

MINUTES OF MEETING
OF
ILLINOIS STATE MINING BOARD
BENTON, ILLINOIS
JULY 10, 2008

The following State Mining Board members were present:

Jerry Cross
Fred Frederking
Ken Fritzsche
Don Stewart
George Teegarden
Dave Webb
Joe Angleton, Executive Officer

Executive Officer Joe Angleton called the meeting to order. A roll call of board members was made with all members in attendance. Having a quorum of board members present, Executive Officer Angleton proceeded with the meeting.

The minutes from the April 17, 2008 State Mining Board meetings were reviewed and accepted as presented.

The first item on the agenda was the suspension of mine examiner and mine manager certification for Gary Evans, formerly employed by the Arclar Company, Willow Lake Mine as a mine examiner. Mr. Evans was found by a state mine inspector to be pre-dating and initialing boards along a seal line. The incident occurred on May 31, 2007. Certification was suspended by the agency and the board voted on August 8, 2007 to continue the suspension until such time Mr. Evans came before the Mining Board. Questions were asked why he did this and he stated he was working a 12 hour shift and would have to make the seals twice in one shift and he was using a battery ride, which would not hold a charge for the next shift if he rode the route twice. He was doing this to save the mantrip's battery. He was asked by Mr. Angleton why he should have his certification re-instated. Mr. Evans felt he has learned a lot from this suspension and cannot get back into the mines without his certification. He wanted to re-enter the industry. Mr. Webb was at the Willow Lake Mine for two years prior to the incident and felt Mr. Evans was a good worker and hoped there was some way to restore his certification. Mr. Angleton stated the next certification exams were scheduled for October and based on the board's decision Mr. Evans could retest at that time. Mr. Cross made the motion that Mr. Evans re-take the certification exam for mine examiner in October and he must attend all scheduled classes. The motion was seconded by Board member Stewart and passed by unanimous vote. Mr. Evans asked about his mine manager certification since it also was suspended and the motion on addressed his examiner certification. He wanted to know if he would have to take another class

for mine manager. Don McBride asked if passing the examination Mr. Evans was getting a new number or re-instating his old certification numbers. If issued new he would have to wait until the next exams to take the mine manager test. Mr. Teegarden requested that an amendment to the original motion be added wherein Mr. Evans could take the mine manager test and if he passes have both certifications restored. The amendment was adopted and the amended motion was adopted.

The next item on the agenda was the slope development plan submittal for the Prairie State Generating Company, Lively Grove Mine. Mr. Vic Daiber, engineering manager, addressed the board. The mine will be a mine/mouth operation with a slope and two 14' diameter shafts. The shafts will be drilled with no one working in the shafts during construction. Ray Pittman of Pittman Mine Service was in attendance and would be presenting information on the slope construction.

This is a similar design to Willow Lake with 60" belt over the travelway separated by a concrete barrier. Slope will be on an 8 degree slope. Slope will be driven with a continuous miner and will be rectangular in shape with arching placed down the slope. The soil will be removed to bedrock, which is approximately 50 feet, and the continuous miner will then begin removed rock. Grouting material will be placed between the rectangular walls and the arches. Questions were asked regarding ground control especially if heavy rainfall. The company planned to construct two benches (25 feet and 20 feet wide) that would protect against sloughing and a pump would be set on first bench to remove water entering the trough. It was suggested a concrete berm or fence be added to provide additional protection. Slope construction would begin in August and projected first unit production by late summer 2010. A motion was made and passed to approve the Lively Grove Mine submittal.

Representatives from Hillsboro Energy LLC, Deer Run Mine were next on the agenda to discuss their slope development plan. Guy Hunt and John Schmidt were representing Hillsboro Energy. The company proposes to develop an open pit similar to several underground drift mines in Illinois; however, they were proposing to drive a slope from this point to the coal seam. The pit would be 118-130 feet of depth and the slope would extent to the coal seam, which is at a depth of 500 feet. From this point in the presentation the company representatives indicated the company had not decided whether to go with a three slope operation or a single slope with two shafts. The cost of material and availability of shaft construction companies would be the deciding factors. After the presentation of both options the board decided they could not grant approval for both options and were tabling the issue until such time as the company had decided which option they would use.

The final slope development plan submittal was from M-Class Mining, MC #1 Mine. Barry Hale, company president, addressed the board regarding the company's submittal. Mr. Hale stated the company owned 34,000 acres of coal rights and held 1,300 acres of surface. The company projected to have 557 million tons of coal reserves.

The company would do the slope construction with a continuous miner and slope would be on a 9 degree slope. Slope would be developed similar to the Mach Mining LLC, Pond Creek Mine as the belt and travelway would be side by side. The width would not exceed 27 feet and would

be based on requirements from MSHA. Slope height will be 12 feet. The slope will be driven in two sections; the first section will be 3.041 feet to a turnout or run around with crosscuts for belt installation, the second section will change direction and continue a similar distance as the first section to the coal seam.

An independent company, Keystone Mining Services, LLC was called on to evaluate the Mach Mining slope and develop the slope design to prevent the problems found at the Mach Mining operation. Representatives from Keystone gave a presentation illustrating the reasons for numerous falls in the Mach Mining slope and how the M-class slope construction was eliminating those problems. The most significant problem the representatives felt was being reduced or eliminated was horizontal stress. Keystone also felt the rock strata was stronger at the M-Class operation and would also help reduce roof failures. After questions by the Mining Board regarding slope width and the “cut-back” design of the slope, the board approved the plan submittal.

Executive Officer Angleton closed the meeting by briefly discussing the status of Refuge Chambers and wireless tracking and wireless communication. While there were no changes regarding chambers, MSHA had yet to publish their rules and this situation could change. MSHA was receiving numerous proposals for tracking and communications and Executive Officer Angleton felt company proposals for both may soon be required.

With no further business to discuss the meeting was adjourned.

Joe Angleton, Executive Officer

Jerry Cross, Secretary