

PRECONSTRUCTION NOTIFICATION

SURFACE COAL MINE OPERATION Davies and Ohio Counties, Kentucky

P. RIDGE PROCESSING SITE

Prepared for:

Western Kentucky Minerals

6133 US Hwy 60 East
Owensboro, KY 42303

Prepared by:



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STANDARD OPERATING PROCEDURES

1. Pre-Application Meeting.

An on-site meeting with a representative from the United States Army Corps of Engineers (USACE) will be conducted, but has not been scheduled.

2. Receipt of Application.

Please refer to ENG Form 4345 and attachments for information related to applicant, authorized agent, project location, project description and purpose, adjoining property owners, summary of impacts and signature authorization. See Vicinity Map for the project location.

A. Detailed description of proposed activity:

(1) Impacts

Under this application, Western Kentucky Minerals is proposing the following impacts: 1312 linear feet of ephemeral stream (or 0.054 surface acres), and 123 linear feet of intermittent stream (or 0.021 surface acres). There will be 4 jurisdictional wetlands filled with a total area of 0.324 acres (0.268 acres of palustrine emergent (PEM) wetlands, and 0.056 acres of paustrine scrub-shrub (PSS) wetlands. There is one pond totaling 3.207 acres that will be filled.

(a) Direct Impacts

- The proposed activity will not involve permanent fills, although an existing open water pit will be filled during reclamation.
- One new temporary basin will be utilized for sediment control, located so there is no direct stream impact from construction.
- Mining will affect 123 feet of intermittent stream, and 1312 feet of ephemeral stream (totaling 1435 feet), and 0.324 acres of wetlands. All impacts are required to facilitate the development of a coal processing site (70 feet of intermittent and 94 feet of ephemeral will only be temporary impacted by placement of culverts for haul road crossings). Upon completion of operation, the area will be reclaimed and drainage re-established; mitigation for stream impacts will be accomplished on-site using natural channel design techniques. Wetland mitigation is also proposed on-site. Open waters will be re-established on-site during reclamation by creation of a pond.

(b) Indirect Impacts

- Water will be diverted within the project boundary. No diversions outside of the project boundary will be needed during the mining process.

- Site development will result in impacts to streams and wetlands and will indirectly impact aquatic life movement by creating temporary obstacles.

(2) Drainage Acreage

The total area within the project boundary is 34.1 acres (including the haul road corridor), which is located within the Barnett Creek watershed (within twelve-digit HUC 051100040506). There are two general watershed locations where existing drainage leaves the main project site. Drainage areas for these watersheds are 6.1 acres, and 26.3 acres (I-1, and I-3 respectively). Refer to the baseline "Table 1 - Summary of Stream Information" for drainage areas of each impact.

(3) Purpose

The purpose of the proposed activity is to establish a coal processing operation to support other surface coal mining areas, in order to meet future energy demands of the United States. The operation is expected to last approximately 96 to 120 months. This project will provide jobs for five employees at the site, and support 45 jobs at adjacent mining operations. Business activities associated with the project are expected to boost local economy in a region that has suffered economically since the 1970's.

(4) Schedule

Work is expected to begin in early 2014, with expected completion in 2024.

(5) Dredged or Fill Material

Material consisting of native rock and soil will be generated during project development. Streams and wetlands will be impacted by excavation during the development of the site. The volume of streams, to ordinary high water mark, is approximately 50 cubic yards. The volume of wetlands is approximately 520 cubic yards, and the volume of open waters/ponds is approximately 36,000 cubic yards.

B. Minimal Impact Determination

(1) Loss of Aquatic Functions

Loss of aquatic functions: The primary functions of streams within the project boundary are aquatic habitat and movement, water conveyance, sediment transport and a potential water

source for terrestrial animals. In addition, smaller ephemeral streams supply organic material to lower reaches and eventually to larger stream systems. Most of the streams at the P. Ridge Processing Site lie within or adjacent to pasture or cultivated areas, or located on prior disturbed lands (reclaimed mining site). Briefly reviewing the streams studied, only a few ephemeral streams (E-1, E-2, and E-3) had a substrate that was not predominantly silt/clay material. The substrate for these streams consisted of larger sizes, due to their location on prior reclaimed mining area where mixed material was used during re-grading of the site. Most of the streams had indications of some substrate instability due to the moderate deposition of new fines found within their channels. The only significant pool areas found were associated with the largest stream (I-2DS, which will be avoided), although several ephemeral channels had some minor shallow pooling. There are existing culverts on I-2US and E-5 at locations for the proposed haul road crossings. All of these factors lead to conditions where habitat availability is less than desirable. The RBP scores for streams at the project site were generally in the marginal range, the exceptions being I-1, and E-1 (they were barely into the suboptimal range). Of the intermittent streams found within project boundaries, only one is expected to be impacted (I-2US) and it will be impacted from culvert replacement for wider haul road construction. The primary functions of wetlands within the project boundary include: flood water storage, energy dissipation, nutrient retention, subsurface water storage and wildlife habitat. The majority of wetlands to be impacted were emergent wetlands (one small scrub-shrub area also will be impacted). The existing open water is a pit left from the previous mining operation. It will be used during the processing plants operation, but filled during the reclamation phase. It is proposed, for the property owners use, to construct a replacement pond on-site during the reclamation phase.

Although stream and wetland functions will be temporarily lost during project development, stream and wetland mitigation is being proposed on-site. A discussion of the proposed stream and wetland mitigation is provided in the mitigation section of the application.

(2) Gain of Aquatic Functions

Aquatic stream functions will be gained through the proposed compensatory mitigation. The streams have been designed to promote aquatic diversity by providing a more variable habitat through the use of in-stream structures such as J-hooks and vanes. The proposed riparian zone will provide the shading and nutrient load presently lacking or reduced along some stream reaches. Through utilization of natural channel design techniques, these streams should be

more stable and more efficient in the transport of sediments. Wetland functions will be compensated by the on-site creation of forested wetlands, providing a higher quality wetland for the emergent and scrub-shrub wetlands being impacted.

Briefly stated, aquatic functions for streams gained with compensatory mitigation include:

- Replacing streams on-site at approved mitigation ratios.
- Restoring those stream areas impacted by temporary culvert crossings.
- Establishing wide riparian zones, using desirable native tree and shrub species.
- Utilizing in-stream structures such as J-hooks and vanes to create variable habitat.
- Creating stable stream systems based on natural channel design techniques and geomorphic principles.
- Creating a forested (PFO) wetland area of higher quality than those impacted.
- Providing permanent protection through a protective covenant.

(3) Avoidance and Minimization

The project has been designed to avoid and minimize adverse impacts to waters of the U.S.

(a) The project is located on prior mined lands (an appropriate use of the site since coal reserves are apparently no longer available) and the proposed haul road takes advantage of lesser quality streams located in agricultural fields and where existing culvert crossings exist.

(b) The project will involve the development of a coal processing facility in support of other proposed surface coal mining operations in the immediate area. The main project site has already been impacted from prior mining activities and appears to have undergone minimal reclamation. Current uses include open pasture and undeveloped lands, some agricultural lands, and an old open pit/pond. The haul road corridor falls on or along currently tilled agricultural lands. Several of the stream impacts along the haul road will be culverts that will be removed upon the end of the facilities use. Other proposed crossings will take place where existing culverts are located, minimizing impacts. The forested areas are mainly narrow zones along the larger streams and should be minimally impacted. Avoidance of streams and wetlands has been accomplished through proper siting of proposed facilities and realignment of the haul road at the site. Streams avoided are intermittent I-1, I-2DS, I-3, and ephemeral E-6. Wetlands avoided are Wetlands C1, C2, and F. As stated, some stream impacts will be temporary (culvert crossings for I-4, and E-4), and/or minimal (culvert crossings already exist at I-2US and E-5, but will be lengthened). Existing Pond 1 will be used as the final containment pond in a closed system consisting of a series of basins for process water

treatment/clarification; but will be eventually filled and eliminated (clean water used in the processing facility will initially be pumped from the pond as part of this closed system). Another pond will be constructed on-site during reclamation to replace this pit. The only alternative that would result in no impacts to waters of the U.S. is the no-build alternative, which would not meet the purpose and need of the proposed project. Completely avoiding impacts to all streams and wetlands within the project boundary was determined not to be practical.

Erosion control measures during project development will be employed to minimize the increase of suspended solids and turbidity. Erosion control structures will include a silt basin located as close to impact areas as practicable, diversion ditches, rock check dams, temporary seeding and mulching and silt fence. Additional measures include timely construction and maintenance of sediment control structures.

(c) No information has been found that lists any of the aquatic sites as high quality waters. For example, there are no Outstanding Resource Waters, Division of Water Reference Reaches, Class 1-3 Undeveloped or Wild and Scenic Rivers or Cold Water Habitat located within the project boundary.

(d) One new basin will be utilized for sediment control. It will be located near the project limits, receiving flow from perimeter diversions ditches, and will serve to treat water before it leaves the site. The basin will be used as temporary sediment control; to be removed, and the area restored to existing conditions after project completion.

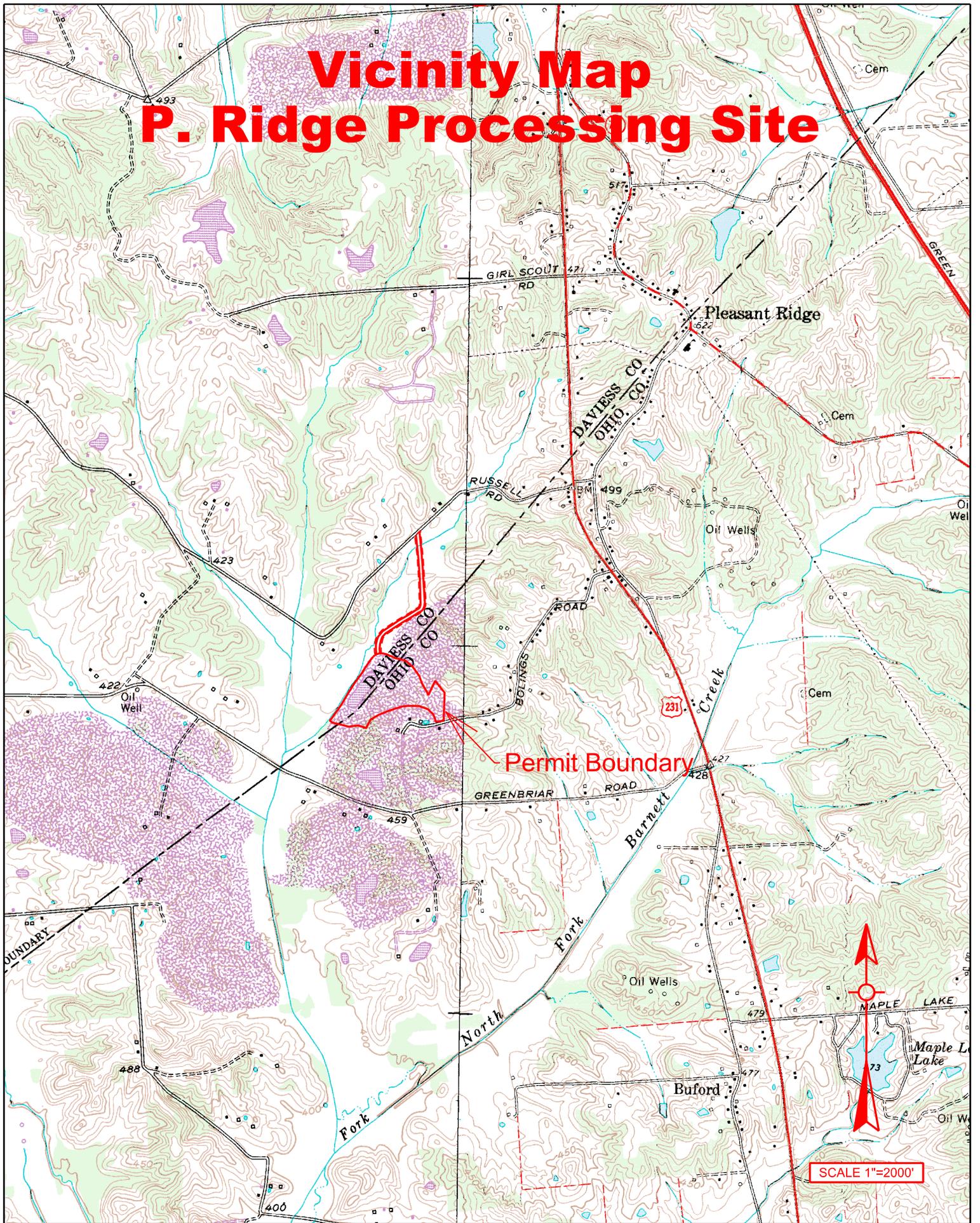
(4) Cumulative Impacts Analysis:

Refer to the Cumulative Impact Analysis section of the application.

C. Compensatory Mitigation:

Refer to the Stream and Wetland Mitigation Plan section of the application.

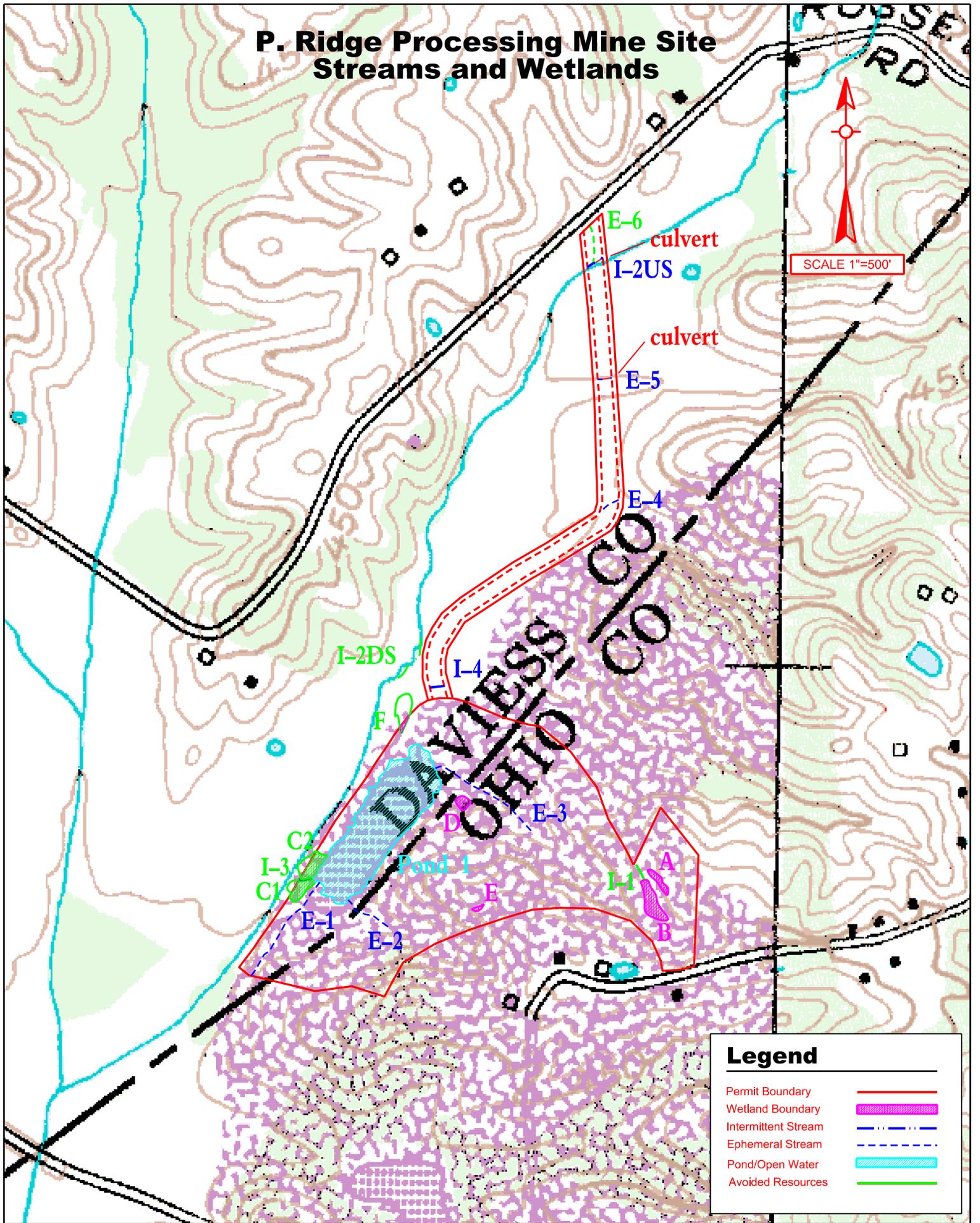
Vicinity Map P. Ridge Processing Site



T.H.E. Engineers, Inc.	PROJECT: P. RIDGE PROCESSING MINE SITE - PERMIT BOUNDARY		STREAMS: UT'S TO NORTH FORK BARNETT CREEK		
	COUNTY: DAVIESS	STATE: KY	NEAR: PLEASANT RIDGE	ITEM: VICINITY MAP	EXHIBIT 1

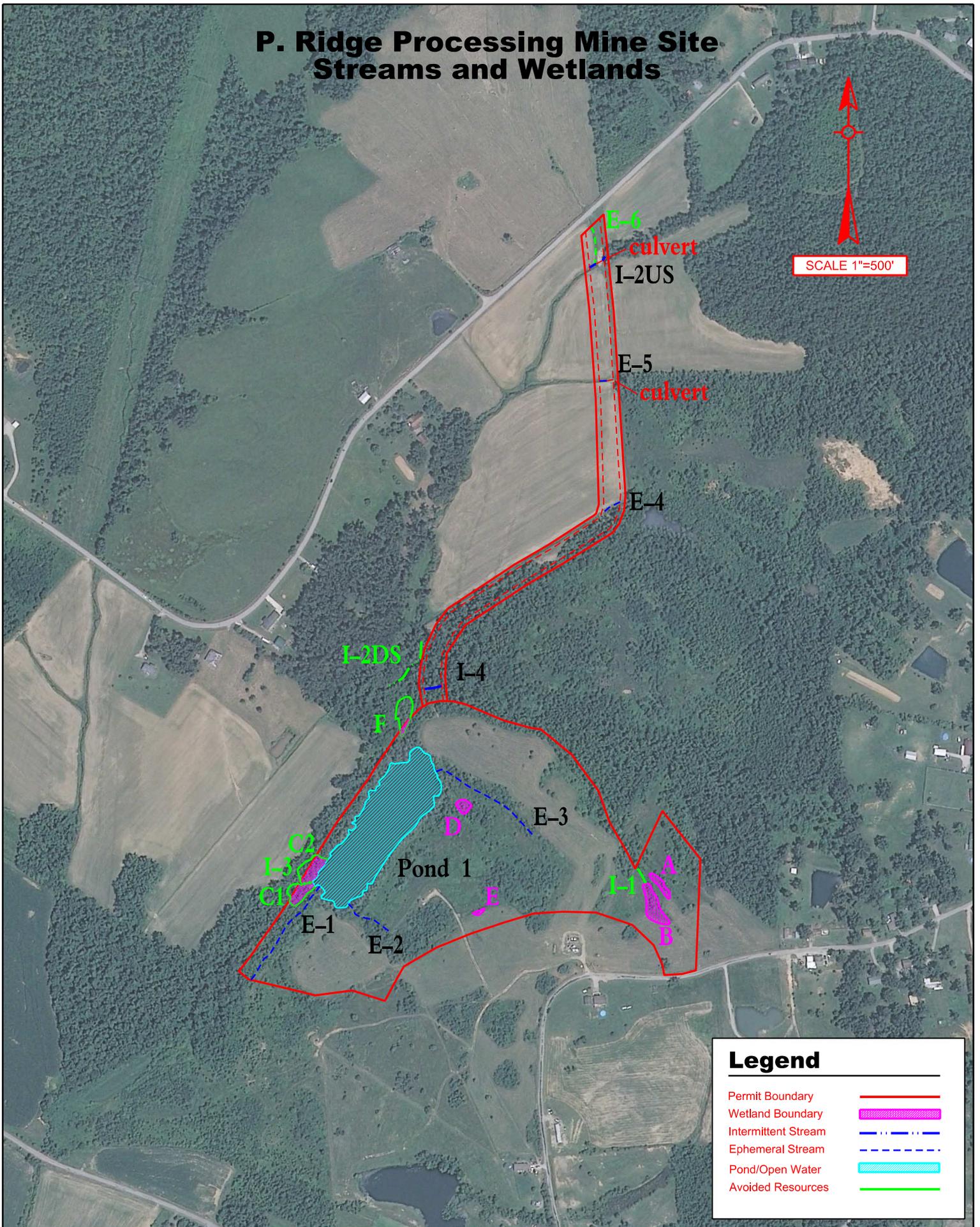
DATE:

P. Ridge Processing Mine Site Streams and Wetlands



Legend	
Permit Boundary	
Wetland Boundary	
Intermittent Stream	
Ephemeral Stream	
Pond/Open Water	
Avoided Resources	

P. Ridge Processing Mine Site Streams and Wetlands



Legend

- Permit Boundary ———
- Wetland Boundary ▨▨▨
- Intermittent Stream - - - - -
- Ephemeral Stream - - - - -
- Pond/Open Water ▨▨▨
- Avoided Resources ———

T.H.E. Engineers, Inc.	PROJECT: P. RIDGE PROCESSING MINE SITE - JURISDICTIONAL WATERS DELINEATION		UT's OF NORTH FORK BARNETT CREEK		
	COUNTY: DAVIESS	STATE: KY	NEAR: PLEASANT RIDGE	ITEM: AERIAL MAP	EXHIBIT 3

DATE: