

## Happy Holidays

In recognition of the holiday season, *Mining Week* will take a short publication hiatus. The next issue of *Mining Week* will be published Jan. 9. NMA extends best wishes for the holiday season and a Happy New Year to all *Mining Week* readers.

## In this issue...

Peabody Energy, ConocoPhillips advance state of the art Kentucky coal gasification project...page 2

Action Alert: Urge Congress to boost America's economy with clean coal technologies... page 2

Obama fills interior, energy, labor and EPA cabinet posts... page 3

OSM, United Nations, Massey Energy partner in new tree planting campaign...page 3

CONSOL Energy acquires naming rights to new Pittsburgh arena...page 4

Cliffs Natural Resources sponsors West Virginia creek clean-up...page 5

Mining market snapshot... page 5

New EIA outlook predicts increased coal use for electricity...page 5

OSM announces almost \$300 million in abandoned mine land grants...page 6

Newsbits...page 6

## New OSM stream buffer zone rule targets improved regulatory certainty

The Office of Surface Mining (OSM) on Dec. 12 published a final stream buffer zone (SBZ) rule designed to improve regulatory certainty by clarifying the agency's policy regarding mining in or near streams.

The final rule, contained in a Dec. 12 *Federal Register* notice, addresses two longstanding areas of concerns by eliminating references to waters of the United States, thus properly limiting the scope of the rule to the familiar concepts of perennial and intermittent streams, while also significantly improving the scope of alternative analyses.

The final rule is the result of over four years of work by OSM, including numerous public hearings, consideration of over 43,000 comments, two proposed rules, and the evaluation of over 5,000 pages of environmental impact statements on the subject.

The rule clarifies OSM's policy that certain surface coal mining operations are not prohibited from taking place in perennial or intermittent streams by the SBZ rule. The new rule expressly allows four types of activities in perennial or intermittent streams provided certain requirements are met.

The four activities permitted under the new rule are stream diversions; placement of bridge abutments, culverts or other structures in or within 100 feet of a stream to facilitate the crossing of a stream; construction of sedimentation pond embankments in streams; and construction of excess spoil fills and coal mine waste disposal facilities.

Surface mining activities that are conducted nearby, but not in, streams are prohibited unless they can demonstrate that avoiding disturbance of the SBZ is not reasonably possible or is not necessary to meet the fish and wildlife and hydrologic balance protection requirements of a regulatory program.

See SBZ, page 2

## BLM sets early February deadline for 2009 mineral awards

The Bureau of Land Management (BLM) recently set a Feb. 5 deadline for nominations for the agency's 2009 Reclamation and Sustainable Mineral Development Awards. The awards recognize non-coal mineral development operations that embody the principles of sustainable development or represent outstanding examples of reclamation or environmental stewardship.

"These awards give us a chance to recognize companies and individuals who are being exceptionally good neighbors in terms of partnership, stewardship and sustainable development," said BLM Director Jim Caswell in a Dec. 12 announcement. "We look forward to getting nominations that showcase examples of the Best Management Practices we encourage."

In addition to the four awards that have been given in the past -- the Hardrock Mineral Environmental Award, the Hardrock Mineral Award for Community Outreach and Economic Security, the Small Operator Award and the Director's Award -- this year's awards program includes a new award category, the "Fix A Shaft Today!" Award. The new award recognizes active participation in the FAST! Campaign, which is a partnership initiative

See BLM, page 3

## Peabody Energy, ConocoPhillips advance state of the art Kentucky coal gasification project

Peabody Energy and ConocoPhillips this week filed an air permit with the Kentucky government for a joint state-of-the-art coal-to-natural-gas facility that will be built in Muhlenberg County. The plant will produce synthetic natural gas that is almost free of impurities and will be capable of capturing and storing carbon dioxide emissions.

The facility, to be known as Kentucky NewGas, is expected to produce enough energy to supply nearly 750,000 Midwest homes. If approved, the project would create 1,200 skilled jobs during a four-year construction process, while adding 500 long-term jobs and nearly \$100 million in regional economic benefits each year.

This project will use ConocoPhillips technology to produce clean impurity free synthesis gas, which is then turned into clean-burning natural gas. The project will utilize low emissions design criteria, yielding emissions anticipated to be less than 5 percent of the emissions of a comparably sized traditional coal plant.

Kentucky NewGas will be carbon storage ready, using technology capable of capturing carbon dioxide that ultimately could be permanently stored or used for enhanced oil recovery.

Peabody and ConocoPhillips said they are working with a diverse group of industry, academic, governmental and non-governmental organizations to advance development of a regulatory and legal framework that would make carbon storage viable and enable competitive project economics.

The companies also are funding research on carbon storage in western Kentucky through a test well project directed by the Kentucky Geological Survey.

"Greater use of Kentucky coal in clean energy projects is the ultimate solution for reenergizing our regional economy, creating thousands of jobs and billions of dollars in direct economic benefits over the long term," said Kentucky Gov. Steve Beshear (D).

"Projects like this demonstrate Kentucky's global leadership in advancing clean energy projects, and they enjoy rock solid support: More than 80 percent of Kentucky residents support coal gasification, which mirrors strong national support for coal."

"Building energy security and fueling economic growth are top priorities for America," said Peabody Senior Vice President of Btu Conversion and Strategic Planning Rick A. Bowen. "We're creating a new model to deliver stable energy supplies, provide economic benefits and incorporate environmental solutions at a time when families and businesses are increasingly looking to clean coal to advance all of these goals."

More information on the project is available at: [Kentucky Gasification Project](#). ✕

### **SBZ** *continued from page 1*

The rule also contains new requirements for the placement of excess spoil material, including demonstrating that an operation has been designed to minimize the volume of excess spoil generated, thus ensuring that the spoil is returned to a mined-out area to the extent possible.

"We believe that the new rule is consistent with a key purpose of the Surface Mining Law, which is to strike a balance between environmental protection and ensuring responsible production of the coal essential to the nation's energy supply," said Assistant Secretary of the Interior for Land and Minerals Management C. Stephen Allred.

"The new rule also fosters regulatory stability by clarifying the stream buffer zone rule and resolving long-standing controversy over how that rule should be applied," he added.

A copy of the final rule is available at: [Stream Buffer Zone Rule](#).

A OSM press release on the SBZ rule is available at: [OSM Release](#). ✕

## Action Alert: Urge Congress to boost America's economy with clean coal technologies



Congress is set to approve a massive economic stimulus and jobs creation

package in January and it is vital that lawmakers understand the key role America's mining community can play in helping revive the nation's economy.

Using NMA's online Advocacy Campaign Team (ACT) for Mining, you can write your members of Congress and urge them to support an economic stimulus package that can get the American economy back on its feet by helping develop new carbon capture and storage (CCS) technologies.

Visit [ACT Stimulus Alert](#) to make your voice heard.

Investing in CCS technology development will help create thousands of new green energy jobs across the country and provide American businesses and consumers with an assured source of clean, affordable and abundant coal-based energy.

Mining plays a pivotal role in supporting good, high-paying jobs and providing affordable energy and the minerals and metals American manufacturers rely on. Today,

- more than 342,000 Americans are directly employed at U.S. mines;
- mining jobs pay almost 40 percent more than the average annual wage for all industrial categories;
- 1.3 million jobs rely on U.S. mining nationwide, generating more than \$22 billion in wages.

ACT now and write to Congress and urge them to make mining an integral part of America's economic recovery. ✕

## Obama fills interior, energy, labor and EPA cabinet posts

President-elect Barack Obama this week named Sen. Ken Salazar (D-Colo.) as his choice to be the next secretary of the interior.

The Department of the Interior is responsible for managing the use of federally controlled lands, including resource and energy development on public lands and is home to the Bureau of Land Management and the Office of Surface Mining.

"I want a more proactive Interior Department; I also want an Interior Department that very frankly cleans up its act," Obama said at a Dec. 17 news conference to introduce Salazar. "There have been too many problems and too much emphasis on big-time lobbyists in Washington and not enough emphasis on what's good for the American people, and that's going to change under Ken Salazar," said Obama.

Obama said DOI will promote environmental protection and the development of new energy sources.

Salazar said he is eager to help develop clean energy sources and modernize the electrical grid, while addressing a number of environmental challenges, including protecting parks and restoring rivers.

If Salazar is confirmed as interior secretary, Colorado Gov. Bill Ritter (D) will name a replacement to serve out the final two years of Salazar's Senate term.

### BLM *continued from page 1*

aimed at eradicating unsafe abandoned mine land features, especially open mine shafts.

Mining companies, regulatory authorities, geologists and members of the general public may nominate operators or organizations in the non-coal solid minerals industries for an award.

Nominations must be received by Feb. 5 in the BLM state office that has jurisdiction for the public lands in the state where the operation is located. Presentation of awards will take place in the fall of 2009.

More detailed information on the awards and how to submit nominations is available at: [BLM Mineral Awards](#). ✕

Earlier this week, Obama picked Steven Chu, a Nobel Prize-winning physicist and the director of Lawrence Berkeley National Laboratory, to be the new secretary of energy.

"We must repair the economy and put us on a path forward toward sustainable energy," Chu said at a Dec. 15 press conference. He added that "the greatest challenge facing science" is the need to find new energy sources that can help mitigate climate change.

Obama also this week nominated Rep. Hilda Solis (D-Calif.) as secretary of labor, putting her in charge of the Mine Safety and Health Administration, which is housed within the Department of Labor.

Solis is a member of the House Energy and Commerce and Natural Resources Committees and the select Committee on Energy Independence and Global Warming. She is expected to spend much of her time contending with a likely battle over the Employee Free Choice Act.

Also on Dec. 15, Obama nominated Lisa Jackson as the head of the Environmental Protection Agency. Prior to her appointment she served as New Jersey Gov. Jon Corzine's (D) chief of staff and as the commissioner of the New Jersey Department of Environmental Protection (NJDEP).

Jackson said climate change is at the "top of the list" of issues she wants EPA to tackle. ✕

## OSM, United Nations, Massey Energy partner in new tree planting campaign

The Office of Surface Mining (OSM), the Appalachian Regional Reforestation Initiative (ARRI), of which NMA is a signatory, and the United Nations Environment Program (UNEP) on Dec. 11 unveiled a new partnership designed to plant 38 million trees on reclaimed mine land over the next three years. Massey Energy will spearhead the initiative to plant the trees on reclaimed mine sites.

Massey Director of Environmental Affairs Thomas Cook and NMA Vice

President of Environmental Affairs Karen Bennett were on hand for the ceremony to represent the coal mining community.

The project will help restore the American chestnut tree species, which has been hit hard by a blight that has destroyed nearly 4 billion trees over the past 50 years.

At a Dec. 11 tree planting ceremony on Governors Island in New York, N.Y., representatives from OSM, ARRI and UNEP planted five chestnut trees, to mark the beginning of the project. The joint campaign is part of a broader effort by UNEP to plant 7 billion new trees worldwide.

"The idea of pledging support to the UNEP's Seven Billion Tree Campaign materialized when 12.7 million trees were planted in 2007 on mined land in the Appalachian coal fields under ARRI," said OSM Director Brent Wahlquist. "People's perception of what good mine reclamation looks like — forest reclamation instead of grassland reclamation — is changing thanks to ARRI, and we are confident that our goal of 38 million trees planted on mine land over three years will be achieved," said Wahlquist.

*See Trees, page 4*



Massey Energy Director of Environmental Affairs Thomas Cook (second from right) and NMA Vice President of Environmental Affairs Karen Bennett (center) joined Office of Surface Mining Director Brent Wahlquist (far left) for a Dec. 11 tree planting ceremony marking a new partnership to plant 38 million trees on reclaimed mine land over the next three years. Also pictured are American Chestnut Foundation President Marshall Case (far right) and Christine Alfsen of the United Nations Environment Program (left).

## Trees *continued from page 3*



Representatives from Massey Energy, NMA, the Office of Surface Mining, the Appalachian Regional Reforestation Initiative and the United Nations Environment Program participated in a Dec. 11 tree-planting ceremony on Governors Island in New York, N.Y., to mark a new partnership designed to plant 38 million trees on reclaimed mine land over the next three years.

The trees planted under ARRI are high-value, native hardwoods, including the American chestnut thanks to assistance from The American Chestnut Foundation. "The partnership between UNEP, The American Chestnut Foundation and ARRI serves as an organizational model for other groups across the world whose goals are to restore disturbed landscapes with reforestation," said Wahlquist.

More information on the Dec. 11 ceremony is available at: [Planting Ceremony](#).

More information on OSM's efforts to reforest reclaimed areas is available at: [OSM Reforestation](#). ✕

## CONSOL Energy acquires naming rights to new Pittsburgh arena

CONSOL Energy and the National Hockey League's (NHL) Pittsburgh Penguins this week announced a 21-year deal for naming rights to the new Pittsburgh multi-purpose arena.

Consol Energy Center will be home to the Pittsburgh Penguins and is scheduled to open in time for the 2010-11 NHL season. The facility will also serve as a centerpiece for year-round entertainment in the region, including world-class concerts, family shows and a wide variety of other events.

"For more than 140 years, CONSOL Energy has been a part of the tri-state region's history," said Brett Harvey, president and CEO of CONSOL Energy. "We are proud to help write a new chapter in Pittsburgh's history by sponsoring this wonderful new facility."

A major partner of the organization for several years, CONSOL Energy is most commonly known by fans for its energizing "Power to the Penguins" video played prior to hockey games. The company also sponsored the giant television screen outside Mellon Arena during last year's Stanley Cup playoffs.

See CONSOL, page 5



**Mining Calendar** Events and conferences covering important mining issues are routinely held across the nation. The following may be of interest to members of the mining community:

### February 22-25, 2009

**Denver, Colo. 111th National Western Mining Conference & SME Annual Meeting** The Colorado Mining Association and Society for Mining, Metallurgy and Exploration will jointly host the conference, which will focus on the theme of "Stewardship & Sustainability - Getting it Done in the 21st Century." More information, including a conference program and exhibit space details is available at: [CMA-SME Conference](#).

### February 24-26, 2009

**Wilson, N.C. N.C. Mine Safety & Health Law School** The North Carolina Department of Labor's Mine and Quarry Bureau will hold a Mine Safety & Health Law School designed to help mine owners, operators, contractors and supervisory personnel fully understand both federal and state mine safety laws. Detailed information and registration will be available Jan. 5, 2008. More information is available by calling William Gerringer at (919) 807-2790.

### March 25-27, 2009

**Washington, D.C. World CTL 2009 Conference** Leading public and private sector representatives from the U.S. and around the world will gather in Washington, D.C., next March for the World CTL 2009 Conference. The conference will begin on March 25 with two parallel workshops focused on practical issues surrounding project development, with two days of plenary sessions following on March 26-27. The plenary sessions will feature presentations and discussions from leading coal, oil and technology leaders. West Virginia Gov. Joe Manchin (D) and Wyoming Gov. Dave Freudenthal (D) are among the distinguished roster of presenters for the plenary sessions. More information is available at: [World CTL Conference](#).

### April 28-30, 2009

**Bristol, Va. Geomorphic Reclamation and Natural Stream Design at Coal Mines** The federal Office of Surface Mining will host the conference, which will address advances in technical innovations in geomorphic reclamation and natural stream design and region-specific issues for Appalachia, the Midwest and the West. Additionally, there will be a field trip to four different reclamation sites exhibiting stream channel reconstruction, riparian vegetation and natural stream channel design. Registration for the conference can be made online at: [OSM Conference](#).

### April 30-May 1, 2009

**Sunset Beach, N.C. 32nd Annual North Carolina Mine Safety & Health Conference.** More information is available by calling William Gerringer at (919) 807-2790.

### June 9-11, 2009

**BPI Mining Conference 2009, Toronto, Canada** Penn State University's Department of Energy and Mineral Engineering is hosting the conference, which will include presentations from industry leaders in key mining sectors — coal, metals, and nonmetallic minerals — as well as from customers, suppliers and others with a keen interest in mining industry performance. Keynote speakers will include executive management from the world's largest and most successful mining companies and manufacturers. [BPI Conference](#).

**CONSOL** *continued from page 4*

"We are excited to extend our partnership with CONSOL Energy," said Mario Lemieux, co-owner and chairman of the Pittsburgh Penguins. "We think there is some great synergy involving one of the nation's leading energy companies, an energetic young hockey team and this vibrant city and region."

In addition to keeping the Penguins in Pittsburgh, the new facility will also be an economic generator for the region. Consol Energy Center has already created construction jobs and due to the improved performance space, seating and technology, it is anticipated to attract more events and spur development.

"Millions in our region are powered by the coal and gas our employees produce every day," said Harvey. "We believe the Consol Energy Center will extend that commitment by also powering the region with top-notch entertainment and future development."

More information is available at: [CONSOL Energy Center](#).

**Cliffs Natural Resources sponsors West Virginia creek clean-up**



Cliffs Natural Resources sponsored a recent effort by 60 students from Wyoming East High School in Pineville, W.Va., to clean-up Pinnacle Creek. The Nov. 15 clean-up effort resulted in two tons of trash and 80 tires being removed from the creek.

Cliffs Natural Resources sponsored a recent effort by 60 students from Wyoming East High School in Pineville, W.Va., to clean-up Pinnacle Creek. The Nov. 15 clean-up project resulted in two tons of trash and 80 tires being removed from the creek. The first of a kind clean-up effort conducted in southern West Virginia was the result of a partnership led by industry with state, local and school involvement.

Cliffs, which operates two coal mines and a coal preparation plant in the area, also provided food, t-shirts and prizes for the students, as well as a donation to the school based on the amount of trash collected. "This is a great learning experience for the students involved," said Phyllis Farley of the West Virginia Department of Environmental Protection. "They experienced hands-on the impact of litter in their community."

In addition to Cliffs, the West Virginia Department of Environmental Protection assisted in the cleanup by providing trash bags, gloves for the volunteers and a truck and trailer to transport the trash to a local dump. Additional support was provided by the Wyoming County Commission and its Litter Control Department.

The Wyoming East High School effort was led by science teacher Mike Stover and the Friends of the Earth Club. Among the unusual items removed from Pinnacle Creek were a couch, several televisions and at least four water heaters. Cliffs is exploring additional cleanup partnership projects in the future.

**New EIA outlook predicts increased coal use for electricity**

The Energy Information Administration (EIA) this week released its preliminary *Annual Energy Outlook 2009*, which predicts that total coal-based electricity generation will increase nearly 1 percent annually through 2030 to 2,401 billion kilowatt hours.

However, the outlook forecasts that coal's share of the electricity generation market will stand at 47 percent in 2030, down from the 55 percent figure predicted in the 2008 outlook. That projection is predicated on an expected dramatic rise in

renewable sourced generation due to renewable fuel standards expected to impact generation in many states.

Regarding coal-to-liquid transportation, the preliminary forecast predicts that 76 million tons of coal will be needed for domestic CTL production through 2030, a 45 percent drop over the agency's previous 2030 projection of 137 million tons.

The final version of the outlook will be released in early 2009.

The report is available at: [EIA 2009 Outlook](#).

<b>Mining Market Snapshot</b>		
<b>Coal Figures</b>	Cumulative year to date	Change over last year
<i>Week ended December 6, 2008</i>		
EIA Coal Production (000 tons)	1,092,503	1.9%
Edison Electric Institute Electricity Output (GWh)	3,825,759	-1.0%
American Iron and Steel Institute Raw Steel Production (000 tons)	97,129	-3.8%
<b>Metal Figures</b>		
Copper Prices (\$/mt - week avg. Grade A Cash) 12/5/08		\$3,391.70
Gold Prices (\$/troy ounce - week avg. London Final) 12/5/08		\$769.30
Source: NMA Weekly Statistical Summary/Platts Metals Week		

## OSM announces almost \$300 million in abandoned mine land grants

The Office of Surface Mining (OSM) on Dec. 15 announced the availability of \$298 million in fiscal year (FY) 2009 grants for states and tribes to restore abandoned mine lands (AML).

"This is the second year we've distributed funds following amendments made in 2006 to the law that governs how this money is distributed. In each of those two years, we've provided more than double the funds that were available before the amendments took effect," said OSM Director Brent Wahlquist.

"The amount available this year is about \$24 million more than last year," said Wahlquist. "We're delivering this money to the Abandoned Mine Land programs faster, and these funds will continue to increase annually over the life of the program," he added.

Wahlquist said OSM expects to see "a vast increase in the number of abandoned mine land hazards reclaimed and in the pace at which they are reclaimed."

### Newsbits

The **Lake Carriers' Association (LCA)** reported on Dec. 12 that Great Lakes iron ore trade through November stood at 56.2 million net tons, an increase of 6.4 percent over 2007. LCA reported that iron ore trade in 2008 is 5.9 percent ahead of the five-year average for the January-November timeframe. However, the group reported that with the nation's steel mills cutting production and banking blast furnaces, iron ore shipments dropped 11 percent in November, with trade expected to further drop in December. More information is available at [LCA Data](#).

States and tribes may use the funds to address various health, safety and environmental issues caused by past mining practices and improve water quality by treating acid mine drainage.

The funds will be distributed in accordance with the requirements of amendments Congress approved in 2006 to Title IV of the Surface Mining Control

and Reclamation Act. The amendments provide that, in addition to the funds distributed to eligible states and tribes based on AML fee collections from coal production in FY 2008, each state and tribe will receive the equivalent of one-seventh of its unappropriated state or tribal share balance from Treasury funds. ✕

OFFICE OF SURFACE MINING: FISCAL YEAR 2009 ABANDONED MINE LAND GRANT DISTRIBUTIONS			
Certified States/Tribes	FY 2009	FY 2008	Change
Louisiana	289,000	246,000	43,000
Montana	9,547,000	8,069,000	1,478,000
Texas	3,781,000	3,336,000	445,000
Wyoming	100,783,000	82,701,000	18,082,000
Crow Tribe *	1,580,000	1,942,000	(362,000)
Hopi Tribe	968,000	880,000	88,000
Navajo Nation	5,851,000	5,182,000	669,000
Uncertified States/Tribes			
Alabama	5,471,000	5,377,000	94,000
Alaska	1,723,000	1,725,000	(2,000)
Arkansas	1,569,000	1,560,000	9,000
Colorado	6,485,000	6,698,000	(213,000)
Illinois	11,356,000	10,902,000	454,000
Indiana	10,546,000	10,606,000	(60,000)
Iowa	1,724,000	1,696,000	28,000
Kansas	1,725,000	1,710,000	15,000
Kentucky	31,184,000	30,849,000	335,000
Maryland	2,085,000	2,064,000	21,000
Mississippi	210,000	224,000	(14,000)
Missouri	1,807,000	1,781,000	26,000
New Mexico	3,823,000	4,028,000	(205,000)
North Dakota	2,937,000	2,973,000	(36,000)
Ohio	8,376,000	7,927,000	449,000
Oklahoma	1,850,000	1,845,000	5,000
Pennsylvania	29,975,000	27,940,000	2,035,000
Tennessee	1,896,000	1,870,000	26,000
Utah	3,620,000	3,645,000	(25,000)
Virginia	7,022,000	7,182,000	(160,000)
West Virginia	39,878,000	39,398,000	480,000
* The Crow Tribe became a Certified Tribe in FY 2008.			



Mining Week is published as a service to members of the National Mining Association, Gary Goldberg, chairman, Hal Quinn, president and publisher.

**Staff**  
 Carol Raulston,  
 Senior Vice President, Communications  
 Corey Henry  
 Leslie Coleman Luke Popovich

### NMA Mining Week

Executive and editorial offices: Communications Department, 101 Constitution Ave., NW Suite 500E, Washington, D.C. 20001, telephone 202/463-2600. www.nma.org, fax: 202/463-2614. Change of e-mail address should be directed to mphelleps@nma.org.