

ILLINOIS STATE MINING BOARD

BENTON, ILLINOIS

MAY 22, 2006

The following State Mining Board members were present:

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

Executive Officer Joe Angleton called the meeting to order at 10:00 am. A roll call of board members was made with all members present. Having a quorum of board members present, Executive Officer Angleton proceeded with the meeting.

The first item of business was approval by the Board of the minutes for the May 22, 2006 State Mining Board meeting.

The second item on the agenda was a presentation on the slope sinking plan for the Wabash Mine Holding Company, Wabash Mine Cowling Portal Slope. Franz Stangl and Jeff Kearns from Thyssen PMR Joint Venture, provided an overview of the project. The slope would measure 3,200 feet in length at a 16-degree slope. The excavation and development was described. Dump cars would be filled by a chain conveyor and pulled up the slope. Slope will be 17 feet high and 17 feet 8 inches wide. Projected length of project is 18 months. Board Member Cross made a motion to accept the slope sinking plans. The motion also indicated an electrical hoisting engineer and not crane hoist operator be used at the slope. Board Member Teegarden seconded the motion and was unanimously adopted.

The next item on the agenda was the issue of methane wells at the Nubay Mining LLC, Liberty

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Mine. Executive Officer Angleton began the discussion by providing background on the issue at the Liberty Mine as it pertained to developing a series of wells in the upper seam mined by the Brushy Creek Mine. He also outlined pending state legislation on methane extraction.

Kevin Reimer, Finite Resources, narrated a short PowerPoint presentation on coal mine methane. Following the presentation Mr. Reimer stated methane was currently being inserted into the Texas Eastern pipeline and they were held to a strict set of guidelines from Texas Eastern. It must be 97% methane with no oxygen present. They must immediately cease if oxygen is found. The company has a process for increasing the methane levels and removing impurities, however, cannot remove oxygen; it must be absent upon receipt at processing facility. The company, Grayson Energies, will permit seven wells and Mr. Reimer presented a map illustrating the location of each well and how a series of seals separated each of the wells. He stated the wells would decrease the likelihood of an ignition.

After Mr. Reimer's presentation, discussion followed on the rock dust hole which was venting methane and its past use by the company.

Butch Oldham, UMWA safety representative, read to the Board the February 15th letter from Paul Smock to the agency and the April 26th letter from Liberty Mine to the agency. He expressed concern over the company's change of attitude and there is still concern in the miner's minds over how safe is their mine. Mr. Oldham also stated seals leak and who can say that oxygen does not get behind the seals. The integrity of the seals is also a question as we do not know what has happened in the abandoned areas and roof falls etc could take out seals and it could be all common air. He has direct knowledge that methane kills as he has been a part of investigations since 1989 of 35 deaths due to methane.

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He also had several questions for the board such as why was sampling not required at the seals or the borehole to ensure not an explosive mixture behind seals. The need for sampling was especially needed when methane extraction began. Miners were more concerned over the long-term affect of extracting methane. Also, could computer simulations be done to determine what affect extraction would have on the rock dust borehole. Some questions were answered by the earlier presentation.

Finally, Mr. Oldham indicated the drilling was to stop 60 feet before reaching the coal seam but actually stopped only 25 feet from the coal seam. The drilling company did not do what they told the miners and that is why they are leery of this project. Roof falls in this mine could easily reach 25 feet. The 60 feet distance was set as a safety margin but choose to ignore that and went to 25 feet.

Executive Officer Angleton agency personnel reviewed how the methane could be extracted safely and it became a part of the process for issuing permit. Also, the agency will have samples taken and analyzed by the agency's lab. Mr. Angleton agreed with comments of Mr. Oldham that there was a failure of communication and he would work to resolve this problem. He hoped today's meeting would solve the misunderstanding and rumors surrounding this issue and the obvious lack of communication.

Miner representatives voiced their concerns and appreciated the Board hearing their issue and felt they had a better understanding of the circumstances surrounding the extraction process.

Don McBride, Southern District Administrator, answered questions from the Board concerning

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the sampling process the agency was undertaking in cooperation with Liberty Mine personnel at the rock dust borehole. Samples would be one per shift either by an inspector or company personnel trained in taking the samples. The sampling was started before the methane extraction so the agency could see if any changes occur once the extraction begins. This is not a written order, verbal only. Rock dust bore hole is only place to take samples as it is not possible to do so from seals but the rock dust bore hole is close enough to give an accurate reading of what was happening behind the seals.

Executive Officer Angleton, upon instruction from legal council, asked each of the parties involved if they waived the time limit required for this meeting. Both affirmed the waiving of time limits.

Board Member Cross stated the agency should put in writing the sampling requirement and the requirement for communication between the drilling operator and the company and miners. It was stated to the Board several safety provisions were added to the permit; such as, requiring a casing protocol of 100', the addition of blow-out preventer and a diverter for sampling. The results of the samples will be posted at mine.

After conclusion of discussion on the issue a motion was made Board Member Fritzsche to allow the permit process to continue in regard to the methane wells as long as the permit provisions were followed. Seconded by Board Member Teegarden and motion passed.

The final item on the agenda was maximum methane levels in abandoned areas as there are no provisions in federal or state law. Executive Officer Angleton stated the only provision that could be used is 4.08 and wanted to address the issue whether additional safety provisions should

be adopted regarding methane levels. An issue had arisen at the Willow Lake Mine that raised the question of what are allowable methane levels in these areas. A weekly examination found 3.2%

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methane, it was determined a roof fall had caused the increased level. Since there are no requirements until 5% is found and as the company perimeter mines the possibility of roof falls is always present, Greg Forte, labor representative for Willow Lake, asked that provisions for methane accumulation be adopted prior to reaching 5%.

The Board made a motion that a letter be sent stating if 2% is found the company must start taking action to correct ventilation and if the methane levels increase all work must stop. The motion was made by Board Member Cross and seconded by Board Member Steward. Was adopted by unanimous vote.

Having no further business, the Mining Board adjourned its regular meeting and entered into executive session.

Executive Director _____

Secretary _____