

Internal
C0070039**OGMCOAL - Dugout: Degas Well Inspections**

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From: Steve Christensen
To: Daron Haddock; Steve Demczak
Date: 8/23/2010 3:06 PM
Subject: Dugout: Degas Well Inspections
CC: OGMCOAL

Steve,

As we discussed on the phone this morning, I wanted to get you some information on the degas wells. I spoke with Daron after we talked and he agreed that the degas wells should be inspected at least once a year. In the case of Dugout, the amount of disturbed acreage associated with the access roads and degas pads is comparable to the foot print of the mine site itself. In fact, the disturbed area associated with the degas wells might actually be more than the mine-site. I'd have to check, but it's very close. At any rate, it's bonded/disturbed area that needs to be inspected.

The Dugout mid-term is due September 16th. The mid-term calls for us to review and determine whether appropriate sediment controls are being utilized at the mine. As a result, the degas pads need to be inspected and a report written up as to their condition at least two days prior to that date.

Here's some information that will help you:

Plate 4 of Attachment 5-4 of the Methane Degassification Amendment depicts most of the degas wells and all of the newly constructed access roads.

Attachment 5-2 of the Methane Degas. Amendment has a figure called '*Location of Methane Drainage Wells*'. The figure shows the locations of all the degas wells.

Attachment 5-2 also has a table (Table 1) that lists all of the degas wells and their info: year constructed, year plugged and final reclamation date.

There's 23 degas sites at Dugout. Our mid-term site inspection is on Wednesday and we'll try to get to as many degas wells as we can, but it may not be many. We're starting at the mine-site and then Priscilla wants to stop at the waste-rock site. After that, we'll head up Pace Canyon. That said, the majority of the degas well inspections is going to fall on you unfortunately. Please take photos of all the sites and differentiate between them by taking a picture of a piece of note-book paper or something else that has the sites name on it so that you can tell what site the photos are showing.

Let me know if you need any more information or have questions.

Thanks,
Steve