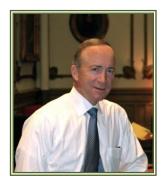
State of Indiana

INDIANA BUREAU OF MINES ANNUAL REPORT 2009

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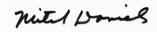
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MESSAGE FROM GOVERNOR DANIELS



Mitchell E. Daniels, Jr. *Governor*

Coal continues to be a valuable Indiana commodity that powers Indiana industry and our economy. Advancing clean coal technology and other scientific breakthroughs mean that coal will continue to be an important fuel source for decades to come. All of this, however, is only possible because we value and protect our Indiana coal miners. The reliance on coal's future as a clean, responsible and low cost source of energy can only happen when our coal miners are safe. We are fortunate in Indiana that we have many stakeholders in research, industry and government focused on both goals.



INDIANA DEPARTMENT OF LABOR

The Indiana Bureau of Mines and Mine Safety is a division of the Indiana Department of Labor, under the direction and guidance of Commissioner Lori A. Torres. The Bureau is headquartered at Vincennes University, located in Vincennes, Indiana.

Among its duties, the Bureau performs quarterly inspections on all active Indiana underground coal mines, and certifies specific mining occupations. The Bureau also maintains a mine rescue station, trains mine rescue teams and collects and indexes mine maps. In partnership with the Indiana Geological Survey, the Bureau has access to digitized records and can identify any active or inactive mine in the state.

The State of Indiana and the Bureau of Mines is fortunate to

maintain a strong cooperative relationship with Indiana mine operators, the federal Mine Safety Health Administration and (MSHA), the Indiana Coal Council and coal miners themselves. Recently, the Bureau has focused its efforts on training new miners and preparing mine rescue teams and mine operators. These efforts resulted in zero fatalities in the underground coal mining industry in Indiana in 2009.

The safety and health of Indiana coal miners is of the utmost importance. Miners are trained to choose wisely when it comes to safety, so that we can maintain a zero fatality record in the State of Indiana.

While coal production is important, it pales in the comparison to the first priority of

the mining industry: the protection of the coal industry's most valuable resource, the coal miner.

primary **MSHA** has the responsibility to inspect and The Indiana regulate mines. Mines fulfills its Bureau of statutory inspection duties, and is very active in training, education and outreach to miners and the mines. The Indiana Bureau of Mines acknowledges the mining companies, mine operators and mine employees for their dedication, desire and determination in supporting mine safety in Indiana.

Won "Blink" Mc Corkle

Director

Indiana Bureau of Mines

STATE OF INDIANA MINE RESCUE TEAM



State of Indiana Mine Rescue Team—Left to Right: George Moore, Jeremy Robertson, Eric Noland, Neil Chambers, Steve Zygai, John Moore and Joby Johnson. Not pictured: Steve Riley.

The State of Indiana has a fully equipped mine rescue station located at Vincennes University under the supervision of the Indiana Bureau of Mines. This Mine Rescue Station is housed in a mobile mine rescue van that is prepared to equip and maintain two mine rescue teams.

The Bureau of Mines supervises one composite state Mine Rescue Team, and contracts with a second private team to provide the required two team coverage for four of Indiana's underground coal mines.

The state composite team is comprised of dedicated volunteers from the Sunrise Coal Company's Carlisle Mine and Triad Coal Company's Freelandville Mine. The state contracts with Five Star Coal Company's Prosperity Mine Rescue Team for second team coverage. Both federal and state law imposes strict requirements and minimum standards on mine rescue teams.

There are four additional private mine rescue teams in Indiana. Gibson County Coal Company has two teams, as does Peabody Coal Company. Each of these teams is ready to assist the other Indiana teams in the event of a mine emergency.

The Indiana state composite and contract teams would likewise assist these teams if necessary to save lives. Mine rescue work is demanding and dangerous, but the teams are capably staffed by brave and skillful volunteers in Indiana.

The state composite mine rescue team competed in three mine rescue contests in 2009, including the Robert Earl Jones Mine Rescue Contest in Ina, Illinois, the Illinois State Mine Rescue Contest and the Indiana State Mine Rescue Contest. The mock mine disasters ranged from mine fires, explosions, floods and roof falls. The teams are judged on how safely they respond to each mine emergency.

2009 State of Indiana Mine Rescue Team Members:

Joby Johnson Freelandville Mine

Jeremy Robertson Freelandville Mine

George Moore Freelandville Mine

> John Moore Carlisle Mine

Neil Chambers
Carlisle Mine

Eric Noland Carlisle Mine

Steve Zygai Carlisle Mines

Steve Riley Indiana Bureau of Mines

Team Trainers:

Don "Blink" McCorkle Indiana Bureau of Mines

Greg XandersPeabody Coal

To comply with federal regulations, mine rescue teams are required to have a minimum of 96 hours of training annually. In 2009, the State of Indiana Mine Rescue Team exceeded minimum training requirements by logging approximately 250 hours of training.

Training included mine scenario disasters, working in smoke, maintenance of breathing apparatuses, CPR, Hilti gun training and hazards of blood pathogen transfer in emergency situations. The team also meets monthly for additional training updates and to service equipment.

INDIANA ACTIVE UNDERGROUND COAL MINES

Coal Mine	Number of Employees	Reportable Accidents	Lost Time Accidents
Peabody Coal Company Air Quality Mine #1 Monroe City, Indiana, <i>Knox County</i>	260	13	8
Peabody Coal Company Francisco Mine Francisco, Indiana, <i>Gibson County</i>	192	5	3
Five Star Mining Company Prosperity Mine Petersburg, Indiana, <i>Pike County</i>	398	24	21
Gibson County Coal Company, LLC Gibson County Mine Princeton, Indiana, <i>Gibson County</i>	305	15	10
Sunrise Coal Company Carlisle Mine Carlisle, Indiana, <i>Sullivan County</i>	295	22	12
Triad Underground Mining Freelandville Mine Edwardsport, Indiana, <i>Knox County</i>	63	3	0
Black Panther Mining, LLC Oaktown Fuels #1 Mine Oaktown, Indiana, <i>Knox County</i>	72	1	0
Totals	1,585	83	54

INDIANA UNDERGROUND COAL MINING STATISTICS REPORT - 2009

Mine	Tons of Clean Coal Produced	Coal Seam Number
Air Quality Mine #1	1,549,193 tons	#7
Carlisle Mine	2,703,15 tons	#5
Francisco Mine	2,017,431 tons	#5
Freelandville Mine	631,493 tons	#5
Gibson Mine	3,348,429 tons	#5
Prosperity Mine	2,583,282 tons	#5
Oaktown Fuels #1 Mine	47,009 tons	#5
Total Clean Coal Tons	12,879,988 tons	

Mining Fact: A coal seam is a stratum bed of coal layered throughout the Earth's strata. Each number identifies a different seam or layer of coal in the Earth's strata.

STATE OF INDIANA MINING BOARD

Indiana Mining by the Numbers:

2009 Miner's Permits, Licenses and Certifications Issued

212 Miner's Permits Issued

364 Miner's Licenses Issued

83
Miner Foreman
Certifications Issued

31
Mine Examiner
Certifications Issued

1
Belt Examiner
Certification Issued

19
Hoisting Engineer
Certifications Issued

3 Shot Firer Certifications Issued

137
Total Certifications
Issued

All applicable permits and licenses are issued within 24 hours of test taken.

Indiana Bureau of Mines Vincennes University Technology Building 1002 N. First Street Vincennes, Indiana 47951

Phone: 812-888-4514 Email: mines@dol.in.gov Appointed by the Governor to serve a four-year term, members of the Indiana Mining Board have many responsibilities. Responsibilities include administering quarterly certification examinations for the classifications of Mine Foreman, Mine Examiner, Belt Examiner, Hoisting Engineer and Shot Firer. Other responsibilities include administering discipline as necessary and the revocation of issued licenses as appropriate. Indiana Mining Board Members also collect and disseminate information concerning the nature, causes and prevention of mine accidents and the improvement of methods, conditions and equipment in the mine.

The Mining Board exercises its authority to require mines to provide adequate personnel for the Indiana Mine Rescue Team. Other duties and powers of the Mining Board are stipulated in Indiana Code 22-10-1.5-7. For 2010, the Mining Board did not determine that additional mine inspectors were required.

State of Indiana Mining Board Members

Tim Emmons, Chairman

John Stachura

Terry Mooney

Bob Mowery

Chris Whitehead

Mining Fact: The Indiana General Assembly established the Indiana Bureau of Mines and Mine Safety in 1945 as a Bureau within the Indiana Department of Labor, however state authority to regulate mine safety existed in other forms much earlier than 1945.

MESSAGE FROM COMMISSIONER TORRES



This annual statistical report is compiled for the benefit of all those associated with the coal mining industry including our underground coal mines, legislators, trade organizations and miners themselves. In 2009, more Hoosier workers were employed in the coal industry than in 2008. Hoosier coal miners mined 5% more clean coal in 2009 than in 2008. Additionally, a seventh underground coal mine became operational in the state.

The Bureau of Mines has invested heavily in preparing and training not only our mine rescue team members, but also mine operators in mine emergency response. In December 2009, a

real-time mock mine disaster drill was undertaken at Carlisle Mine, which involved the participation of 62 individuals, including federal and state officials, mine rescue teams, mine management and fire and ambulance first responders.

In addition, Indiana State Mine Rescue team members participated in CPR training, mine emergency response drills and three mine rescue competitions – all totaling more than 250 hours or 31 sessions of training. The goal of the Indiana Bureau of Mines is to encourage safe mining, but also to be prepared in the event that a mine rescue is required.

Indiana has been proactive in its approach, having developed a strong collaborative relationship with the underground mine operators, mine workers and mining educators, as well as the Indiana Coal Council and the federal Mine Safety and Health Administration. With coal being such an important resource in Indiana's economy, it is vital that Indiana be able to confidently assert that it works to support its coal miners and coal operators in safety, licensure and productivity.

Low Jury Commissioner

Indiana Department of Labor