MINUTES OF MEETING

OF

ILLINOIS STATE MINING BOARD

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APRIL 23, 2009

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 March 5, 2009 State Mining Board meetings were reviewed and accepted as presented.

The first item on the agenda was a presentation on the slope development plans for Hillsboro Energy, Deer Run Mine. Mark Cornell gave a brief outline of the proposed mine. The mine was 120,000 acres with over 1 billion tons of reserves. The mine would initially develop a 200 million tons block. The Herrin #6 seam would be mined and by mid 2011 the mine would reach full mining operations producing 9-10 million tons/year.

The slope entrance would be in a boxcut at an approximate depth of 120 feet. The pit incline road would be 42 feet wide. Two 20 foot benches would be constructed around the pit floor with a drainage structure built to direct all water to a "moat" where pumps would take water out of pit.

A Joy12CM27 with shuttlecar will be used for slope extraction. A canopy will be installed and the initial three cuts will be under the canopy. After 300 feet concrete floor poured and steel sets installed over floor. The bedrock zone will be backfilled. The steel sets will be placed on 5 foot centers. Power center on surface and every 200 feet will place a drill hole down to the slope, which will provide the power. Centrifugal fan tubing four feet in diameter within 20 feet of face will provide ventilation. The finished opening will be 22 feet wide and 16 feet high. It is 2,200 feet from coal to the boxcut with coal depth at slope bottom of approximately 500 feet. Cowin will be constructing the shaft and will appear before the board at a later date. The company is

preparing the design plan for a 7 foot by 5 foot cage that will hold 10 miners and will be placed in the intake shaft. A motion was made by Board Member Webb to accept the slope development plan, second by Board Member Teegarden and passed by unanimous vote.

Mach Mining's escape hoist was the next item on the agenda and Anthony Webb gave a presentation on the company's proposed new escape hoist system. The existing three person cage will be replaced by one that will accommodate a stretcher laying flat with at least two people attending the injured person. Also, this cage will have a minimum capacity of five people. A portable rental hoist will be used until the permanent one can be assembled during the July 4th vacation. If fabrication is not done by the 4th, the assembly will be performed during the November vacation period. The permanent escape hoist will be mounted on a concrete foundation and have a rated speed of 400 ft/minute. A back-up generator will be available if needed. Executive Officer Angleton asked the board for their approval of the proposed escape hoist system and all members agreed to approve the proposal.

Illinois Coal Association President Phil Gonet and Tom Austin, Springfield Coal, LLC, appeared before the board expressing their concern over the requirements for wireless tracking and communication systems. MSHA has stated there are approved tracking systems and all mines ERPs are to include one of the approved systems. However, there is not an approved wireless communication system to meet the July 9th deadline. The Illinois act Gonet indicated does allow flexibility and does not force a company to buy too soon. Several companies are looking communication technology but nothing to date has proven successful.

Mr. Austin stated a review of the list for approved tracking systems on MSHA's web site on does not have one approved for face tracking. While there are components for several systems, none meet the criteria for face tracking. Operators concerned about acquiring a system and having to change when finally having to add wireless tracking at the face.

Both Mr. Gonet and Mr. Austing wanted to address the board on the industry's concerns regarding the state implementing requirements too quickly and operators having to make multiple system purchases.

Executive Office Angleton stated the agency would be requesting all operators to provide copies of the Emergency Response Plans being submitted to MSHA to meet the June 15 deadline.

Having no further business the meeting was adjourned.

Joe Angleton Evecutive Officer	
Joe Angleton, Executive Officer	
Jerry Cross, Secretary	