



Illinois Department of Natural Resources

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Pat Quinn, Governor
Marc Miller, Director

MINUTES OF MEETING
OF
ILLINOIS STATE MINING BOARD
INA, ILLINOIS
OCTOBER 18, 2012

The following State Mining Board members were present:

Jerry Cross
Fred Frederking
Tim Kirkpatrick
Don Stewart
George Teegarden
Dave Webb
Mike Woods, Executive Officer

The meeting was called to order by Executive Officer Mike Woods. A roll call of board members was made with all members present. Having a quorum of board members present, Mr. Woods proceeded with the meeting.

The minutes from the April 19, 2012 State Mining Board meeting was reviewed and adopted as presented.

The first item on the agenda was a request by White Oak Resources for a approval of their bottom development plan, diesel equipment ventilation and fuel storage plan and extended crosscuts. Scott Langley, Chief Operating Officer for White Oak Resources, was the first White Oak Resources representative to address the board and gave a company overview. Mr. Langley stated the approximately \$400 million construction project was nearing completion as the shaft construction was 95% complete, slope construction was 63% complete and preparation plant construction was 85% complete. With all construction being completed in 2013, and bottom development projected to begin in May, 2013 the company projects beginning commercial coal production in 2014. Hiring of underground employees would begin in the first quarter of 2013 and would eventually employ 300 workers.

The mine will have an average annual production of 6.0 – 6.5 million tons from longwall mining. The longwall panels would be from 12,500 to 18,000 feet in length and 1,420 feet wide. All longwall panel development will be north of State Route 142.

Steve Rowland, General Manager of Operations, was the next representative to speak and he first addressed the Drager Charge-Air System that would be installed in the mine. This emergency air evacuation system was a self-contained breathing apparatus system (SCBA) with quick fill connections for the SCBAs. Once the SCBAs are donned the miners will have quick fill recharge stations located along the escape routes.

Next, Mr. Rowland described the company's Occupational Safety Performance Assessment Technology (OSPAT) program. This program, which currently is in use in Australia, will provide a system to assess or evaluate a worker's fitness for work. Mr. Rowland explained how the use of a OSPAT terminal before a worker starts his/her shift will assess or identify a possible impairment that could impact the workers ability to perform his/her work duties. The assessment is based on his/her own personal assessment (reaction times and accuracy). Anyone failing the assessment will report to the mine manager for determining what may have caused his/her failure. It may be determined that the lowered performance was due to a physical (fatigue, illness, drugs, alcohol, etc) or psychological (stress, personal factors, etc.). The Australian coal industry has been using the system for several years and has found it to be a quick and effective means of assessing workers' ability to conduct and perform their work. Mr. Rowland also provided a quick overview of the mine's work scheduling. The mine would use a 12 hour shift with no miner working more than three consecutive days followed by one to four days off.

Finally, Mr. Rowland briefly discussed the innovative approach for their longwall. The company would be using the first inertial navigation system in the United States. The system will enable them to control both horizon and creep. The shearer would act as a survey plane giving a 3-d model thus allowing them to control the horizon of the shields and creates a target line for controlling the creep. This is a secret to running a man-less face therefore reducing the risk of injury to workers. Six mines in Australia were currently using this system.

Keith Roberts, regulatory compliance officer, addressed the board regarding bottom ventilation, mine roof control measures, underground diesel fuel storage plan and request for extended crosscuts. The mine roof and floor conditions are fairly favorable as 85% of the reserve covered by the Brereton Limestone with very little shale between coal and limestone. The mine should expect between 6 inches and one foot of shale between the coal and limestone. Entries will be 19 feet wide with 36 inches or greater limestone layer and entry width of 18 feet for less than 36 inches. Areas of 36 inches or greater limestone 36 inch fully grouted bolts will be used and in areas of 24 inches to 36 inches of limestone 48 inch fully grouted bolts will be used. If immediate roof is less than 24 inches limestone or shale a 60 inch fully grouted bolt will be used.

Due to the depth of the mine, 975 feet, pillar size was a concern to the company. Calculations were made and the main entry cross cut centers would be at least 100 feet, gate entry cross cut centers at 150 feet and bleeder entry cross cut centers at least 160 feet.

The initial ventilation air-to-air connection at the slope bottom will be made by Pitman Mine Services using their existing 36” exhaust tubing. He stated once the bottom development was completed and permanent ventilation established the slope would be converted to a return air course. This will allow the company to increase ventilating capacity for the slope bottom. Mr. Roberts then described the installation of air lock stoppings in the belt entry just below the slope portal and how a “coffin seal” would be placed around the slope belt which would isolate the mined product from the velocities in the slope. Various belt entry safety precautions were described.

The company will be employing several pieces of equipment before the mine is ready to break away from the immediate bottom. This list was provided and their use briefly described in bottom development. The needed air quantity was discussed in relation to the operation of diesel-powered equipment.

With respect to the number of diesel-powered equipment projected at this operation Mr. Roberts pointed out that section five of the company’s proposal referenced “Diesel Equipment – Ventilation and Fuel Storage Plan” and requested approval of this plan.

Mr. Joe Kelly, Chief Mining Engineer, was the next company spokesman and proceeded to describe the bottom development layout with corresponding ventilation. Initially proceeding east into the area of their main north and main south entry development, and first mine development of the mine will be to the north and west. Each phase was described as the bottom development was advanced. Their initial emphasis is getting to the shaft as quickly as possible to open up the bottom area. The final bottom development will be connecting to the intake side of the shaft, which will then allow the mine to changeover from bottom development to production.

A question was asked if this would be a gassy mine and Mr. Kelly stated all indications are this would not be a high liberation mine. He felt the mine’s methane production will be considered fairly normal for this area.

Mr. Langley thanked the board for allowing the opportunity to approach the board and asked that approval be granted for the three plans submitted; extended cross cuts beyond 60 feet, bottom development and diesel ventilation/fuel storage.

Mr. Teegarden made a motion to accept all three plans with second by Mr. Kirkpatrick. Motion was unanimously adopted.

The next item of discussion was a discussion on allowing mine examiners to call out their examination. Rick Waldeck, safety director for MaRyan Mining, Shay Mine, addressed the board regarding this issue. The operators realize this is a huge undertaking and do not expect or want a decision on this issue. Mr. Waldeck indicated technology has increased in communications and is much easier to achieve today, which will address some of the concerns on how to get concise accurate information out in a timely manner. Secondly, verbal communication is very effective. It is easier to communicate verbally than writing it out and having to explain what was written. Today time is a big issue. The call out procedure would be a more effective means to correct things in a timely manner and will let management know

problems in a quicker fashion. This is just a request to the board to consider some things and possibly meet in a private session. The operators do not want people to make a hasty decision; either for or against this issue.

Board member Stewart said this issue has already been addressed with the board stating a mine examiner must come out of the mine and sign the book. He did not see how we can change what had previously been interpreted. Executive Director Woods stated that even if the board was to agree there is still the issue of what legally they can do and the board cannot go contrary to the law. Article 6.10 clearly states what must be done regarding recording an examination.

Board member Cross expressed his concern that miscommunication could occur where during the call out a person could hear one thing and put down something totally different. This possible miscommunication really bothers him.

Board member Webb indicated they were discussing a topic that has been a common practice in other states for many years but he understood they are limited to interpretation of what legislation is passed. He did not know what the attorneys have said regarding this issue. Executive Director Woods said this will be brought to their attention, due to the short timeframe regarding this issue there had not been time to approach the agency's legal staff.

Mr. Woods further stated his concern over a face boss calling out what he or she actually found on the unit. He questions whether one would be truthful if several problems or conditions were present. Mr. Woods indicated a person could falsify his report and become subject to legal action by MSHA if this falsification was found.

Wes Campbell stated the additional time will give mine examiners, who currently have a limited amount of time to conduct their examination and get out to fill out the books, a chance to slow down and conduct a more thorough examination.

Wes Campbell also indicated that with text messaging capability the report could be transmitted in that fashion making misinterpretation less likely.

Several board members made comments regarding the pros and cons of allowing the examination call-out.

Following this discussion Executive Officer Woods stated a formal request would be sent to the agency's legal counsel for a review of Article 6 to see if this is something the Board can pursue or must it be done legislatively.

The next item was a quick overview of Article 11 - Mine Rescue as Executive Officer Woods asked John Smith, Benton Mine Rescue Station Supervisor, to provide an update. The last board meeting there was a discussion on possible changes to Article 11. There were discrepancies in mine coverage and how procedurally the agency was handling this coverage. Last week Mine Safety and Training Division personnel met with the agency's legal counsel to discuss changes. While nothing has been done to date the agency is moving to make changes in the law and hopefully making it equitable.

Wes Campbell asked if the issue regarding the Springfield Mine Rescue Station was discussed. He asked how this situation would be addressed in the interim. Mr. Campbell stated he wanted to formally request that until something is done that we follow this regulation and everyone participate.

Executive Officer Woods stated he agreed with Mr. Campbell because he had no other choice since it is in the Coal Mining Act. If anything was done differently we would be going against the Coal Mining Act. We want what is best for the Illinois coal miners. The situation that currently exists will be addressed until new legislation is in place. For Crown III nothing will be different than what currently exists regarding mine rescue. Coal companies will have to step up regarding mine rescue as that is a part of doing business.

The final item on the agenda is the Coal Mine Electrical Certification program and Larry Jenkel, State Mine Inspector, gave the Board an update. He indicated the agency has been working with MSHA on developing a state certification program. An agreement is currently with MSHA and is being reviewed prior to sign-off. It has been a long process but we feel everything has been worked out and are only awaiting MSHA's approval.

Executive Officer Woods took a moment prior to adjournment to recognize an Office of Mines and Minerals employee, Neda Banach, for being named IDNR employee of the quarter.

With no further business Board member Teegarden made the motion with second by Board member Webb to adjourn and unanimously passed.

Executive Officer

Secretary