

board also voted unanimously that Massey's revised maps submitted to the DEP accurately depicted permit boundaries.

"We denied the permit revision based on what we thought was a sound decision [of] surface mine laws, specifically that the second silo could not be built in the location they are proposing because of its proximity to the school," Greathouse said.

## ADA-ES reports higher sales, looking for site to build plant

While ADA-ES reported an operating loss of \$12,000 for 2006, the company also reported a 55% increase in sales of its mercury emissions control system.

To continue the growth, in the fourth quarter, the company and NexGen Resources developed a joint venture, Clean Coal Solutions, to create and market its refined coal technology. The company believes its refined coal process is applicable to 60 million short tons/year.

Also, ADA-ES is looking for a site to build an activated carbon manufacturing plant. It expects the buildout cost to reach \$200 million to be financed through equity and debt funding, according to a company statement.

Over the year, the company signed 12 contracts for activated carbon injection systems for mercury control, said Mike Durham, president, in the earnings statement released Tuesday. Eight of those contracts will generate revenue this year. In 2007, ADA-ES added contracts for five more ACI units so far.

ADA-ES said the operating loss for 2006 was due to its growth plans, including \$411,000 in mergers and acquisitions related to "plans to vertically integrate into the production of activated carbon" and \$485,000 in expenses related to its refined coal segment on revenues of \$15.5 million. For the year, ADA-ES reported the cost of revenues as \$9.6 million, up from \$6.7 million in 2005.

In 2005, the company reported an operating income of \$651,000 on revenues of \$11.1 million.

Net income for the quarter was \$223,000, up from \$213,000 in Q4 2005. Revenues for the quarter reached \$4.0 million, up from \$3.3 million in 2005. Operating income for the quarter in 2006 was \$27,000, down from \$240,000 in 2005.

To complete its review and certifications required under federal law, ADA-ES is delaying the filing of its annual report with the Securities and Exchange Commission until March 30.

## \* UtahAmerican petitions state for long-awaited mine permit

UtahAmerican Energy, weary of waiting for Utah regulators to act on a longstanding permit application for the proposed Lila Canyon mine, filed a petition last week for review before the Utah Board of Oil, Gas and Mining.

The company took the action after the Utah Division of Oil, Gas and Mining failed to issue a permit on March 8 as

had been expected, Michael Gardner, attorney for UtahAmerican parent Murray Energy, told Platts.

"We've played along with them ... enough is enough," said Gardner, adding that he believes BOGM may respond this month.

The company has been pursuing the Lila Canyon permit for eight years, said Bruce Hill, UtahAmerican president, CEO and director. The company "has strictly followed the law and answered any and every request or demand of DOGM related to the permit. ... Every time an issue is resolved, DOGM raises a new one, all in an apparent attempt to unlawfully deny [UtahAmerican] its permit."

Lila Canyon, once approved, will be a longwall mine in Carbon and Emery counties, producing about 7 million short tons/year.

## Kentucky man dies in excavation accident at small augur mine

Kentucky recorded its first coal mining fatality of 2007 March 12 when a 48-year-old miner died in an excavation accident at a small augur mine near Feds Creek in Pike County.

Charles Griffith of Pikeville was killed when his excavator overturned while he was removing spoil from coal at Double E Auguring mine No. 2, according to Chuck Wolfe, spokesman for the Kentucky Environmental and Public Protection Cabinet.

Wolfe told Platts on March 14 that Griffith was operating the excavator around 4:10 pm when the machine overturned. The tiny augur operation — it's listed as having only three employees — remains closed while investigations into the cause of the fatal mishap continue. No production figures were available for the mine.

The mine has been licensed as Double E Auguring since July 26, 2006. Since then, it has undergone two regular inspections by state inspectors and been visited by a mine safety analyst, Wolfe said. The mine previously was cited for two violations: Mine personnel did not have proof of annual retraining and for a broken windshield in an excavator, although not the one that was being used by Griffith.

## UMWA report concludes Sago deaths were preventable

The 12 miners who died in the January 2, 2006, underground accident at International Coal Group's Sago mine "did not have to die," the United Mine Workers of America said March 15 in releasing its own report on the accident.

The underground explosion was likely caused by frictional activity inside the mine's sealed area, not lightning, the UMWA contends.

That report differs from the one issued by the West Virginia Office of Miners' Health, Safety and Training, which said the "primary evidence" in the Sago accident points to "two large lightning strikes within two miles of the explo-

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sion ..." (PCT 1/11/07).

Senators Robert Byrd and Jay Rockefeller and Representative Nick Rahall, all West Virginia Democrats, also attended the news conference.

In his own statement, Byrd said, "Many, if not all, of the coal mine deaths at Sago and at [Massey Energy subsidiary Aracoma Coal's underground Alma mine, also in West Virginia] last year were preventable, if only miner safety were a higher priority before tragedy struck."

Two miners died in the Alma accident, which also happened in January 2006 (PCT 1/24/06). Emergency mine safety legislation was passed at the state and federal levels in response to the accidents, followed by a raft of reports.

"Their deaths came as the result of a series of bad decisions made by the company and the federal mine safety regulatory agency," UMWA President Cecil Roberts charged in a statement. "Some of these decisions were made in the weeks and months immediately prior to the explosion and in the hours immediately after it. Some of these decisions were made many years prior to the explosion."

The UMWA investigation determined that the most likely cause of the explosion was "frictional activity from the mine roof, roof support or support material, which created an electrical arc underground that ignited an explosive methane-air mixture in the sealed area" of the mine.

Also, the report contends, "there is absolutely no clear evidence to support the theory that lightning was the cause of the explosion. Further, there is no evidence that lightning striking the ground near a mining operation has ever traveled into the underground area of a mine without the presence of a conduit from the surface into the mine, and then caused an ignition or explosion of gas or dust."

In its own statement, ICG President and CEO Ben Hatfield responded, "The report is wholly unreliable as an investigatory finding and is designed solely to further the union's political and organizing agenda."

ICG went on to say, "Three independent investigations have already presented comprehensive findings on the Sago mine accident, including those issued by J. Davitt McAteer, special adviser to Governor Joe Manchin, the West Virginia Office of Miners' Health, Safety and Training and the company. All three investigations concluded that the explosion was caused by a lightning strike that ignited methane gas that had naturally accumulated within a sealed and abandoned area."

## TRANSPORTATION

### Railroads' coal shipments up in week ending March 10

Coal carloads on US railroads were up 3% while coke carloads declined 21% in the week ending March 10, compared with the year-ago week, according to the Association of

American Railroads.

For the 2007 week, coal carloads on US railroads totaled 141,980 originations, compared with 137,666 originations in the comparable period in 2006. Year to date, coal shipments increased almost 1% to 1.37 million carloads.

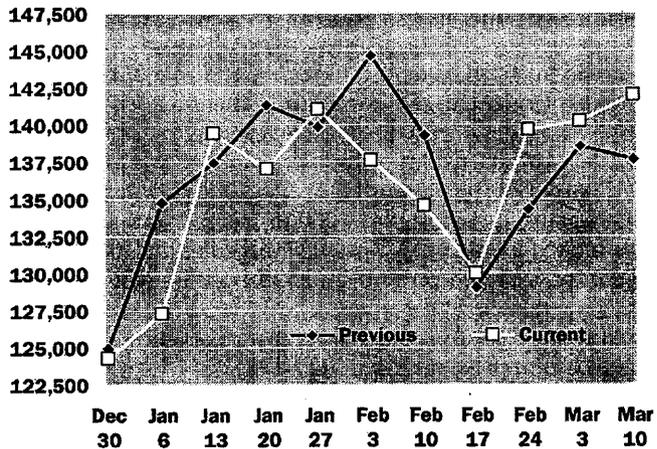
For coke, carloads reached 5,246 originations in the 2007 week, compared with 6,629 originations in the year-ago week. Year to date, coke carloads were down almost 7% to 55,448.

Overall, carload freight totaled 330,790 carloads in the 2007 week, down almost 1% from the same period in 2006. Year to date, carload freight was down 5% to 3.15 million carloads.

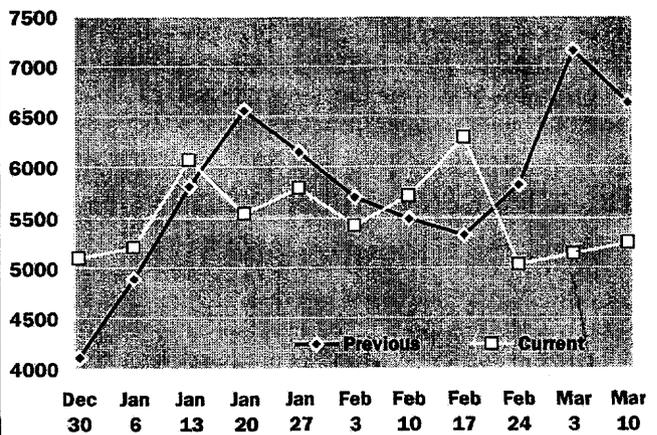
BNSF Railway did not issue an update on Powder River Basin Joint Line expansion work. In a statement released last week, the railroad said that it is looking to hire 200 workers in Wyoming and Nebraska to work on expanding the Joint Line capacity, which it operates with Union Pacific. The railroad will be adding 60 miles of third and fourth main line

Weekly AAR report on traffic

#### Coal



#### Coke



Source: Association of American Railroads