



Public Notice

**US ARMY CORPS
OF ENGINEERS
St. Louis District
Gateway to Excellence**

**Reply To:
U.S. Army Corps of Engineers
Attn: CEMVS-OD-F
1222 Spruce Street
St. Louis, Missouri 63103-2833**

**Public Notice No.
P-2664
Public Notice Date
June 20, 2008
Expiration Date
July 20, 2008**

Postmaster Please Post Conspicuously Until:

File Number: MVS-2008-179

Interested parties are hereby notified that an application has been received for a Department of the Army permit for certain work in waters of the United States, as described below and shown on the attached maps.

COMMENTS AND ADDITIONAL INFORMATION: Comments on the described work should reference the U.S. Army Corps of Engineers File Number shown above and must reach this office no later than the above expiration date of the Public Notice to become part of the record and be considered in the decision. Comments should be mailed to the following address:

U.S. Army Corps of Engineers
Regulatory Branch
1222 Spruce Street
St. Louis, Missouri 63103-2833
ATTN: Kale Horton

APPLICANT: Hillsboro Energy, LLC, 925 South Main Street, Hillsboro, IL 62049 Attn: John Schmidt or Guy Hunt.

AGENT: HDR/CWI 1339 Walnut Street, Murphysboro, IL 62966 Attn: Amanda Pankau

LOCATION: The mine permit boundary consists of approximately 803.5 acres located in the SE $\frac{1}{4}$ of Section 12, and NW $\frac{1}{4}$ of Section 13, Range 4W; the SW $\frac{1}{4}$ of Section 7, the NW $\frac{1}{4}$ of Section 17, and NW $\frac{1}{4}$ and S $\frac{1}{2}$ of Section 18, Range 3W of Township 8N in Montgomery County, Illinois. The site is located east of the City of Hillsboro, south of Schram City, and northeast of Taylor Springs. Additionally, approximately 4,786 acres of mine shadow area (undermined lands) lies directly south and southeast of the proposed mine permit boundary (Attachment 1).

PROJECT DESCRIPTION: The proposed project is an underground coal mining operation. The construction of the underground mine includes surface development for mining facilities, the excavation of an incline slope to reach the coal seam, and the construction of two vertical underground mine shafts. Surface development within the mine area includes the construction of a coal preparation plant, a crusher, conveyers, transportation facilities, ventilation systems, refuse disposal sites, drainage control structures, various administrative and storage buildings, topsoil stockpiles, as well as the needed infrastructure to support the mining operation. Initial underground

mining will consist of a continuous section developing mains with the room and pillar mining system. Longwall mining will begin after the entries are completed for the first panel and will be the primary method used for coal recovery. As mining operations progress beneath the shadow area, longwall mining will allow for deep mining, complete coal extraction, and facilitate the subsidence of overburden material in a controlled manner.

Proposed grading and filling associated with the construction of the surface facilities will directly impact 5,735 linear feet of ephemeral stream and 2,120 linear feet of intermittent stream at the mine site (total 7,855 linear feet). Additionally, 0.53 acres of forested wetland, 3.41 acres of scrub-shrub wetland, and 2.10 acres of emergent wetland, totaling 6.04 acres, will be filled. Future secondary impacts to waters of the United States outside the proposed mine surface permit boundary may occur as a result of subsidence in the shadow area, drainage correction in response to subsidence, as well as the possible development of future sites to store additional coarse refuse. As proposed, the mining area identified in Attachment 2 encompasses the first phase of operations until the year 2016.

Onsite streams and wetlands flow to Middle Fork Shoal Creek, a perennial stream. The receiving waterway, Middle Fork Shoal Creek, flows to the West Fork Shoal Creek and then to Shoal Creek which is a primary tributary to the Kaskaskia River - a navigable water of the United States. Approximately 93 miles of perennial stream separate waters of the United States at mine site from the Kaskaskia River.

The applicant has proposed a mitigation plan designed to compensate for the anticipated spatial and temporal loss of stream and wetland functions within the 803.5-acre mine permit boundary. This plan includes channel and riparian restoration of 5,499 linear feet of ephemeral and intermittent streams and the creation of 14.16 acres of adjacent wetland. Additionally, the mitigation site includes 6.91 acres of upland buffer to enhance habitat diversity. Proposed stream mitigation will restore six streams that have been previously converted into grass-lined agricultural drainages. In-stream structures and natural channel design will be used to restore streams in the mitigation site. Riparian restoration includes the establishment of 50 feet of corridors on each side of the restored channel. Riparian corridors will be reforested with native bottomland tree species. Additionally, 1.66 acres of forested wetland, 8.64 acres of scrub/shrub wetland, and 3.86 acres of emergent wetland will be constructed adjacent to the restored stream channels. Forested areas within the mitigation site will have a survival rate of 450 native tree species per acre. Natural recruitment of native plants will be allowed and emergent wetland vegetation will be established at 1,500 propagules per acre. All stream and wetland mitigation will be constructed within the same HUC-8 watershed that the related impacts occurred. The mitigation site is located in the mine shadow area southeast of the permit boundary in the first longwall panel (Attachment 4).

Restoration of the premine land use capability resulting from subsidence and future refuse disposal is regulated under the Surface Mining Control and Reclamation Act (SMCRA) implemented by the Illinois Department of Natural Resources, Office of Mines and Minerals. As mining advances and subsidence occurs, continuous monitoring and inspection is a SMCRA permit requirement to assess drainage and implement the appropriate corrective measures as needed. Any development of future coarse refuse disposal sites also requires SMCRA approval. Although future aspects of the mining operation are subject to SMCRA permitting, the context and intensity as to the degree impacts that may occur in waters of the United States are currently speculative in nature. Because the secondary effects to waters of the United States related to subsidence and future refuse disposal cannot be accurately determined in the reasonably foreseeable future, these impacts will be evaluated when specific information becomes available as mining advances through its operational life.

LOCATION MAPS AND DRAWINGS: See Attachments 1 to 5.

ADDITIONAL INFORMATION: Additional information may be obtained by contacting Kale Horton, Project Manager, U.S. Army Corps of Engineers, at (314) 331-8185. Your inquiries may also be sent by electronic facsimile to (314) 331-8741 or by e-mail to kale.e.horton@usace.army.mil.

AUTHORITY: This permit will be processed under Section 404 of the Clean Water Act (33 U.S.C. 1344).

WATER QUALITY CERTIFICATION: This public notice also provides documentation to the Illinois Environmental Protection Agency (IEPA) for water quality certification, or waiver thereof, for the proposed activity in accordance with Section 401 of the Clean Water Act. Certification or waiver indicates that IEPA believes the activity will not violate applicable water quality standards. The review by the IEPA is conducted in accordance with the Illinois water quality standards under 35 Illinois Administrative Code Subtitle C. The water quality standards provide for the IEPA to review individual projects by providing an antidegradation assessment, which includes an evaluation of alternatives to any proposed increase in pollutant loading that may result from this activity. The "Fact Sheet" containing the antidegradation assessment for this proposed project may be found on the IEPA's web site, at www.epa.state.il.us/public-notices/. In the event that the IEPA is unable to publish the "Fact Sheet" corresponding to the timeframe of this Joint Public Notice, a separate public notice and "Fact Sheet" will be published by the IEPA at the web site identified above. You may also obtain a copy of the "Fact Sheet" by contacting the IEPA at the address or telephone number shown below.

Written comments specifically concerning possible impacts to water quality should be addressed to:

Illinois Environmental Protection Agency
Bureau of Water
Watershed Management Section
1021 N. Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

A copy of all written comments should also be provided to the Corps of Engineers. If you have any questions please contact the IEPA at (217) 782-3362.

SECTION 404 (b)(1) EVALUATION: The impact of the activity on the public interest will be evaluated in accordance with the Environmental Protection Agency guidelines pursuant to Section 404 (b)(1) of the Clean Water Act.

PUBLIC HEARING: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider the applicant's proposal. Any request for a public hearing shall state, with particularity, the reason for the hearing, and must be based on issues that would warrant additional public review. Two public hearings considering issues related to the SMCRA permit have been held on February 20, 2008 and March 19, 2008.

ENDANGERED SPECIES: A preliminary determination, in compliance with the Endangered Species Act, as amended, has been made that the work that is proposed would not affect species designated as threatened or endangered, or adversely affect critical habitat. Therefore, no formal consultation request has been made to the United States Department of Interior, Fish and Wildlife Service. In order to complete our evaluation, comments are solicited from the Fish and Wildlife Service and other

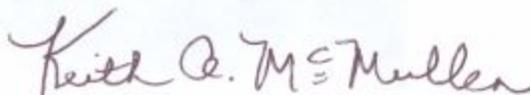
interested agencies and individuals through this Public Notice.

CULTURAL RESOURCES: The St. Louis District will evaluate information provided by the State Historic Preservation Officer and the public in response to this public notice and we may require a reconnaissance survey of the project area.

EVALUATION: The decision whether to issue a permit will be based on an evaluation of the probable impact including cumulative impacts of the described activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefit that may reasonably be expected to accrue from the described activity must be balanced against its reasonably foreseeable detriments. All factors, which may be relevant to the activity described, will be considered including the cumulative effects. Among factors considered are: conservation; economics; aesthetics; general environmental concerns; wetlands; historic properties; fish and wildlife values; flood hazards; flood plain values; land use; navigation; shoreline erosion and accretion; recreation; water supply and conservation; water quality; energy needs; safety; food and fiber production; mineral needs; consideration of property ownership; and in general the needs and welfare of the people.

SOLICITATION OF COMMENTS: The U.S. Army Corps of Engineers is soliciting comments from the public; Federal, state, and local agencies and officials; Indian Tribes; and other interested parties in order to consider and evaluate the impacts of the proposed activity. Any comments received will be considered by the U.S. Army Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and other public interest factors listed above. Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the proposed activity.

In accordance with 33 CFR 325.3, it is presumed that all interested parties and agencies will wish to respond to public notices; therefore, a lack of response will be interpreted as meaning that there is no objection to the proposed project.



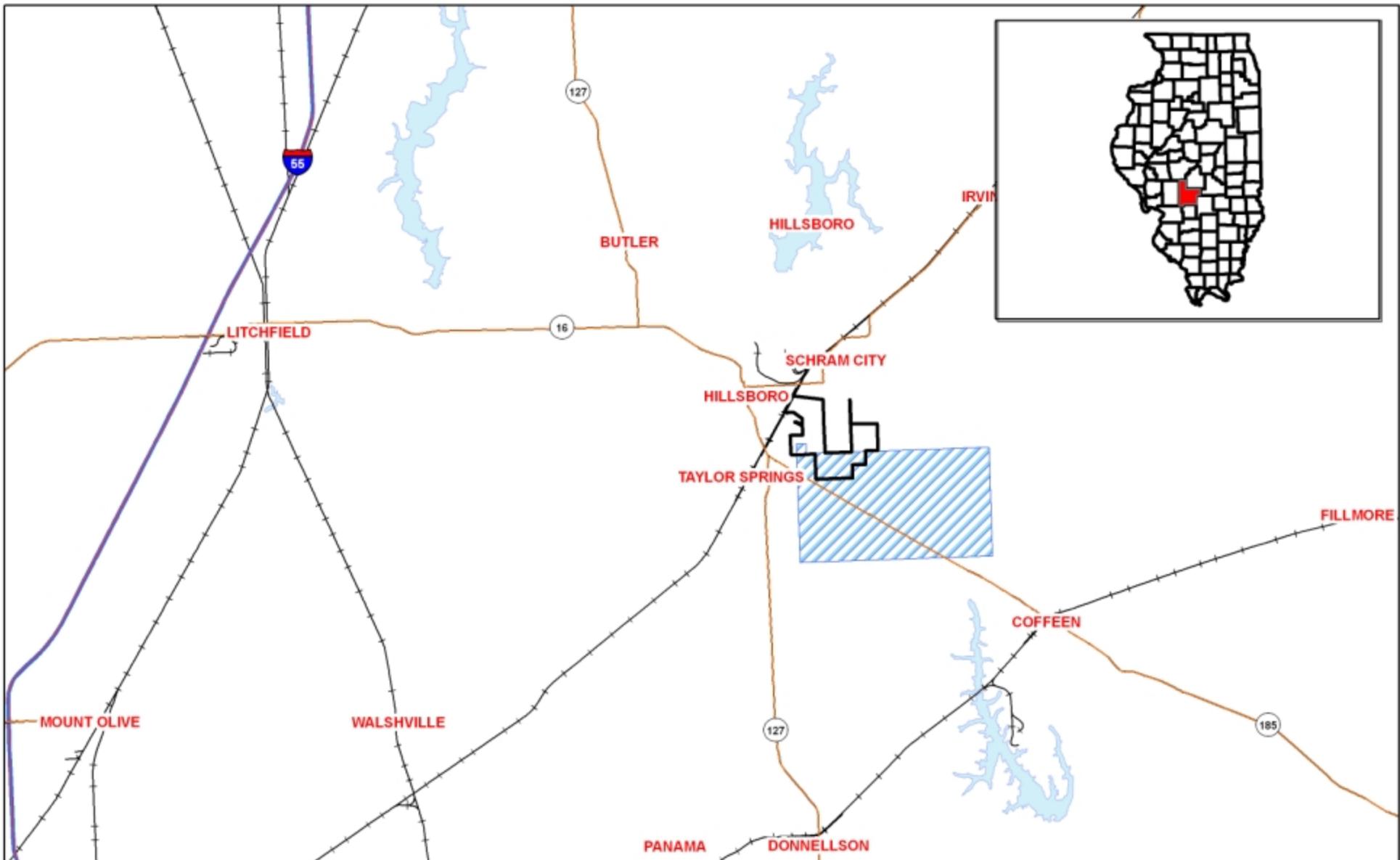
for

DANNY D. MCCLENDON
Chief, Regulatory Branch

Attachments

NOTICE TO POSTMASTERS:

It is requested that this notice be conspicuously and continually placed for 21 days from the date of this issuance of this notice.

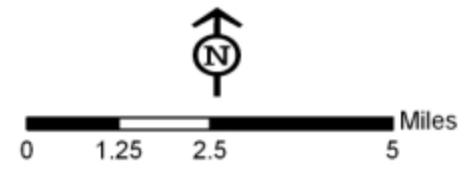


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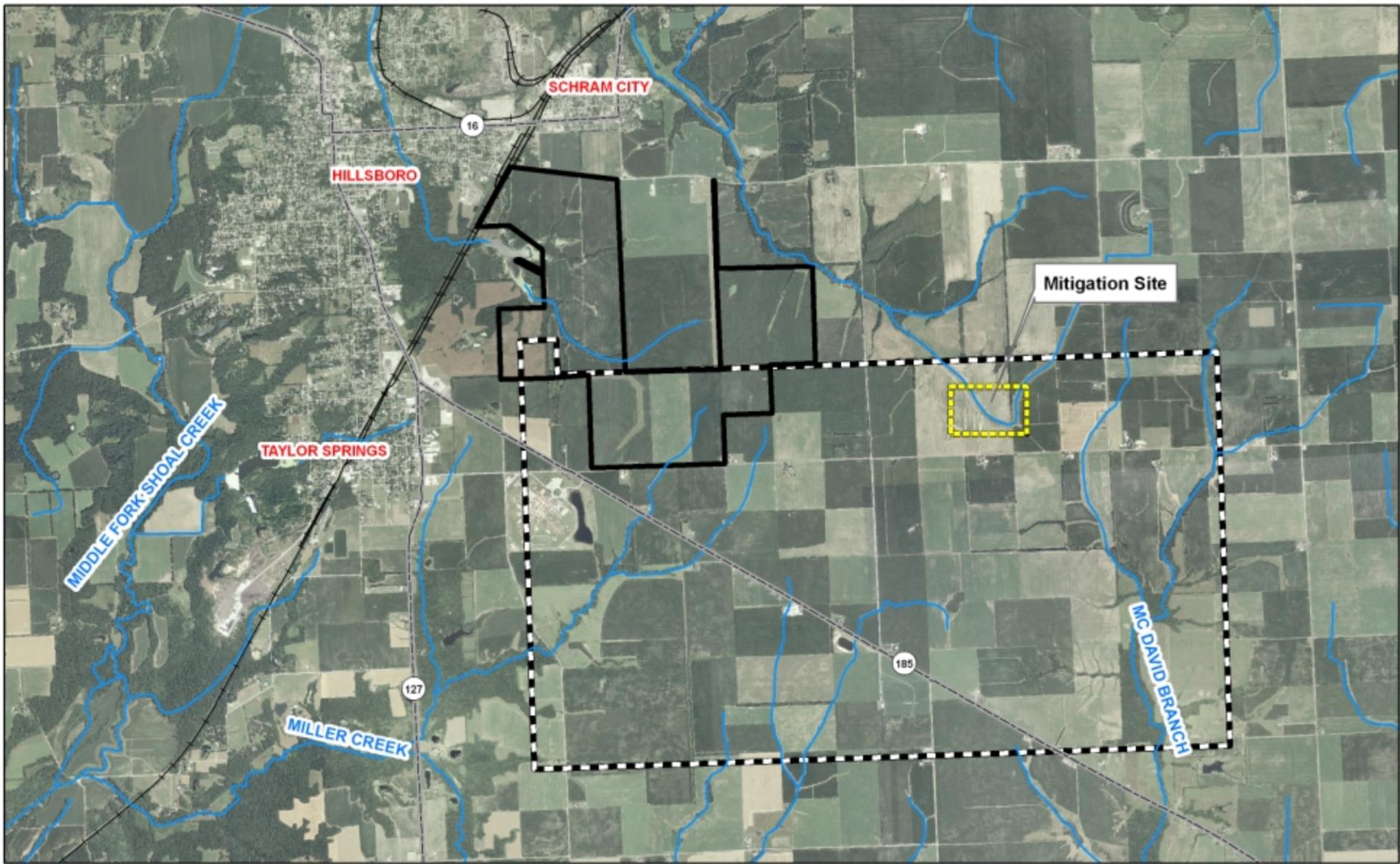
- State Hwy
- US Hwy
- Interstate
- Mine Permit
- Shadow Area

**Deer Run Mine
Project Location Map - MVS-2008-179
Montgomery County, IL**

Attachment 1 of 5



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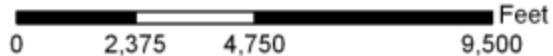


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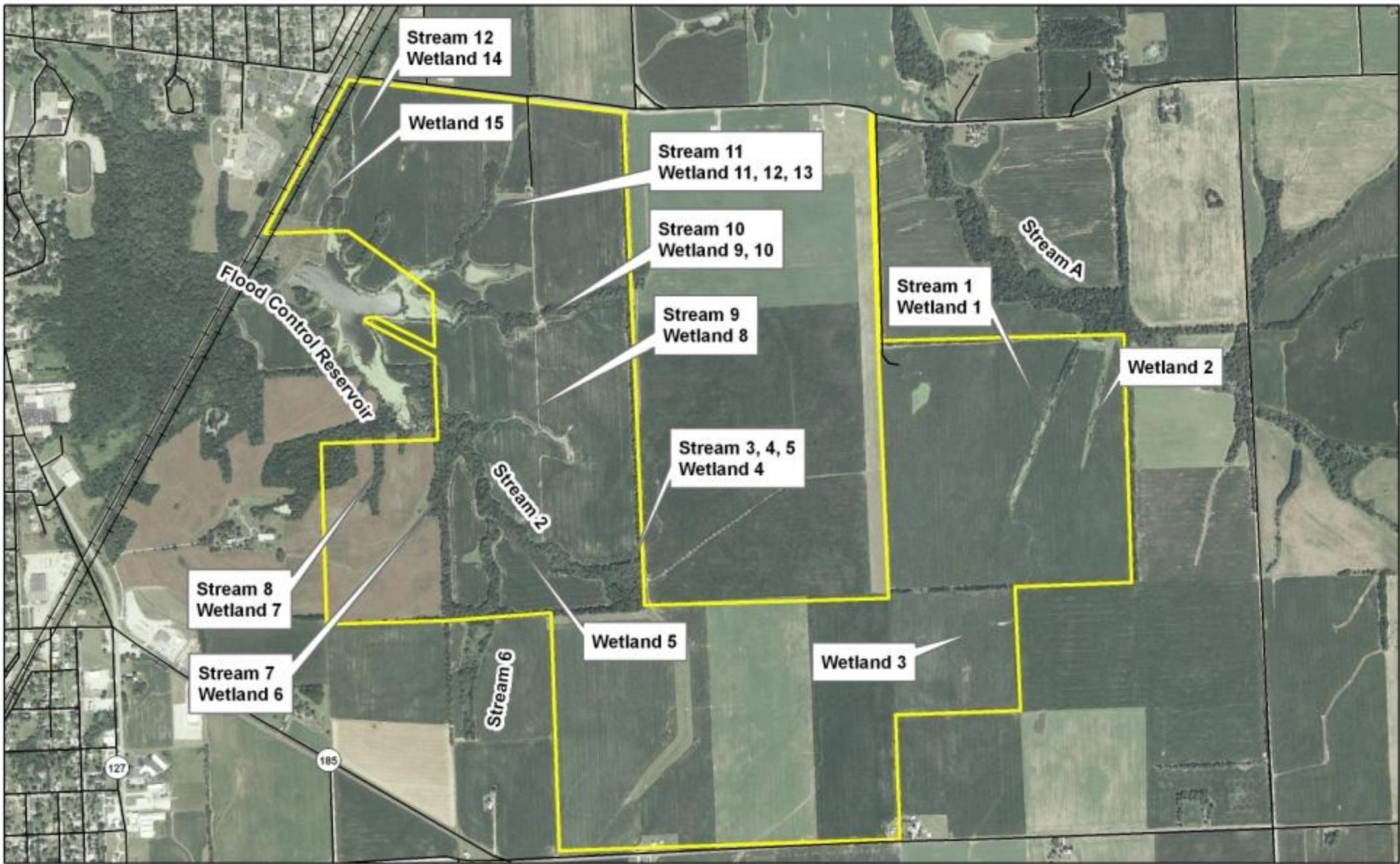
-  Stream
-  State Hwy
-  Railroad
-  Mine Permit
-  Shadow Area

**Deer Run Mine
Mine Map - MVS-2008-179
Montgomery County, IL**

Attachment 2 of 5



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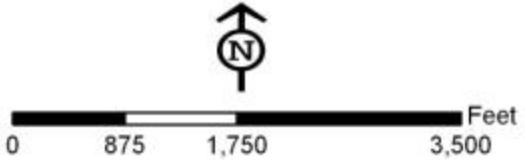


Legend

- Street
- State Hwy
- Railroad
- Mine Permit

**Deer Run Mine
Jurisdictional Waters - MVS-2008-179
Montgomery County, IL**

Attachment 3 of 5



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