

KANSAS GEOLOGICAL SURVEY

The University of Kansas
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April 9, 2007

Mr. Murray J. Balk, Chief
Surface Mining Section
Kansas Dept. of Health and Environment
4033 Parkview Drive
Frontenac, KS 66763

Re: Ricci Mining, LLC
Renewal of Permit CK-PF-1301
Cherokee County, Kansas

Dear Murray:

I have reviewed the information that you recently sent to the Kansas Geological Survey concerning the proposed renewal of Permit CK-PF-1301 for a carbon recovery operation located in west-central Cherokee County, Kansas. It is my understanding that the purpose of the recovery operation is to recover fine coal from mine wastes lost in the coal washing operation of a previous coal mining operation. The proposed recovery area is located in portions of the N/2 Sect. 4, and parts of Sect. 5, T. 33 S., R. 22 E.

Based on the information you have provided, I find no problem with this type of operation, and with the issuing of the permit. I assume your Section's review of the operation has met approval by your people. This type of recovery operation will be a benefit to both the state and the company should it prove successful. I noticed that the company recovered over 4,000 tons of coal in 2006, so apparently they have developed a promising method of coal recovery.

The above discussion represents our best assessment based on the information that the Kansas Geological Survey has about this locality and the proposed project at the time of this writing. Other geologic conditions, not discussed herein, or for which the Kansas Geological Survey has no knowledge, may affect the viability or safe operation of carbon recovery on this property.

Sincerely,

Lawrence L. Brady
Senior Scientific Fellow



Kathleen Sebelius, Governor
Roderick L. Bremby, Secretary

DEPARTMENT OF HEALTH
AND ENVIRONMENT

www.kdheks.gov

Division of Environment

March 28, 2007

Kansas Geological Survey
1930 Constant - Campus West
University of Kansas
Lawrence, Kansas 66045

RE: Ricci Mining, LLC
Renewal of Permit CK-PF-1301

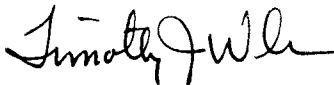
Ricci Mining, LLC has submitted an administratively complete application for renewal of permit CK-PF-1301 to the Kansas Department of Health and Environment, Surface Mining Section. The permit is a carbon recovery operation and renewal will allow the company to continue the recovery and reclamation process.

The precise location of the operation is shown on the attached map. Copies of the complete permit renewal application are on file at the following locations:

Surface Mining Section
4033 Parkview Drive
Frontenac, Kansas 66763

Cherokee County Courthouse
Columbus, Kansas 66725

Please provide any comments you may have regarding this permit renewal application no later than **April 16, 2007**. If you have any questions please do not hesitate to contact this office at (620) 231-8540.

Sincerely,

for Murray J. Balk, Chief
Surface Mining Section

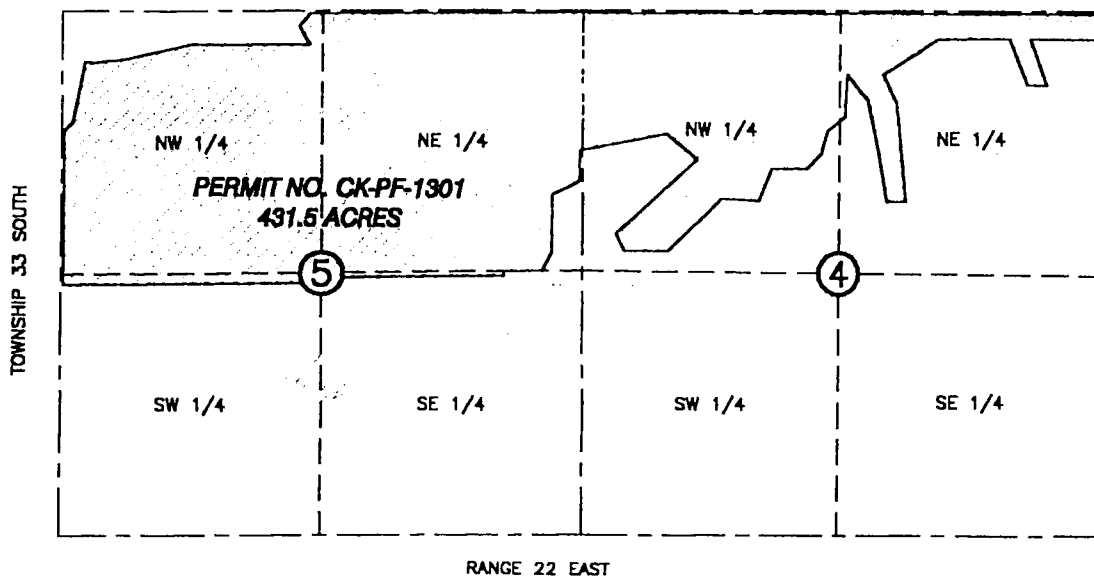
**Ricci Mining, LLC
Surface Coal Mining
Kansas Permit CK-PF-1301**

**Sections 4 & 5
Township 33 South, Range 22 East
Cherokee County, Kansas**

General Description of Permit Area

Part of the North Half of Section 4, and part of the North Half of Section 5, and part of the North 200 feet of the South Half of Section 5, all in Township 33 South, Range 22 East, Cherokee County, Kansas, containing a total of 431.5 acres.

This area is shown on the Oswego and Hallowell, Kansas U.S. Geological Survey 7.5 minute Quadrangle map.



SCALE: 1" = 2000'