch under the indemnity agreements and the Arch Bonds were secured by a letter of credit in the amount of \$22,000,000 issued by Bank of America (the “Arch LOC”).

5. During the pendency of the Chapter 11 cases, the Debtors sold the vast majority of the Debtors’ mining assets via two separate sales – the Core Asset Sale and the Non-Core Asset Sale – both of which this Court approved pursuant to 11 U.S.C. § 363. See Docket Entry No. 1584 (the “Core Asset Sale Order”) Docket Entry No. 1863 (the “Non-Core Asset Sale Order”) (collectively, the “Sale Orders”, copies of which are attached as Exhibit 1).

6. Under the Core Asset Sale Order, the purchaser acquired certain mining assets of the Debtors and assumed all of the Debtors’ reclamation obligations with respect to those mining assets. The purchasers were also required to obtain new mining permits to operate the acquired assets, and post new surety bonds to support purchaser’s obligations under those permits. Certain of the Arch Bonds were replaced and released in connection with the Core Asset Sale.

7. Similarly, under the Non-Core Asset Sale Order, the purchasers acquired certain mining assets of the Debtors and assumed all of the Debtors' reclamation obligations with respect to those mining assets. The purchasers were also required to obtain new mining permits to operate the acquired assets, and post new surety bonds to support the purchaser's obligations under those permits. The purchaser under the Non-Core Asset Sale (the "Non-Core Asset Purchaser") could not obtain new bonds to support the acquired permits without collateral.

8. In order to facilitate the Non-Core Asset Purchaser's replacement of the bonds relating to the assets being acquired, which included the Arch Bonds, the Non-Core Purchaser, the Debtors, Arch and another of the Debtors' sureties, entered into an Agreement Regarding Replacement of Bonds and Disposition of Collateral, as amended (the "Replacement Bond Agreement"). A true and correct copy of the Replacement Bond Agreement is attached as part of Exhibit 1.

9. Pursuant to the Replacement Bond Agreement, Arch drew down the Arch LOC, and, upon the replacement of the relevant Arch Bonds, transferred certain of the proceeds of the Arch LOC to the replacement surety provider for the Non-Core Asset Purchaser to collateralize the replacement bonds.

10. In total, Arch transferred approximately \$17 million of the Arch LOC proceeds to the surety provider for the Non-Core Asset Purchaser, leaving

approximately \$4 million in Arch LOC proceeds to secure the Debtors' obligations under the remaining Arch Bonds, and the Arch indemnity agreement.

11. After the sales under the Sale Orders closed, the Debtors were not able to confirm a Chapter 11 Plan. Ultimately, the Debtors' Chapter 11 cases were converted to Chapter 7 in March, 2017, and the Trustee was appointed as the trustee for all of the Debtors' Chapter 7 estates.

12. During the pendency of the Chapter 11 cases, Arch filed a total of ten claims in this case, bearing Claim Nos. 952, 953, 954, 982, 985, 987, 989, 990, and 1785. The claims were all filed with respect to the Arch Bonds and the Debtors' indemnity obligations to Arch.

13. As of the date hereof, all of the Arch Bonds have either been replaced, released, and/or discharged. Additionally, Arch has paid all claims and demands under the Arch Bonds that were not replaced pursuant to the sales under the Sale Orders. Arch also reimbursed its other loss and expenses in respect of the Arch Bonds, and the related indemnity agreement, from the remaining LOC Proceeds.

14. The Trustee, through his counsel, was recently contacted by Arch to inform the Trustee that after Arch is holding the sum of \$104,534.61 (the "Remaining Arch LOC Proceeds") representing proceeds of the Arch LOC remaining after the

replacement, release, and discharge of the Arch Bonds, and reimbursement of loss and expense under the indemnity agreement.

15. The Trustee and Arch have reached an agreement pursuant to which Arch will release the Remaining LOC Proceeds to the Trustee.

16. The Trustee and Arch hereby request this Court approve a stipulation regarding the treatment of the Arch proof of claims and the release of the Remaining LOC Proceeds to the Trustee, as follows:

a. Upon the Court's approval of this Stipulation, Arch will remit \$94,534.61 of the Remaining LOC Proceeds to the Trustee, without prejudice to and without recourse by any party to Arch.

b. Following the approval of the Stipulation, Arch will provide the Trustee with an itemization of its costs and expenses incurred that have not otherwise been reimbursed, and Arch's proposed reimbursement. Upon agreement by Arch and the Trustee, which may be evidenced by email confirmation between counsel, or if the parties cannot agree, by subsequent order of this Court, Arch will remit the then remaining balance of the Remaining LOC Proceeds to the Trustee without prejudice to Arch, and without recourse to Arch by any party to Arch.

c. Upon the delivery of the Remaining LOC Proceeds to the Trustee pursuant to subparagraphs a. and b., each of the proof of claims filed by Arch as detailed above will be deemed satisfied, and otherwise withdrawn, with prejudice,

and Arch shall be released of any from any and all liability and/or any claims of any kind by any party, including, without limitation, the Trustee, the bankruptcy estates, and the Liquidating Trust, in respect of the Arch Bonds, its indemnity agreement, its collateral, including the Arch LOC and its proceeds, and the Chapter 11 and Chapter 7 cases.

17. Nothing in this Stipulation and Order is intended to affect any bonds or any bond program of any non-Debtor. Additionally, nothing herein shall affect or be deemed to affect any of Warrior Met Coal, Inc.'s insurance policies or its current surety bonds (which do not include any of the Arch Bonds).

WHEREFORE, PREMISES CONSIDERED, the Trustee requests that the Court, after adequate notice, enter an Order approving the stipulation as set forth above. The Trustee requests all other and further relief to which he may be entitled.

Dated: September 12, 2023.

/s/ Stephen B. Porterfield
Stephen B. Porterfield
Thomas B. Humphries
Attorneys for Andre M. Toffel, Trustee

OF COUNSEL:
SIROTE & PERMUTT, P.C.
2311 Highland Avenue South
Birmingham, AL 35205
Telephone: (205) 930-5100
Facsimile: (205) 212-3862
sporterfield@sirote.com
thumphries@sirote.com

CERTIFICATE OF SERVICE

I hereby certify that on this the 12th day of September, 2023, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing all persons and entities that have filed a request for service of filings in this case pursuant to Bankruptcy Rule 2002.

Electronic notice, and via U.S. Mail where appropriate, will also be provided to the following:

Jay R. Bender
Cathleen C. Moore
James Blake Bailey
Bradley Arant Boult Cummings LLP
One Federal Place
1819 Seventh Ave North
Birmingham, AL 35203-2105
Email: jbailey@bradley.com
Email: ccmoore@bradley.com
Email: jrbender@babbc.com

Seminole Coal Resources, LLC ERP
Compliant COKE, LLC ERP
Environmental Fund, Inc. 15 Appledore
Lane
P.O. Box 87
Natural Bridge, Virginia 24578 Attn:
Thomas M. Clarke

Jayna Partain Lamar
J Leland Murphree
Robert Karl Ozols
Maynard, Cooper & Gale, P.C.
1901 6th Ave N
2400 Regions Harbert Plaza
Birmingham, AL 35203
Email: jlamar@maynardcooper.com
Email: Lmurphree@maynardcooper.com
Email: rozols@maynardcooper.com

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036
Attn: Ira S. Dizengoff

ERP Compliant Fuels LLC
c/o ENCE Co., Inc.
3694 Seaford Drive
Columbus, OH 43220
Attn: Charles A. Ebetino, Jr.

ERP Compliant Fuels LLC
PO Box 305
Madison, WV 25130
Attn: Kenneth R. McCoy

Robert N. Kravitz
Daniel J. Leffell
Allan J. Arffa
Dan Youngblut
Paul, Weiss, Rifkind, Wharton &
Garrison
1285 Avenue of the Americas
New York, NY 10019-6064

J. Thomas Corbett
Jon A. Dudeck
U.S. Bankruptcy Administrator
Northern District of Alabama
1800 Seventh Avenue North, Suite 325
Thomas_Corbett@alnba.uscourts.gov
Jon_Dudeck@alnba.uscourts.gov

Andre M. Toffel, Trustee Andre M.
Toffel, P.C.
450-A Century Park South, Ste. 206A
Birmingham, Alabama 35226
atoffel@toffelpc.com
jcraft@toffelpc.com

Michael L. Hall
Jay Haithcock
James P. Roberts, LLP
Burr & Forman, LLP
420 20th St. N
Suite 3400
Birmingham, Alabama 35203
mhall@bumcom
jhaithcock@bumcom
jroberts@burr.com

W. Joseph Dryer
Don F. Oliver
1000 N. West Street, Suite 1200
Wilmington, DE 19801
dfr.wjd@gmail.com dfr.dfo@gmail.com

Akin Gump Strauss Hauer & Feld LLP
1333 New Hampshire Avenue, N.W.
Washington, DC 20036
Attn: James Savin

/s/ Stephen B. Porterfield
OF COUNSEL

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Jim Walter Resources, Inc.	SU 1121405-0000	\$2,498,720	State of Alabama Surface Mining Commission Surety Permit P-3256 Incr. 1 659 Acres JWR Mine No. 5	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121406-0000	\$2,496,317	State of Alabama Surface Mining Commission Surety P- 3256 Incr. 3 254 Acres JWR Mine No. 5	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121407-0000	\$191,590	State of Alabama Surface Mining Commission Surety P- 3256 Incr. 4 238 Acres JWR Mine 5	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121408-0000	\$79,810	State of Alabama Surface Mining Commission Surety P- 3256 Incr. 5 44 Acres JWR Mine 5	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121409-0000	\$95,105	State of Alabama Surface Mining Commission Surety P- 3256 Incr. 2 73 Acres JWR Mine 5	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121433-0000	\$2,159,305	State of Alabama Surface Mining Commission Surety P- 3852 Incr. 4 112 Acres East Brookwood Mine	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121434-0000	\$861,461	State of Alabama Surface Mining Commission Surety P- 3852 Incr. 3 67 Acres East Brookwood Mine	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121437-0000	\$71,875	State of Alabama Surface Mining Commission Surety P- 3852 Incr. 1 57 Acres	Alabama Surface Mining Commission	AL

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Jim Walter Resources, Inc.	SU 1121456-0000	\$0	Drilling, Operation or Production of One or More - Bond (Blanket) Bond Released Per Release/Discharge Letter 1/8/2016	State Oil and Gas Board of Alabama	AL
Jim Walter Resources, Inc.	SU 1121464-0000	\$25,000	Public Right of Way Bond - 1370 Feet of Gas Pipe Hannah Creek Road from Black Warrior Methane Compressor Station to Entrance to No. 7 Mine	Alabama Department of Transportation	AL
Jim Walter Resources, Inc.	SU 1121998-0000	\$25,000	Alabama Dept. of Conservation and Natural Resources - Coal Lease No. 6 - Mine Nos. 4, 5 and 7	Alabama Department of Conservation and Natural Resources	AL
Jim Walter Resources, Inc.	SU 1121999-0000	\$55,000	Board of Trustees Univ. of Alabama - Coal Lease 4/12/97 - Mine No. 7	Board of Trustees Univ. of Alabama	AL
Jim Walter Resources, Inc.	SU 1122205-0000	\$50,000	Right of way work - Hwy 216	Alabama Department of Transportation	AL
Jim Walter Resources, Inc.	SU 1122206-0000	\$25,000	Road Bore Lock 17 Rd approx 2.7 miles from Hwy 216	Tuscaloosa County	AL
Tuscaloosa Resources, Inc.	SU 1121432-0000	\$2,932,114	State of Alabama Surface Mining Commission Surety P 3819 Incr. 4 389 Acres	Alabama Surface Mining Commission	AL
Tuscaloosa Resources, Inc.	SU 1121435-0000	\$308,545	State of Alabama Surface Mining Commission Surety P 3839 Incr. 5 190 Acres Howton	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121436-0000	\$32,200	State of Alabama Surface Mining Commission Surety P 3852 Incr. 2 63 Acres	Alabama Surface Mining Commission	AL

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Tuscaloosa Resources, Inc.	SU 1121438-0000	\$146,050	State of Alabama Surface Mining Commission Surety P 3839 Incr. 1 57 Acres	Alabama Surface Mining Commission	AL
Tuscaloosa Resources, Inc.	SU 1121439-0000	\$137,310	State of Alabama Surface Mining Commission Surety P 3819 Inc. 6 47 Acres Carter	Alabama Surface Mining Commission	AL
Tuscaloosa Resources, Inc.	SU 1121440-0000	\$137,310	State of Alabama Surface Mining Commission Surety P 3839 Incr. 3 Howton	Alabama Surface Mining Commission	AL
Tuscaloosa Resources, Inc.	SU 1121441-0000	\$134,435	State of Alabama Surface Mining Commission Surety P 3839 Incr. 4 156 Acres Howton	Alabama Surface Mining Commission	AL
Tuscaloosa Resources, Inc.	SU 1121444-0000	\$60,000	State of Alabama Surface Mining Commission Surety P 3774 Incr. 5 75 Acres Panther	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121445-0000	\$43,700	State of Alabama Surface Mining Commission Surety P 3852 Incr. 3 13 Acres East Brookwood	Alabama Surface Mining Commission	AL
Tuscaloosa Resources, Inc.	SU 1121447-0000	\$35,200	State of Alabama Surface Mining Commission Surety P 3817 Incr 1 44 Acres Panther 2	Alabama Surface Mining Commission	AL
Tuscaloosa Resources, Inc.	SU 1121448-0000	\$32,430	State of Alabama Surface Mining Commission Surety P 3839 Incr. 1 27 Acres Howton	Alabama Surface Mining Commission	AL
Tuscaloosa Resources, Inc.	SU 1121450-0000	\$20,800	State of Alabama Surface Mining Commission Surety P 3817 Incr. 4 26 Acres Panther 2	Alabama Surface Mining Commission	AL

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Tuscaloosa Resources, Inc.	SU 1121451-0000	\$15,870	State of Alabama Surface Mining Commission Surety P 3839 Incr 6 9 Acres Howton	Alabama Surface Mining Commission	AL
Tuscaloosa Resources, Inc.	SU 1121452-0000	\$8,800	State of Alabama Surface Mining Commission Surety P 3817 Incr 6 11 Acres Panther 2	Alabama Surface Mining Commission	AL
Walter Black Warrior Basin, LLC	SU 1121460-0000	\$25,000	Oil and Gas or Geothermal Lease Bond	United States Department Of Interior - Bureau of L	AL
Bond Principal is Black Warrior Methane Corp. (not a Debtor)	SU 1121457-0000	\$100,000	Drilling, Operation or Production of One or More	State Oil And Gas Board of Alabama	AL
Walter Black Warrior Basin, LLC	SU 1121459-0000	\$180,000	Utility Bond - Indemnity Bond for Electric Service	Alabama Power Company	AL
Walter Black Warrior Basin, LLC	SU 1121461-0000	\$400,000	Drilling, Operation or Production of One or More	State Oil And Gas Board of Alabama	AL
Walter Black Warrior Basin, LLC	SU 1121466-0000	\$20,000	Public Right of Way Bond - Permit Agreement	Tuscaloosa County Public Works Dept.	AL
Walter Energy, Inc.	SU 1121463-0000	\$25,000	Public Right of Way Bond - Construction of Water Line - Permit Date 01/09/1999	Tuscaloosa County Commission	AL
Jim Walter Resources, Inc.	SU 1121468-0000	\$1,500,000	Self Insured Workers Compensation Bond	State of Alabama Department of Industrial Relation	AL
Jim Walter Resources, Inc.	SU 1121469-0000	\$400,000	Reclamation Bond - Bond Under Lease for Mining Coal (under Federal Lease) - North River Mine	Department of The Interior - Bureau of Land Manage	AL

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Jim Walter Resources, Inc.	SU 1122202-0000	\$50,000	Right of way work - Hwy AL 13 & US 43	Alabama Department of Transportation	AL
Maple Coal Co., LLC	SU 1122203-0000	\$25,000	(10) HDPE SDR 21 Pipe (Water, Non- Pressurized) through WDOH right of way and under existing two lane bridge Paint Creek Road near Whitaker, WV	State of West Virginia Dept of Highways	WV
Walter Coke, Inc.	SU 1121467-0000	\$150,000	Self Insured Workers Compensation Bond	State of Alabama Department of Industrial Relation	AL
Atlantic LeaseCo LLC	SU 1121376-0000	\$621,680	Reclamation Bond - Permit Number P065700 - 320 Acres	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121377-0000	\$545,160	Reclamation Bond - Permit Number R068000 - Incr#1	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121378-0000	\$460,080	Reclamation Bond - Permit Number S306386 - Incr#1	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121379-0000	\$388,080	Reclamation Bond - Permit Number R068000 - Incr#2	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121380-0000	\$380,000	Reclamation Bond - Permit Number S306386 - 379.36	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121381-0000	\$320,320	Reclamation Bond - Permit Number S011685 - Incr#2	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121382-0000	\$267,960	Reclamation Bond - Permit Number R068000 - Incr#3	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121383-0000	\$165,440	Reclamation Bond - Permit Number S011685 - Incr#4	State of West Virginia	WV

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Atlantic LeaseCo LLC	SU 1121384-0000	\$157,160	Reclamation Bond - Permit Number S306386 - Inc#4	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121385-0000	\$154,000	Reclamation Bond - 69.04 Acres of Land Situated in Hamilton District of Nicholas County in WV Near Calvin Permit No. E007800	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121386-0000	\$145,000	Reclamation Bond - Permit Number S300407 - Incr#1	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121388-0000	\$135,240	Reclamation Bond - Permit Number U302006 - 48.40	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121389-0000	\$129,000	Reclamation Bond - Permit Number Z005981 - 128.90 Acres	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121390-0000	\$116,440	Reclamation Bond - Permit Number S306386 - Incr#3	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121391-0000	\$105,600	Reclamation Bond - Permit Number S011685	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121393-0000	\$62,640	Reclamation Bond - Permit Number U300610 - 17.16 Acres	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121394-0000	\$59,640	Reclamation Bond - Permit Number S306386 - Incr#3	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121395-0000	\$59,000	Reclamation Bond - Permit Number H062800 - 58.23 Acres	State of West Virginia	WV

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Atlantic LeaseCo LLC	SU 1121396-0000	\$52,360	Reclamation Bond - Permit Number R068000 - Incr#4	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121397-0000	\$49,280	Reclamation Bond - Permit Number U300308 - 15.70 Acres	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121398-0000	\$32,560	Reclamation Bond - Permit Number U302707 - Incr#1	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121399-0000	\$21,240	Reclamation Bond - Permit Number U300807 - 8.54 Acres	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121400-0000	\$12,000	Reclamation Bond - Permit Number H065800 - 11.32 Acres	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1121401-0000	\$10,000	Reclamation Bond - Permit Number U009083 - 14.05 Acres	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1122204-0000	\$204,160	Reclamation Bonds - Permit Number S011685 - surface mining	State of West Virginia	WV
Atlantic LeaseCo LLC	SU 1122207-0000	\$38,400	Reclamation Bond - Permit No. S-3016-11 Peerless Mine 1	State of West Virginia	WV
Jim Walter Resources, Inc.	SU 1121404-0000	\$3,940,141	State of Alabama Surface Mining Commission Surety Permit P-3222 Incr. 1 921 Acres	Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1121410-0000	\$66,700	State of Alabama Surface Mining Commission Surety P- 3257 Incr 5 56 Acres Mine No. 3 Jefferson Co. AL	Alabama Surface Mining Commission	AL

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Jim Walter Resources, Inc.	SU 1122208-0000	\$118,450	Coal or Restoration of Land to Acceptable Levels P-3222 Increment 8	State of Alabama Surface Mining Commission	AL
Jim Walter Resources, Inc.	SU 1122209-0000	\$415,150	Coal or Restoration of Land to Acceptable Levels P-3222 Increment 7	State of Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121411-0000	\$1,481,341	State of Alabama Surface Mining Commission Surety P- 3799 Incr. 6 163 Acres - Choctaw Mining Permit	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121412-0000	\$148,120	State of Alabama Surface Mining Commission Surety P 3921 Incr. 1 184 Acres Reid School Mining Permit	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121413-0000	\$1,388,855	State of Alabama Surface Mining Commission Surety P 3892 Incr. 1 90 Acres	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121414-0000	\$365,240	State of Alabama Surface Mining Commission Surety P 3921 Incr. 1 373 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121415-0000	\$163,500	State of Alabama Surface Mining Commission Surety P 3892 Incr. 1 327 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121416-0000	\$834,325	State of Alabama Surface Mining Commission Surety P 3892 Incr. 5 97 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121417-0000	\$86,480	State of Alabama Surface Mining Commission Surety P 3921 Incr. 4 86 Acres Choctaw	Alabama Surface Mining Commission	AL

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Taft Coal Sales & Associates, Inc.	SU 1121418-0000	\$638,967	State of Alabama Surface Mining Commission Surety P 3885 Incr 1 150 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121419-0000	\$78,890	State of Alabama Surface Mining Commission Surety P 3921 Incr. 3 98 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121420-0000	\$461,915	State of Alabama Surface Mining Commission Surety P 3885 Incr 2 94 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121421-0000	\$442,060	State of Alabama Surface Mining Commission Surety P 3799 Incr 3 131 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121422-0000	\$314,870	State of Alabama Surface Mining Commission Surety P 3892 Incr. 3 107 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121423-0000	\$236,160	State of Alabama Surface Mining Commission Surety P 3799 Incr. 4 312 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121424-0000	\$180,435	State of Alabama Surface Mining Commission Surety P 3921 Incr. 6 69 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121425-0000	\$186,300	State of Alabama Surface Mining Commission Surety P 3892 Incr. 6 49 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121426-0000	\$92,016	State of Alabama Surface Mining Commission Surety P 3799 Incr. 1 136 Acres Choctaw	Alabama Surface Mining Commission	AL

EXHIBIT A
to
Agreement Regarding Replacement of Bonds and Return of Collateral
(Arch)

Principal	Bond #	Bond Amount	Bond Description/ Permit No.	Obligee	Risk State
Taft Coal Sales & Associates, Inc.	SU 1121427-0000	\$92,575	State of Alabama Surface Mining Commission Surety P 3799 Incr. 2 116 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121428-0000	\$90,160	State of Alabama Surface Mining Commission Surety P 3799 Incr. 5 112 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121429-0000	\$80,270	State of Alabama Surface Mining Commission Surety P 3747 Incr. 6 76 Acres Mining Permit Blue	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121430-0000	\$75,900	State of Alabama Surface Mining Commission Surety P 3885 Incr. 6 16 Acres Choctaw	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1122210	\$10,000	State of Alabama Surface Mining Commission. P-3974, Incr. VI,	Alabama Surface Mining Commission	AL
Taft Coal Sales & Associates, Inc.	SU 1121431-0000	\$72,565	State of Alabama Surface Mining Commission Surety P 3795 Incr. 6 64 Acres Gavosa	Alabama Surface Mining Commission	AL
		\$32,307,772			