

**BEFORE THE ALABAMA  
ENVIRONMENTAL MANAGEMENT COMMISSION**

BLACK WARRIOR RIVERKEEPER, INC.,	)	
	)	
Petitioner,	)	
	)	
v.	)	<b>NPDES Permit No. AL0080578</b>
	)	<b>Docket No. 25-02</b>
	)	
ALABAMA DEPARTMENT OF	)	
ENVIRONMENTAL MANAGEMENT,	)	
	)	
Respondent,	)	
	)	
SOUTHLAND RESOURCES, INC.,	)	
	)	
Intervenor.	)	

**SETTLEMENT AGREEMENT**

This Settlement Agreement (“Agreement”) is entered into this 27<sup>th</sup> day of **May, 2026** (the “Effective Date”) by and between Black Warrior Riverkeeper, Inc. (“Riverkeeper”), the Alabama Department of Environmental Management (“ADEM”), and Southland Resources, Inc. (“Southland”), collectively referred to as the “Parties,” and each of them is hereinafter sometimes individually referred to as “Party.”

**RECITALS**

WHEREAS, ADEM issued a modified National Pollutant Discharge Elimination System Permit No. AL0080578 to Southland Resources, Inc. on July 17, 2025, authorizing certain discharges from designated outfalls at the Swann’s Crossing mine facility located at 14166 Lock 17 Road, Brookwood, Tuscaloosa County, AL 35444; and

WHEREAS, on August 18, 2025, Black Warrior Riverkeeper, Inc. filed a Request for Hearing before the Alabama Environmental Management Commission (“AEMC”) to contest ADEM’s issuance of the Permit (“Permit Appeal”), pursuant to Ala. Admin. Code chap. 335-2-1; and

WHEREAS, Southland moved to and was granted permission to intervene in the Permit Appeal; and

WHEREAS, ADEM does not make an admission of liability, violation, or wrongdoing; and

WHEREAS, Southland does not make an admission of liability, violation, or wrongdoing; and

WHEREAS, the Parties have concluded that their mutual interests are best served by reaching an amicable resolution of the Permit Appeal, in light of the uncertainties and costs of that proceeding,

and that settlement of all claims and requests for relief is appropriate on the terms and conditions set forth in this Agreement; and

WHEREAS, all Parties (and their duly authorized representatives, where applicable) have agreed to a final compromise and settlement of the allegations in the Permit Appeal; and

WHEREAS, terms in this Agreement are defined as follows:

**A. Permit** means the modified NPDES permit number AL0080578 issued to Southland Resources, Inc. on July 17, 2025, authorizing certain discharges from designated outfalls at the Swann's Crossing mine facility located at 14166 Lock 17 Road, Brookwood, Tuscaloosa County, AL 35444.

**B. Permit Appeal** means the matter filed by Black Warrior Riverkeeper, Inc. with the Alabama Environmental Management Commission, styled as AEMC Docket No. 25-02.

**C. Facility** means the Swann's Crossing mine facility at 14166 Lock 17 Road, Brookwood, AL, that is the subject of the Permit.

**D. Tons** means short tons, equal to 2000 pounds; and

**E. Total Dissolved Solids ("TDS")** means the total dissolved solids as determined by use of the method specified in 40 CFR Part 136.

WHEREAS, the foregoing list is not intended to be exhaustive and definitions supplied to other terms in this Agreement shall be given equal recognition.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which the Parties acknowledge, the Parties agree as follows:

**I. Permit Modification Application**

A. Southland shall promptly prepare and file with ADEM an application to modify the Permit (the "Modification Application") as follows:

1. Include an annual loading limit for TDS of 1,984.19 Tons/year, with calculation of the limit to be determined using the mean annual flow of 1.75 cfs/square mile.
2. Include a requirement for weekly sampling for TDS (at all outfalls), which shall be reported in the monthly Discharge Monitoring Reports for the Facility.
3. Permanently remove Outfall 003, Outfall 012, and Outfall 019.

B. The Modification Application will not seek to change any other material terms, conditions and limitations of the Permit; however, Southland reserves the right to request additional, minor (e.g., administrative) revisions to the Permit as part of the Modification Application, as needed. ADEM

similarly commits not to change any other material terms, conditions and limitations of the Permit; however, ADEM reserves the right to make additional, minor (e.g., administrative) revisions to the Permit as needed.

C. Nothing in this Agreement shall be construed as precluding Southland from separately applying for such other permit modifications and permit renewals as needed. The Parties reserve all rights as to any such other permit modification application(s) or permit renewal application(s).

D. Riverkeeper shall not object to the Modification Application or to any draft or final permit modification issued materially consistent with the Modification Application, as long as Southland and ADEM are in compliance with this Agreement.

E. Riverkeeper shall not (i) submit any comments in opposition to the Modification Application, (ii) file with EPA any Petition for Objection regarding the issuance of the Permit modification, (iii) file any request for a hearing to contest any Permit modification issued materially consistent with the Modification Application, or (iv) otherwise oppose the Permit modification in any other manner or forum, as long as Southland and ADEM are in compliance with this Agreement.

F. The Parties acknowledge that a third party that opposes the Modification Application or that files a request for hearing or other proceeding to seek to invalidate a permit modification materially consistent with the Modification Application may have adverse interests to the Parties, and Riverkeeper and Southland agree to consult as to reasonable steps to counter any such opposition in their joint support for the Modification Application.

G. Upon determination that the Modification Application is complete, ADEM shall provide written acknowledgement of such to Southland and Riverkeeper.

H. ADEM shall process the Modification Application in the normal course of business and pursuant to applicable regulations and laws.

I. Following the Effective Date of this Agreement, Southland may continue operation in accordance with the terms, conditions and requirements of the Permit regardless of when, if ever, a modification to the Permit becomes final and effective in response to the Modification Application. If a revised Permit has not been issued within six (6) months of the Effective Date, then at that time, Southland shall begin weekly sampling for TDS (at all outfalls) and shall provide this data to Riverkeeper on a monthly basis, on a schedule coinciding with Southland's submittal of the monthly Discharge Monitoring Reports for the Facility.

## **II. Information Sharing**

A. The Parties recognize that all submissions required to be submitted to ADEM under the Permit (and any modifications and renewals thereof) are public records, which ADEM maintains under the publicly-accessible electronic file for the Facility.

B. Notwithstanding the foregoing, Southland shall provide Riverkeeper with a copy of the Modification Application upon filing it with ADEM.

C. Notwithstanding the foregoing and during the term of the Permit, Southland shall provide Riverkeeper with a copy of any notification submitted to ADEM pursuant to Parts IV.H.2. and IV.H.3. of the Permit when Southland supplies such notification to ADEM.

### **III. Withdrawal of Permit Appeal**

A. Within **five (5)** business days of ADEM's issuance of a revised Permit based upon the Modification Application, the Parties agree that Riverkeeper shall file with the AEMC a withdrawal of the Permit Appeal pursuant to Ala. Admin. Code r. 335-2-1-.21.

B. Once the revised Permit has been issued, Riverkeeper shall be deemed to have, and by operation of this Agreement shall have, fully, finally and forever released, relinquished, and discharged all claims brought in the Permit Appeal or that could have been brought in the Permit Appeal (the "Released Matters"). Once the revised Permit is issued, Riverkeeper shall have recourse exclusively to the benefits, rights, and remedies provided under this Agreement. No other action, demand, suit, or other claim may be pursued in respect of ADEM's issuance of the revised Permit resulting from the Modification Application.

### **IV. Enforcement and Dispute Resolution**

Any dispute that arises between the Parties under this Agreement shall be addressed as follows:

A. **Complaint and Cure Period:** A Party ("Complainant") that asserts the other Party ("Respondent") is in noncompliance with the terms of this Agreement may provide written notice of such assertion. The Respondent shall respond in writing within ten (10) days and shall include in such response a summary of its position and state whether curative actions have been taken with respect to the alleged noncompliance. To the extent curative actions have been taken within such ten (10) days, and the Complainant does not in good faith contest such curative actions have occurred, the dispute shall be deemed resolved. To the extent the Parties otherwise resolve the issues as a result of the Complainant's notice, the Respondent's response, and any other communications between the Parties, the resolution shall be reflected in a written communication between the Parties.

B. **Further Disputes:** For any event of alleged noncompliance with this Agreement not resolved under Section IV.A., the Complainant may seek resolution through the Hearing Officer (via his general authority under Ala. Admin. Code r. 335-2-1-.27) by providing written notice to the Hearing Officer and all Parties of such event.

### **V. Termination.**

This Agreement shall terminate upon Riverkeeper's filing of a withdrawal of the Permit Appeal.

### **VI. Miscellaneous**

A. **No Admission of Liability.** By entry of this Agreement, Southland makes no admission of fact or law, including without limitation, as to the merits of the Permit Appeal. Nothing in this Agreement shall otherwise be construed as an admission of liability of any kind on the part of any Party. Neither

this Agreement nor any of its terms, covenants, or conditions shall be offered or received in evidence in any proceeding or utilized in any matter whatsoever as an admission of any wrongdoing or liability on the part of any Party, provided, however, that nothing in this Section VI. is intended or should be construed to bar the enforcement of any term or condition of this Agreement by one Party against the other.

B. Authority. The Parties represent, warrant and certify each to the other, that (i) the undersigned representatives(s) have full and complete authority to execute this Agreement and bind them to the terms hereof; (ii) this Agreement, upon execution, constitutes a legal, valid and binding obligation on each of them; and (iii) the Parties, through their respective counsel, have negotiated this Agreement and that each Party has voluntarily executed it after consulting with counsel of its own choosing.

C. Notices. All notices given or required under this Agreement must be in writing and will be deemed to have been duly given if delivered via postage prepaid by first class mail, of by overnight delivery service, to the Parties at the following addresses. Each written notice shall also be sent via email to the applicable email address. An email notice may request acknowledgement of receipt, and such email notice together with receipt of such acknowledgement shall be deemed duly given notice in lieu of provision by first class mail or overnight delivery service.

**For Riverkeeper:**

Eva L. Dillard  
Black Warrior Riverkeeper, Inc.  
712 37<sup>th</sup> Street South  
Birmingham, AL 35222-3206  
(205) 458-0095 Office  
Email: edillard@blackwarriorriver.org

**For ADEM:**

James “Jimbo” H. Carlson  
Chief, ADEM Water Division  
1400 Coliseum Boulevard  
Montgomery, AL 36110-2400  
Email: jhc@adem.alabama.gov

**For Southland:**

Southland Resources, Inc.  
Attn: Jeff Aldridge  
P.O. Box 770  
Cottondale, AL 35453

Email: [jaldridge@southlandresourcesinc.com](mailto:jaldridge@southlandresourcesinc.com)

With a copy to:

Adrian M. Rowley, Esq.

Gilmore, Rowley, Crissey & Hayes,

Attorneys at Law, LLC

620 Queen City Ave.

Tuscaloosa, AL 35401

Email: [rowley@gilmorerowley.com](mailto:rowley@gilmorerowley.com)

D. Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision held unenforceable. The Parties expressly agree that the terms and provisions of this Agreement are contractual in nature and not merely recitals.

E. No Waiver. The provisions of this Agreement may not be changed, discharged, terminated, altered or waived orally, but only by an instrument in writing signed by the Parties. The failure by any Party to enforce its rights under this Agreement on any occasion shall not operate as or be deemed to be a waiver of any future enforcement or exercise of such rights.

F. No Construction Against Drafters. No provision of this Agreement shall be construed against or interpreted to the disadvantage of a Party by any court or other governmental or judicial authority by reason of such Party having or being deemed to have drafted, prepared or imposed such provision.

G. No Assignment. Except as provided in Section VI.N., no Party to this Agreement may assign or transfer all or any part of any right, obligation, or interest under this Agreement without the express written consent of the other Party, which consent shall not be unreasonably withheld. Any attempted assignment or transfer without express written consent shall be null, void and without effect.

H. Time is of the Essence. The Parties acknowledge hereby for all purposes that time is of the essence as to all terms and conditions of this Agreement. ADEM commits to using its best efforts to issue a revised Permit within six months of receiving the Modification Application.

I. Force Majeure. No Party shall be liable or responsible to another Party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement, when and to the extent such failure or delay is caused by or results from acts beyond the affected Party's control, including, without limitation: (a) acts of God; (b) flood, fire, or earthquake; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (d) government order or law; or (e) national or regional emergency. The Party suffering a force majeure event under this subparagraph shall give notice to the other Party within two (2) days of its knowledge that such force majeure event may result in failure or delay in fulfilling any

term of this Agreement, stating the period of time the occurrence is expected to continue, and such Party shall use diligent efforts to end the failure or delay and minimize to the extent practicable the effects of such force majeure event.

J. Governing Law. This Agreement is to be governed and construed in accordance with the laws of the state of Alabama, applied without regard to its laws applicable to choice of law.

K. Survival. The representations, warranties, promises, covenants and agreements contained in this Agreement shall survive the execution of this Agreement.

L. No Third Party Beneficiary. Nothing herein shall be deemed to confer any rights upon any third party or make any third party a beneficiary of this Agreement.

M. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which constitute one and the same Agreement.

N. Binding Agreement. This Agreement shall be binding upon the Parties and their respective heirs, administrators, beneficiaries, executors, successors, and permitted assigns. In the event Southland conveys the Facility operation to which the Permit pertains to a third party ("Purchaser"), to the extent this Agreement is still in effect, Southland shall assign it to the Purchaser, and such Purchaser shall be considered a permitted assign.


O. Entire Agreement. This Agreement represents the final agreement between the Parties as to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the Parties. All earlier drafts, understandings, oral agreements, representations, and other writings are expressly superseded hereby and are of no further force or effect with regard to the subject matter of the Agreement. This Agreement may not be altered, amended, or modified in any respect, except by a writing duly executed by the party to be charged with such change.

P. Electronic Signatures. Electronic signatures, including signature pages transmitted via facsimile and/or email, shall be binding upon all parties and deemed as originals. The Parties each represent and warrant that this Agreement is executed by their duly authorized representatives. The acceptance of the terms and conditions of this Agreement by the parties is reflected by their attached signature pages that are incorporated herein.

In WITNESS THEREOF, the Parties have executed this Agreement as of the Effective Date.

*[Signatures appear on the following page.]*

For **BLACK WARRIOR RIVERKEEPER, INC.**

By: 

Charles Scribner

Title: Executive Director

For **ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**

By: \_\_\_\_\_

Jeffery W. Kitchens

Title: Deputy Director

For **SOUTHLAND RESOURCES, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

For **BLACK WARRIOR RIVERKEEPER, INC.**

By: \_\_\_\_\_

Charles Scribner

Title: Executive Director

For **ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**

By:  \_\_\_\_\_

Jeffery W. Kitchens

Title: Deputy Director

For **SOUTHLAND RESOURCES, INC.**

By: \_\_\_\_\_

Title: \_\_\_\_\_

For **BLACK WARRIOR RIVERKEEPER, INC.**

By: \_\_\_\_\_

Charles Scribner

Title: Executive Director

For **ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**

By: \_\_\_\_\_

Jeffery W. Kitchens

Title: Deputy Director

For **SOUTHLAND RESOURCES, INC.**

By:  \_\_\_\_\_

Title:  \_\_\_\_\_