

Notice of Proposed Assessment

To: ELK HORN RESOURCES LLC
544 SOUTH LAKE DRIVE
PRESTONSBURG, KY 41653

FORWARD MINING, LLC
PO BOX 2142
PIKEVILLE KY 41502

Date: 04/09/2026
Permit No. 836-0485
County: FLOYD

Having reviewed Notice of Non-Compliance No. **80-1366** and/or Cessation Order No. N/A the Department is hereby proposing a penalty assessment in the amount of **\$1,200.00**. A copy of the proposed penalty assessment worksheet is attached. Please note that this proposed penalty assessment is based upon information currently available to the assessment officer. If additional information becomes available, the Cabinet may determine that this proposed penalty is not appropriate and may seek a different amount. Also, if you choose to negotiate a settlement prior to the initiation of a penalty assessment conference, you may contact the Director of the Division of Mine Reclamation and Enforcement, 300 Sower Boulevard, Frankfort, KY 40601, telephone (502) 564-2340.

Should you decide not to negotiate, you have three (3) options remaining to resolve the proposed penalty assessment. You may (1) choose not to contest the amount of the proposed penalty assessment or the fact of violation in which case a final Order of the Secretary will be entered in accordance with 400 KAR 1:110 Section 3(5); (2) request a penalty assessment conference to contest the proposed penalty assessment (*if you request a penalty assessment conference, you may subsequently file a petition for an administrative hearing, within thirty (30) days of receipt of the conference officer's report, to contest the proposed penalty assessment and/or concurrently contest the fact of violation pursuant to 400 KAR 1:110 Section 3(4)(d)*); or (3) file a petition for an administrative hearing to contest the proposed penalty assessment and/or concurrently contest the fact of violation pursuant to 400 KAR 1:110 Section 3(4)(d).

If you desire a penalty assessment conference or an administrative hearing, you must file a request or petition with the Office of Administrative Hearings within thirty (30) days of receipt of this notice. If you fail to respond within thirty (30) days of receipt of this notice, the Secretary of the Energy and Environment Cabinet will enter an appropriate final Order in conformity with 400 KAR 1:110 Section 3(5).

Note: The Kentucky Bar Association has determined that the appearance of an individual who is not a licensed attorney, on behalf of a third person, corporation, or another entity, at a penalty assessment conference constitutes the unauthorized practice of law. Corporations or other entities must be represented by counsel at penalty assessment conferences. Individuals may represent themselves;

Please indicate your decision below, sign this document and return the original to the address listed below within thirty (30) days of the date you receive this notice. Payment must be made by cashier's check, certified check or money order and shall be made payable to the Kentucky State Treasurer.

4/9/2026

Stacy M. Lyons for JC

Director, Division of Mine Reclamation & Enforcement

- I choose not to contest the amount of the proposed penalty assessment and I understand that an appropriate final Order in conformity with 400 KAR 1:110 Section 3(5) will be entered.
- I request a penalty assessment conference to contest the proposed penalty assessment.
- I waive my right to an assessment conference. Attached is a petition for an administrative hearing.

Authorized Agent for: _____
Name of Business Entity and Telephone Number (please print)

Name and Telephone Number (please print)

Title: _____

Name (signature)

Date: _____

Please mail the completed original of this notice to: **Office of Administrative Hearings**
Attention: Docket Section
211 Sower Boulevard
Frankfort, KY 40601

Proposed Assessment Worksheet

Company Name: ELK HORN RESOURCES LLC and FORWARD MINING, LLC Permit #: 836-0485 Inspector: Garland Deaton Assessment Date: 04/09/2026
 Non-Compliance: 80-1366 Date: 09/26/2025 Illegal Mining CO: _____ Date: _____ Final Inspection of: Non-Compliance Cessation Order
 Failure to Abate CO: _____ Date: _____ Imminent Danger CO: _____ Date: _____ Inspection Date: 02/26/2026

Violation(s)	History *	Seriousness			Degree of Fault	Good Faith	Total Points	Assessment Amount	x Days Existed	= Point Assessment	F.T.A. Days	x \$750 per day	= F.T.A. Assessment	Total Assessment
		Probability	Damage	Administrative										
SC-Sedimentation Ponds - KAR 16:090	0	12	1	0	3	-5	11	0	1	0	0	0	0	0
DS-Disposal of Excess Spoil - KAR 16:130	0	12	7	0	9	-4	24	0	1	0	0	0	0	0
OD-Off Permit Disturbance - KAR 7:040	0	12	15	0	9	-4	32	1,200	1	1,200	0	0	0	1,200
WQ-Water Quality - KAR 16:070	0	12	8	0	3	-5	18	0	1	0	0	0	0	0
SC-Sedimentation Ponds - KAR 16:090	0	12	1	0	3	-4	12	0	1	0	0	0	0	0
AC-Roads - KAR 16:220	0	12	1	0	3	-5	11	0	1	0	0	0	0	0

* Previous Non-Compliances / Cessation Orders used to calculate history points: _____ **Total Assessment: \$1,200.00**

** Under 405 KAR 7:092 Section 13(3), the penalty for mining without a permit ranges from \$5,000 to \$25,000 per day; the point system is not used to calculate the proposed assessment.