

## Closing Operations

# Castle Gate Coal To Lay Off 197 on June 5

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Still unable to satisfactorily prevent coal and rock bursting unpredictably at the face of its Hardscrabble Canyon mine near Helper, Carbon County, the Castle Gate Coal Co. has announced it will indefinitely suspend mining June 5.

Spokesman Jeffrey W. Weber of the company's parent, AMAX Coal Industries Inc., in Indianapolis, Ind., told *The Tribune* Friday, the time until the suspension of mining puts Castle Gate Coal in compliance with the new federal Worker Action Retraining and Notification Act. He said that law requires certain employers to notify employees 60 days before closing their operations.

Mr. Weber said 156 hourly and 41 salaried employees will be laid off. He said that will leave only 17 employees on duty to maintain the mine and perform other general work.

The mine's hourly employees are represented by the United Mine Workers union.

Mining at Castle Gate Coal was halted March 22 when the Mine Safety & Health Administration cited the company for hazardous coal and rock bursts along the face of a long-wall section. The face is the place inside the underground mine where the coal seam is being worked.

Thomas M. Blangiardo, president and chief executive officer of Castle Gate Coal, said the mine has experienced "unusual geologic conditions" for the past several months.

"We have evaluated and attempted various methods for de-stressing the coal to overcome this problem and have retained outside consultants to assist us in this process," said Mr. Blangiardo. "However, to date, we have been unable to satisfactorily resolve this situation to the point where we can safely resume operations."

But Castle Gate coal hasn't given up. The president said the mine plans to continue evaluating geologic conditions and mining techniques in hopes of resuming coal production.

Mr. Weber said another option will likely be for Castle Gate Coal to consider whether to develop its other reserves in the area.

Although the mine has announced a June suspension date, it plans to resume some work on Monday, said Mr. Blangiardo. This will include maintenance and other related activities and coal preparation, performed at the company's above-ground facilities at the former Castle Gate town site, just north of UP&L's Carbon Steam Plant.

Castle Gate Coal is the former Price River Coal Co., a subsidiary of American Electric Power Corp. Mr. Weber said after AMAX purchased the property, it changed the name to Castle Gate Coal, which began producing coal in 1986.

Coal production reached 529,000 tons in 1987 and 544,000 tons in 1988.

"Originally, AMAX projected the mine would produce 1.5 million tons of coal a year," said Mr. Weber. "But it never went beyond a half million tons a year because of some of the problems the mine is experiencing now."

"We knew the mining conditions would be difficult early on. We felt we would get past that. But the conditions became more severe than we expected and they also became more unpredictable. The bursts were becoming more random without warning. Until we are convinced that there is reasonably some control over the conditions in that mine, we just don't feel we want miners in there."

Furthermore, the mine can only resume coal production if it "abates" the citation it was issued by MSHA, said Mr. Weber. To do that, the mine must come up with a plan, agreeable to MSHA, to rectify the problem, he said.

Mr. Weber said Castle Gate Coal does have some contracts with some industrial customers in California, including Kerr McGee. However, he said he didn't know what impact the suspension of mining would have on those contracts.