UTAH OGM COAL PROGRAM MEETING NOTES

March 8, 2007

TO: Internal File, Willow Creek Mine, C/007/0038 OK
Wayne Hedberg, Permit Supervisor

FROM: Peter Hess, Environmental Scientist III PHH by an

ATTENDEES:
Mr. Steven Burge, Director, Western Energy Training Center
Carbon County Commissioner
Dr. Craig Eatough, President, Combustion Resources, Inc.
Mr. Clayton Timothy, Foreman
Peter Hess, DOGM

PURPOSE:

To determine whether the **Western Energy Training Center**/Coal Coking Facility, an associate facility of the **College of Eastern Utah**, Price, Utah needs to be permitted under the R645 Coal Mining Rules

MEETING SUMMARY:

A newspaper article titled ***"Board reviews proposal for coal coking facility at energy training center"*** appeared in the Thursday, February 1st edition of the *Sun Advocate,* Price, Utah. Based upon information contained in that article, the reclamation specialist assigned to the Willow Creek Mine, C/007/0038, felt that an inspection of the facility was necessary in order to obtain information about the proposal.

As documented in the November 16, 2006, DOGM inspection report for the Willow Creek site, "the Mine facilities from the access gate up Canyon to the propane storage tank facilities (including the Mine buildings) have received Phase III bond release from the Division (Task ID # 2521) as of May 9, 2006. The buildings are now owned by the College of Eastern Utah, and these constitute the Western Energy Training Center".

A meeting was set up through telecommunique with Mr. Steven Burge, Director of the WETC, Dr. Craig Eatough, President of Combustion Resources, Inc. and the Division representative; the meeting occurred on March 6, 2007. Mr. Clayton Timothy was also present, representing the Combustion Resource group.

Dr. Eatough started by stating that the development of the process was originally funded through DOW Corning. The finished product was to be used in the manufacture of silicone chips for the computer industry.

The set up of the proposed facility is being conducted inside the Willow Creek shop building. Mr. Timothy pointed out the various components and how they are being set up within the plants flow schematic.

The feed material (which is carbon black or soot, according to Dr. Eatough) is placed into a hopper, where it is blended with chemical binders and transferred to a drying unit, where the material comes out in the form of briquettes. The connecting feed hoppers and transfer mechanisms contain dust collection devices whose purpose is to eliminate dust particles from entering the outside atmosphere. The briquettes are placed on a conveyor which discharges the product into palletized containers. These containers are then placed under covered storage, where they can cure / dry. It is not known if the produced tonnage will be shipped at one time, or at various times via numerous truck loads.

The facility start-up is projected to be on or near March 12, 2007.

The feed material arrives at the WETC site in fabric containers, which are approximately five feet by five feet by ten feet in height. The facility does not intend to utilize open stockpiles at this point for feed material storage.

As noted above, the feed material is classified as carbon black, and not coal. At the present, the facility which is being built is a blending, briquetting facility. According to Mr. Timothy, 150 tons of briquettes are to be manufactured for testing purposes.

During the meeting, Mr. Burge and Dr. Eatough were provided with information which included the three points of the Divisions Title V Mission Statement, as well as the definitions of the following terms as contained within the R645 Coal Mining Rules;

1) Coal Mine Waste
2) Coal Preparation or Coal Processing
3) Coal Processing Plant
4) Coal Processing Plants Not Located Within the Permit Area of a Mine.

The Division discussed the standard chemical process of coke making, which uses the chemical process of destructive distillation to drive off the volatile matter from high quality bituminous coal. The process which Dr. Eatough has developed through Brigham Young University and a grant funded by the Inventions and Innovation Program in the Department of Energy's Office of Industrial Technologies uses a chemical process known as pyrolysis.

"Combustion Resources holds a pending patent on this process and is currently working to commercialize it", (quoted from the Combustion Resources web page, www.combustionresources.com).

Dr. Eatough stated that the facility which is being constructed at WETC is different than that which is discussed in the DOE Steel Project Fact Sheet, DOE/GO-102000-0833, Order #1-ST-726 (April 2000). That process uses coke dust and coal dust to make the briquettes.

Therefore, the development of this project goes all the way to Washington, D.C. and the U. S. Department of Energy.

Mr. Burge stated that the facility has applied for a Center of Excellence Program grant through the Governor's Office of Economic Development. "This program helps fund the process of moving the most innovative research from Utah's universities into businesses to create jobs for Utahans."(This quote is from the Center of Excellence web page, http://goed.utah.gov/COE/index.html).

The Division stressed that is was very interested in helping the facility in any way that it could relative to the development of coal in the State. The Division representative also stated that it was important to conduct all activities through the proper channels relative to obtaining permits for all activities, should it be determined that the process which is being developed at WETC is ready for commercialization.

PROPOSED ACTION ITEMS:

Mr. Steve Burge stated that it would be in the best interest of the WETC to keep the Division informed of the developments occurring on an ongoing basis.

Mr. Burge intends to invite the Division management team to the site when the facility becomes operational. It is hoped that this visit can be co-coordinated with the Governor's Office of Economic Development Center of Excellence Program award.

CONCLUSION:

1) The WETC **is not using coal or coal fines** as feed material in the process being developed.

2) The feed material, which is currently being proposed, **is not stored in stockpiles, which are exposed to the weather**, and hence runoff from the material will not occur at this site.

3) The process **does not emit any vapors or dust particles** to the atmosphere.

4) **The process is still being developed by the WETC / College of Eastern Utah** for commercial use.

5) **A permit**, which would address the requirements of the R645 Coal Mining Rules and UCA 40-10, **is not necessary at this time**.

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