

WBR ARTICLE

CONSOL Energy begins permitting for new Wyo coal mine

By MJ Clark

March 12, 2010 --

CANONSBURG, Penn. — CONSOL Energy Inc. has begun the permitting process for the Young's Creek Mine in Sheridan County, Marion Loomis, executive director of the Wyoming Mining Association confirmed today.

The new Young's Creek mine is a joint venture with Chevron, and is located in the same general area as the 1980's-era coal mine called Ash Creek.

"Chevron and CONSOL put together a block of coal right on the Montana line," Loomis said. "It's not quite as a big a play as those around Gillette. I think it's 10 to 15 million tons per year, which is pretty significant for Sheridan County."

The permitting process through the Department of Environmental Quality is expected to take about a year, and then the actual opening of the mine will depend on market conditions. "There is no guarantee that it will open," Loomis warned.

The companies also are in negotiations to build a rail spur from the Burlington Northern Santa Fe main line to the mine to facilitate shipment of the coal. The rail spur will need to be in place before the mine becomes operational.