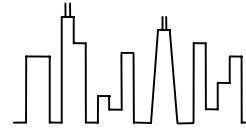


# CHICAGO SECTION NEWSLETTER

## November 2004



Newsletter of the Chicago Section of the Society for Mining, Metallurgy, and Exploration, Inc. - Founded Spring 1987 - [www.chicagosme.org](http://www.chicagosme.org)

## MEETING: Thursday, November 18, 2004

**Topic:** "The Expectation for Coal: Is Our Government and the Coal Industry Prepared?"

**Guest Speaker:** Marshall Miller, 2004 SME Henry Krumb Lecturer  
Chairman & CEO of Marshall Miller & Associates



**Time:** 5:15 PM Social Hour *Note the early starting time!*  
6:00 PM Dinner *Please - We need advance reservations! See below.*  
7:00 PM Speaker *We expect to be done by 8:00 PM.*

**Place:** Ramada Inn at Burr Ridge, IL 300 South Frontage Road, Burr Ridge, IL. 630-325-2900

**Directions:** From I-55: Exit # 276A - County Line Road South, go to the first traffic light  
Turn Right, then the road turns an immediate right; follow the road  
around until you are parallel to the freeway, past the Extended Stay America.  
The Ramada will be another 150 yards ahead on the left.  
From I-294: Exit on I-55 Westbound. County Line Road will be the next exit  
From I-88 & I-355: Exit to I-355 southbound, go to end of freeway at I-55  
Head east toward Chicago; County Line Road is just east of Kingery  
Highway (IL # 83)

**Menu:** Service will be restaurant style, with *your choice of two entrées*: **Herb Crusted Pork Loin** sliced and served with natural pan gravy or **Chicken Marsala**, chicken breast sautéed with sweet marsala wine, mushrooms and herbs. Dinner will include an appetizer, salad, vegetable, potato or rice and dessert. A vegetarian plate is available on request. *Please - We need advance reservations!*

**Cost:** \$25 for dinner/meeting for Members, \$30 for Non-Members. Science teachers or professors are considered guests of the Section and will get dinner free. Student's dinners are only \$5.

**ADVANCE RESERVATION NEEDED:** This restaurant wants a meal count on Saturday for a Tuesday meeting.

If you are coming RSVP, **PLEASE**. Call or e-mail either

Gordie Stevens of Patrick Engineering at 630-795-7429 [gstevens@patrickengineering.com](mailto:gstevens@patrickengineering.com)

Rick Ackermann of Patrick Engineering at 630-795-7246 [rackermann@patrickengineering.com](mailto:rackermann@patrickengineering.com)

*And give us your dinner selection (see above) we can do some late reservations, but...*

### From the Chairman:

First and foremost, we are pleased to present another Henry Krumb Lecturer for our coming meeting on November 18<sup>th</sup>. Marshall Miller will be flying up in his personal jet up from Virginia to discuss expectations for coal. Based on the price of crude oil these days, coal will probably become an ever-increasingly important player in the energy market, and with the abundance of Illinois coal reserves we should sit up and pay attention. Please set aside the time to come and hear Marshall speak to us on this pertinent mining topic, and help us provide a good showing as a Section. Well, we survived another presidential election season, and what a season it was. I hope all of you were able to get involved in the political scene this year by voting. Kudos to those of you who participated, and double kudos to those whom may have done so at other levels, too. Finally, after this coming meeting we will not be officially meeting again as a Section until January 18th. So, I would like to take this opportunity to wish each of you a happy holiday season. I know I have a lot to be thankful for, including your association and friendship. May each of you find some measure of joy in your celebrations.



- Gordie

## From the Program Chairman

### At This Meeting:

### The Expectation for Coal: Is Our Government and the Coal Industry Prepared?

With the prevailing assumptions that plentiful domestic coal reserves will be available for meeting our nation's dependence for future coal-fired power plants, major government funding in Clean Coal Technology and Carbon Sequestration programs continues to be aggressive. However, after more than a decade of cutbacks in funding for domestic coal related programs and personnel, there is a growing concern that adequate quantification and qualification of our Nation's coal reserves is increasingly being compromised. This paper will present the growing concerns and dichotomies that continue to increase and address the decreasing number of fossil fuel programs in Federal and State programs.

### The Speaker

**Marshall S. Miller** is Chairman and CEO of Marshall Miller & Associates, a geological and engineering firm that he founded in 1976. After obtaining B.S. and M.S. degrees in geology from West Virginia University (WVU), he started his career in the Illinois oil and gas fields as a geophysical engineer with Schlumberger Well Services. A five year reaserch stint then followed in Charlottesville, VA as a fuels geologist for the Virginia Division of Mineral Resources. There he authored several pioneering studies in the areas of geophysics, geology and mining, the most comprehensive of which was a 200 page book on the coal fields of southwest Virginia. Following a two year interval as fuels geologist with Norfolk Southern Railway's land subsidiary, Pocahontas Land, Mr. Miller embarked on an independent career, offering geological and geophysical services to the coal, oil, and gas industries in the central Appalachians.

With an advanced knowledge of coal geology and a specialization in the prediction of geological mining hazards in advance of mining, Miller was able to grow his company in the Appalachians, where avoiding mining hazards has reached the

highest of priorities in among the coal industry

By 1993, he had authored over 25 professional publications and was recognized as a regional Entrepreneur of the Year by *Inc.* magazine, Ernst & Young and Merrill Lynch. In subsequent years he has received the Distinguished Professional Achievement Award from the WVU Geology Department, and both the Sectional and National Distinguished Member Award by the SME. For the past five years Marshall Miller & Associates has been listed among the top 500 Engineering Design Firms in the US by Engineering News Record and this year he was inducted into the West Virginia Coal Hall of Fame. He was also recently selected as one of the panelists and advisors to the US Geological Survey.

Today his company employs over 190 professionals, maintains 10 offices in 9 states and works on an international basis with active projects in China, South America and Canada.

The company website and newsletters are at: <http://www.mmal.com/>

### Last Meeting

**Wasn't...** The last meeting was cancelled on short notice. While the executive committee does not want to inconvenience anyone, sometimes the decision must be made at the last moment. We hope no one was inconvenienced.

### SPEAKERS FOR NEXT SPRING MEETINGS:

We have received suggestions for speaker topics related to *mining without blasting* and a session on *recent technology advances in blasting*. We are actively working on developing these talks or recruiting speakers on these topics for after the new year.

If you would like to share any of the innovations or successes from your operation with the group, we would appreciate volunteers from within our own ranks. If any of our vendors would like to present technical material in an educational format, this would be welcomed.

If you have any other suggestions, the Chicago SME is actively recruiting speakers for certain of our meetings for next spring. Contact **Frank Kendorski**, of Agapito Associates who is our Program Chair. He can be reached at:

e-mail: [frank@agapito.com](mailto:frank@agapito.com)

phone: 630-792-1520

We hope to see all of you at the meetings sometime this year.

---

## UPCOMING MEETINGS & EVENTS

For your schedules

---

### 9th Annual Safety Seminar for Underground Stone Mines

**Practices and Principles Related to Safe Mine Development**

***This Seminar is FREE!***

***The only cost is travel.***

Seminar to be held at Dec 7-8 at Louisville, Kentucky

Seminar Includes:

- Early bird Underground Electrical Safety Workshop on Tuesday Dec 9<sup>th</sup> starting at 4:30PM
- Technical sessions Wednesday AM NIOSH on Hearing Loss Simulator MSHA on diesel particulate controls USGS on Agg Industry trends
- Our own Frank Kendorski of Agapito Associates will talk on on Geologic Structures & Water Hazards
- Bob Archibald of Rein Schultz & Dahl talking on the changes in Mine Safety from surface to underground
- Parallel workshops on Wednesday afternoon on Safe Mine Development & Root Cause of Accidents/Part 50 Reporting

Contact either:

Lou Prosser via email at [lfp2@cdc.gov](mailto:lfp2@cdc.gov)

or by phone at 412-386-4423

Or

Donna Opfer via e-mail at [dbo0@cdc.gov](mailto:dbo0@cdc.gov)

or by phone at 412-386-6564

---

## North West Mining Association

Annual Convention

**Exploration, Operations &  
Reclamation -- Keys to a Vibrant  
Mineral Industry**

December 6-10, 2004  
Red Lion Hotel at the Park,  
Spokane , Washington

Short Courses  
Trade Show  
Technical Sessions

<http://www.nwma.org/convention.asp>

## 2005 SME Annual Meeting & Exhibit

February 28 - March 2  
Salt Lake City, Utah

Trade Show  
Technical Sessions  
Short Courses  
Field Trips

<http://www.smenet.org/meetings/AnnualMeeting2005/>

## CONEXPO-CON/AGG 2005

March 15-19, 2005  
Las Vegas, USA

CONEXPO-CON/AGG 2005 will be the world's largest international gathering place in 2005 for the construction and construction materials industries, showcasing the latest equipment, services and technologies.

Co-located with

**IFPE 2005  
International Exposition for Power  
Transmission**

Check out the information at  
<http://www.conexpoconagg.com/>

## NSSGA ANNUAL CONVENTION March 15-18 Las Vegas

NSSGA registration includes  
CONEXPO – CON /AGG  
Registration

<http://www.nssga.org>

## From The PIE & GEM Committees

**MEYER MATERIAL OPEN  
HOUSE AT CRYSTAL LAKE  
OCTOBER 9th**



*Colorful Sand Pile at Meyer Material Crystal Lake before it was covered with happy children*

The IDNR Rock Box was at Meyer Material's open house in Crystal Lake on Oct. 9. Over 1900 people were in attendance on a beautiful fall day. So many commented that they've driven by this gravel pit many times, but never really knew what happened there.

The plant was running so people could see the whole operation from the stripping phase to the final stockpiles. There was equipment to climb on from big front-end loaders to ready mix trucks. Various display boards illustrated the reclamation plans.

The children seemed to really enjoy playing in the sand pile and making their own concrete souvenir.

It was a wonderful opportunity for families to come out and learn what's happening behind the berm.

*Submitted by Linda Hiltabrand*

## The Rock Box Rolls On....

The IDNR Rock Box was at Lincoln Elementary School in Ottawa, IL on Oct. 26th. Seventy-five fourth graders and their teachers from Lincoln School learned more about aggregate mining and Illinois rocks and geology. Besides viewing the Rock Box, they watched the Rock Man video and listened to a talk about consumer connections to mineral products.

The IDNR *ROCK BOX* trailer is an educational service of the IDNR. If any of our members knows of schools or events who would be interested in having the Rock Box visit, contact Linda Hiltabrand for schedule availability and what expenses, if any, may be associated with arranging a visit to your event. Contact Linda at the IDNR-Office of Mines & Minerals in Ottawa via:

Phone: 815/433-7050

e-mail: [lhiltabrand@dnrmail.state.il.us](mailto:lhiltabrand@dnrmail.state.il.us)

## The Gem Committee Activities

- The SME has material for talks at schools if anyone wants to volunteer. We have the videos *Rock Odyssey*, CAT's *Common Ground*, a couple of gold pans, etc..
- The SME will sponsor students and teachers to various workshops and events. If any member knows of a worthy cause he would like us to sponsor please send a note to one of the executive committee.
- The IAAP is always hunting for rock samples for the teacher workshop – 35 pieces needed of each type for rock kits.
- For more info contact Anne Leslie of Raimonde Drilling at 773-889-1412 or e-mail her at [rdcdri@rdc-drill.com](mailto:rdcdri@rdc-drill.com)

## **Richard Phelps of Patrick Engineering continues to write for the mining press. - Covers the Met Coke World Summit 2004 in Chicago**

Patrick Engineering Inc.'s **Richard Phelps**, as editor-for-the Americas for *Mining Magazine* and *Coal Magazine* (London, U.K. based) attended the **Met Coke World Summit 2004** in Chicago 18-20 October. **Phelps** is the former Editor-in-Chief of the *Engineering & Mining Journal*.

One speaker wryly observed that, "This (marketplace) is where greed (coal suppliers) meets fear (cokemakers)." With peak prices soaring from some \$80/tonne up to \$420/tonne (Chinese merchant coke), metallurgical coal producers have been chagrined in their inability to ramp up production to meet the demand. There has been > 50% rise in global coke trade since the mid-'90s, with China providing much of the merchant coke supply in that period. Underlying those developments was the aggressive move by global steel prices over the past 18 months despite Chinese steel output more than doubling from '00-'04.

Analysis of the principal cokemaking nations' capabilities and futures was presented. Among them India is poised to play a far more important role in coke making, in effect tolling Australian coals through its batteries and transshipping coke on to European or North American furnaces.

The article concluded with some observations about the met coal market over the long term. The article concluded with some observations about the met coal market over the long term. U.S. coking coal may only last a few more decades. The USGS has shown that prior central Appalachian reserve figures were grossly overestimated (up to 6:1). However, one thing appears certain: the euphoria over the current prices will soon be dashed by a decline in demand, and many on both sides of the buy-sell equation will resume "business as usual", forgetting to learn the lessons at hand.

For the entire article see the December 2004 issue of *Coal Magazine* (London, U.K.).

## **FREE MAGAZINE SUBSCRIPTIONS**

Both the following magazines offer limited numbers of free subscriptions to "qualified industry decision makers". If you are interested, visit the magazines websites given below.

### MINING MAGAZINE

<http://www.mining-journal.com/cgi-bin/index.pl?m=mm>

### COAL MAGAZINE

<http://www.mining-journal.com/cgi-bin/index.pl?m=cm>

## **From the Archives of E&MJ**

A few weeks ago **Richard Phelps** shared a few interesting statistics with me concerning mining project cost-overruns. An author-friend of his had done a survey of published data on mining projects around the world. Some authors had looked at how well private-sector, western-hemisphere mining projects fared compared to the project budget. The writers covered projects in two time periods, 1965-1981 and 1980-2001.

In the earlier time period (1965-1981) 18 projects had cost overruns vary from 0% to 100%, with an average overrun of 33%.

There were 60 projects in the 1980-2001 time period. The normalized cost data apparently included both over- and under-budget projects since the range was -43% to +50% with an average cost overrun of 22%.

The study also showed that most mining companies start only one new major project every 20 years. If this is the case, it indicates how uncommon it is in the industry to have in-house, management teams that have had more than one startup together. The second item of note is the high percentage of the cost overruns.

So, if your project is over budget, knowing you have a lot of company in the crowd may not help much with the boss. It should cause us as engineers at all levels to take a long look at what goes into our project estimates. These statistics beg for an answer to why the large variation on what

was supposed to be a relatively good engineering estimate.

However, how many companies do an after-the-fact analysis of projects to discover the variatiance's source, so that the organization can learn from its own experience?

*The Editor*

## **Private Aggregate Source Barred from State Work Because Indians Say Land is Sacred**

On September 1, 2004, the Ninth Circuit upheld the constitutionality of a decision by the Arizona Department of Transportation (ADOT) to bar the use of aggregate in highway construction projects from private land near Holbrook in east central Arizona, after local Indian tribes charged that the privately-owned land is sacred to the tribes. In the ruling, the Ninth Circuit rejected the claim by Dale McKinnon, who owns Cholla Ready Mix and the private land on Woodruff Butte where the aggregate is mined, that designating his land as "sacred" and barring its use violates the Establishment (of religion) Clause in the Constitution. The Ninth Circuit opinion upheld a January 2003 ruling by an Arizona federal district court that ADOT's action was not unconstitutional.

A series of rulings in the last few months by U.S. Courts of Appeals in the western U.S. have held that governments may close public and restrict use private land in response to demands by American Indians who claim the land is "sacred." The rulings came in response to challenges to the closures, which assert that the closures violate the Constitution's Establishment Clause, which mandates governmental neutrality regarding religion. Certain groups fear that the rulings will adversely affect not only their ability to use federal land for recreational and economic activity, but also their right to use their own land if American Indians say the land is holy.

Related information may be found at:

[http://www.mountainstateslegal.org/litigator\\_home.cfm](http://www.mountainstateslegal.org/litigator_home.cfm)

\*

If you noticed we are using "out-of-Section" filler material, please bring more local section news to our attention! -Gordie

## 2003-2004 Chicago Section SME Officers

|                      |  |                            |   |
|----------------------|--|----------------------------|---|
| <b>Chairman</b>      | <b>Gordie Stevens</b><br>Patrick Engineering, Inc.<br>Lisle, IL<br>630-795-7429<br>Fax 630-434-8400<br>gstevens@patrickengineering.com | <b>GEM Coordinator</b>     | <b>Anne Leslie</b><br>Raimonde Drilling, Inc.<br>Chicago, IL<br>708-583-9290<br>Fax 708-583-9491<br>rdcdill@rdc-drill.com                     |
| <b>Vice-Chairman</b> | <b>John Head</b><br>Continental Placer, Inc.<br>Wheaton, IL<br>630-407-0800 x 103<br>Fax 630-407-0799<br>jhead@continentalplacer.com   | <b>Newsletter Editor</b>   | <b>Rick Ackermann</b><br>Patrick Engineering, Inc.<br>Lisle, IL<br>630-795-7246<br>Fax 630-434-8400<br>rackermann@patrickengineering.com      |
| <b>Secretary</b>     | <b>John Magyar</b><br>International Mining Services<br>Belvidere, IL<br>815-547-9211<br>Fax 815-547-8552<br>imsjmm@aol.com             | <b>Website Coordinator</b> | <b>Sarah Schlichtholz</b><br>Continental Placer, Inc.<br>Wheaton, IL<br>630-407-0800x109<br>Fax 630-407-0799<br>sschlic@continentalplacer.com |
| <b>Treasurer</b>     | <b>Steve Tivy</b><br>Boncosky Oil, Inc.<br>Elgin, IL<br>847-741-2577<br>Fax 847-741-2590<br>svtivy@comcast.net                         | <b>Program Chairman</b>    | <b>Frank Kendorski</b><br>Agapito Associates<br>Chicago, IL<br>630-792-1520<br>Fax 630-792-1580<br>frank@agapito.com                          |

***SME Chicago Section Membership Dues Form***

*Note: To become a member of SME at the national level, please join at [www.smenet.org](http://www.smenet.org) or get an application from Gordie Stevens.*

**NAME:** \_\_\_\_\_

**AFFILIATION:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_

\_\_\_\_\_

**E-MAIL:** \_\_\_\_\_ @ \_\_\_\_\_

**CITY, STATE, ZIP + 4:** \_\_\_\_\_

**DAYTIME TEL. NUMBER:** \_\_\_\_\_

**SPONSOR'S NAME:** \_\_\_\_\_

**STUDENT** \_\_\_\_\_ **RETIRED** \_\_\_\_\_

Make Check for \$20.00 (\$10.00 for Student or Retired) out to “**Chicago Section – SME**” and mail to: Steve Tivy, Treasurer, Chicago Section of SME, Boncosky Oil Inc., 739 North State Street, Elgin, IL 60123

**NEXT MEETING  
Thursday, November 18, 2004**

**“THE EXPECTATION FOR COAL:  
Is Our Government & the Coal Industry Prepared?”**

**Marshall Miller  
SME Henry Krumb Lecturer**

**Chairman & CEO of Marshall Miller & Associates**

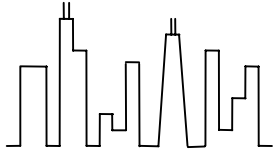
**Ramada Inn at Burr Ridge:  
300 South Frontage Road, Burr Ridge, IL.**

*THANKS to Patrick Engineering, Inc. for Newsletter Editing, Paper, Copying, Stapling, and Grunt Work*

Rick Ackermann  
Newsletter Editor, Chicago Section SME  
464 Waubensee Circle  
Oswego, IL 60523  
630-795-7246

**FIRST CLASS MAIL**

**CHICAGO SECTION**



**SME**

[www.chicagosme.org](http://www.chicagosme.org)



**NEWSLETTER AND  
MEETING ANNOUNCEMENT ENCLOSED**

*PLACE MAILING LABEL HERE*

**DO NOT FORWARD  
ADDRESS CORRECTION REQUESTED**