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Aberdare Collieries Pty Ltd

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5 April 2011

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Mr Rob Spalding
Manager, Environmental Services
South-West Region (Regional Services)
Department of Environment and Resource Management
PO Box 731
TOOWOOMBA QLD 4350

CHR RTI DL Release

Dear Rob

Ash Disposal Facilities

In response to your letter dated 24 December 2010 and subsequent correspondence in January 2011 related to the heavy rains and flooding we would like to update you on the current status of Ash Disposal facilities at the Kogan Creek Mine.

Out of Pit Ash Cell (OPAC)

Ash disposal commissioning is progressing well and a beaching landform in the OPAC is developing as planned. We have addressed your comments and confirm the following:

- CS Energy commits to and confirms that the geotechnical interaction between the OPAC and future mine void will be such that the OPAC and mine void low walls remain stable. It is planned that low wall buttressing via either leaving a larger separation distance from the OPAC toe to the low wall crest (this may include leaving some coal in the low wall) or a reorientation of the pit to a down dip strip mining method with rapid spoil fill buttressing against the low wall, will be used to ensure stability. While the current studies support the above methods, further scheduling of mine development and OPAC filling in combination with more detailed geotechnical evaluations on the options is required to fully assess the best option for stability. This information can be provided to DERM.
- Repairs were conducted prior to the December rain events on the internal erosion gullies in the OPAC with suitable results achieved. No significant erosion has occurred since.
- The crest drainage channel is working effectively and Golders have specified a road base liner for the channel to prevent piping and provide for better longer term stability.

Initial Ash Disposal Area (IADA)

The Initial Ash Disposal Area had significant water inflows in December and January with a September to January period rainfall of 775mm that took the water levels to within 100 - 200mm of overflow.

CS Energy proposed a TEP to pump release water from below the surface and thus prevent cenospheres escaping the facility however DERM preferred the structure to be continually managed by CS Energy.

CS Energy has progressively managed the IADA water level downwards and no discharges to the external environment have occurred. As of the 5th of April 2011 water usage and evaporation to date has more than balanced the continued normal wet season rains however an additional major rain event has not occurred and as such the emergency conditions of January 2011 have abated.

Current status of the IADA facility is:

- Water level has been reduced to 318m RL as of the 3rd April.
- Interim water levels were reduced to a low point of 317.9m RL (or by 0.5m) at the end of February, however 110mm of rainfall around the 3rd of March and 61mm around the 20th of March has increased this.
- The short term repairs and modification items 1 – 6 in your letter dated 24 December 2010 have either been completed or progressed.
- Return of water to the station is ongoing and works to provide additional pumping and pipeline capacity installed.
- An additional pump has been purchased for extra station return capacity, irrigating water with sprinklers and fan evaporators.
- Two fan powered evaporators have been hired for a trial period and have a flow rate of 12 litres per second each. Evaporative loss from these is estimated at 0.86 ML / day. Trials appear successful.
- Cenospheres have been caught in the evaporation ponds or contained to the western end of the IADA pond by a boom.
- A 40 tonne trial shipment of cenospheres has been collected from the pond and provided to a potential customer for beneficial reuse evaluations.
- A hay bale barrier at the eastern end, prior to the spillway has been placed to assist in preventing cenospheres from leaving the IADA in the event of an overflow.

Parsons Brinckerhoff REPIQ engineers visited the IADA to review the structure and changes following the December / January rains and were also commissioned to provide calculations for a recovery plan for the IADA facility. The calculations show that pending weather and achievement of reasonable assumptions DSA compliance level can be achieved by September – October 2011, in preparation for the 2011/2012 wet season.

Plans to further progress the revegetation of approximately 20 hectares of capped ash landform and redirect the run-off via sediment dams to an external drainage is advancing. Pending a suitable outcome in water quality we hope to have this occur for the next wet season and reduce the overall catchment area reporting to the IADA water pond by approximately one third.

Yours sincerely

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Tim Mortimer
Mining Manager

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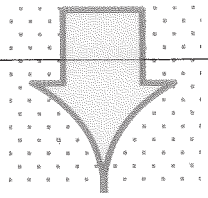

Aberdare Collieries Pty Ltd

12 January 2011

Lindsay Webber
Principal Environmental Officer, Environmental Services
Department of Environment and Resource Management
PO Box 731,
TOOWOOMBA Q 4350

Dear Lindsay

Transitional Environmental Program (TEP)
Kogan Creek Initial Ash Disposal Area (IADA)

Aberdare Collieries Pty Ltd (Aberdare), the Owner, and Kogan Creek Power Station Pty Ltd, the Operator, both subsidiary companies of CS Energy Ltd, hereby apply for a Transitional Environmental Program (TEP) for the Kogan Creek Initial Ash Disposal Area (IADA). Development Approval IPDE00173405A11 was originally issued to Aberdare , for ERA 75(b) Waste Disposal, and this area is currently operated under Registration Certificate ENRE00741308 held by Kogan Creek Power Station P/L for ERA 60 Waste Disposal Threshold 1(d). .

The request for a TEP arises from the significant rainfall received that has resulted in the IADA nearing its water storage capacity, with a discharge imminent – as of 12 January the IADA level was 0.1m below the spillway level. This TEP is requested in order to authorise the discharge of water and any contained contaminants from the IADA spillway due to exceedance the storage capacity and to propose a preferred alternative operational method for the discharge so as to minimise any environmental harm as a result of recent and predicted remaining wet season rainfall events.

We have made the assumption that for spillway discharge from the IADA due to exceedance of storage capacity and the ongoing rain within its catchment, a TEP is required. Two methods of discharge are considered and we believe a pre-emptive controlled discharge strategy as opposed to a spillway discharge provides for a lower risk of environmental harm.

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Proposed Water Release Criteria

The proposed water release from the IADA, if granted in the TEP, will be conducted in a manner that generally meets the discharge conditions as provided for in the Kogan Creek Mine Environmental Authority (No. MIM800345805), (EA) with the following exceptions:

- **Suspended solids.** This TEP proposes to impose a discharge limit for suspended solids of 200 mg/l. This value is below the Mine EA limit.
- **Electrical Conductivity.** This TEP proposes that the Electrical Conductivity of water pre release be less than 1,200 µs/cm as measured in the IADA pond, with a flow check measurement of less than 950 µs/cm, as measured in Kogan Creek downstream of the junction with Paddy's Gully.

  The table below summarises the release criteria.

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IADA Water Quality Release Criteria

QUALITY CHARACTERISTICS	IADA PRE - RELEASE LIMIT	KOGAN CREEK LIMIT
pH	6.5 – 9.0 (as a range)	
Electrical conductivity (EC)	1,200 µs/cm (maximum)	950 µs/cm (maximum)
Suspended solids	200 mg/L (maximum)	

Historical data, reviewed by hydrologist John Grounds, indicates that the surface water quality of Kogan Creek (upstream and downstream) is typically low in salinity, EC 50 – 1000 µs/cm, has total dissolved solids (TDS) of 300 – 3000 mg/L, is slightly acidic with a pH of 6.5 – 7.9 and has suspended solids tending to be no higher than 1000 mg/L. We understand DERM have historical monitoring results of Kogan Creek, however further information can be provided if required.

Timetable

It is requested that this TEP will remain in place until the end of March 2011, in order to facilitate water management for the duration of the wet season.

The grounds on which the TEP is requested

The Kogan Creek Coal Mine received 331mm rain in December and this was proceeded by an unusually wet winter and spring with a high cumulative rainfall from August – December 2010. This amount of rainfall has increased the IADA water levels to RL 318.2m (7/1/2011), 1.2m above the MRL of 317m, such that at 7/1/2011 the IADA is approximately 40ML from overflow and contains about 292ML.

The forecast for the coming week, month and balance of the wet season is for above average rainfall and this rainfall will result in a high risk spillway discharge from the IADA. The discharge of water and contained contaminants from the IADA is not specifically authorised in the Ash Disposal DA, however the wet season storage requirements recognise that an overflow will occur after very high rainfall events of greater than a 1 in 10 year 4 month wet season. The rainfall we have had in the August – December period 2010 is greater than a 1 in 10 year 4 month wet season.

The water quality in the IADA is similar to the Kogan Mine release criteria and may be classified as satisfactory to overflow without causing environmental harm CS Energy have recently tested the water quality with results tabled below.

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Recent IADA Water Quality Test Results

Date	TSS (mg/L)	pH	Conductivity (µS/cm)	Turbidity (NTU)	Dissolved Oxygen (mg/L)
6/1/2011	163	Field = 8.16 Lab = 8.04	Field = 916 Lab = 919	Field = 2484 Lab = 2750*	Field = 6.31
7/1/2011	108	Field = 8.02 Lab = 8.07	Field = 963 Lab = 917	Field = OR Lab = 2740*	Field = 6.57

*Sample diluted 1:10
OR: Over Range

The IADA has some cenospheres (floating ash particles) on the water surface and we consider the potential overflow of these cenospheres as the main potential environmental issue. The cenospheres themselves are a predominantly silica particle with trapped air inside that makes them float and they are not considered a hazardous substance. Process water is not currently going to the IADA, as the waste ash is going to the newly constructed OPAC which is being commissioned

Our water management strategy for the current situation is to let the IADA overflow if the IADA is to get rainfall that will make this occur, however we propose that a pre emptive controlled pumping discharge strategy will provide less risk of environmental harm.

This alternative pre-emptive option we would like DERM to consider is the controlled release now by pumping of a percentage of water in the IADA, nominally 50% or 150ML and to below the MRL reporting level (317m RL) so as to reduce the likelihood of cenospheres being discharged. Future dirty water from a storm event(s) would then be captured without overflow and allow the settling of any suspended solids.

This action would have the advantage of releasing water into a major water flow with significant dilution, whereas additional rain in the next few months could cause the spillway to overflow into much lower volume Kogan & Condamine flows. The results from previous flood studies in 2003 & 2010, noted flows in Kogan Creek and Eastern Branch Creek's peak design discharged rates for a 1:100 year event are 172.6-179.8 m3/s.

We confirm receipt of DERM correspondence that did not endorse and precludes a temporary fuse plug to the spillway..

Precautions have been previously taken to reduce the risk of cenospheres being discharged through installation of a floating containment boom on the spillway. In addition to this, we are currently constructing a low-height porous sediment fence from hay & poly mesh in order to restrain and contain ash but let all water through to the spillway. This silt

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fence will not constrain the spillway operation or allow water to be stored above the spillway height.

In ongoing measures we continue pump water back to the station at up to 0.5ML per day (when the station is on-line) and while this will not prevent overflow in the short term, over the longer term this will gradually reduce water levels.

Water Monitoring

Discharge monitoring is proposed to be under similar conditions to the Mine EA. Control measures will be put in place in order to minimise any environmental harm and will include establishing a comprehensive monitoring schedule.

Controls will include:

- Daily sampling and analysis of IADA water storage prior to discharge;
- Daily monitoring downstream of the discharge point (to be increased should water quality levels approach the maximum acceptable levels dictated by this TEP);
- Immediate cessation of pumping should levels exceed guidelines at any time;
- Record keeping of times, and volumes discharged,

Effective date for activation

It is requested that approval be granted for this TEP as soon as possible, in order to allow for projected rainfall over the coming weeks.

Regards

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Gary Joy
CS Energy
Manager Environment and Chemistry

For

Tim Mortimer
Mining Manager
Aberdare Collieries Pty Ltd / CS Energy

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Aberdare Collieries Pty Ltd

14 January 2011

Lindsay Webber
Principal Environmental Officer, Environmental Services
Department of Environment and Resource Management
PO Box 731,
TOOWOOMBA Q 4350

Dear Lindsay

Transitional Environmental Program (TEP)
Kogan Creek Initial Ash Disposal Area (IADA)
Sampling Point information

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As per discussion today, please find attached the location and GPS coordinates of the proposed sample points for monitoring the discharge of the Kogan IADA as proposed under the Kogan IADA TEP application.

The IADA discharge point would be adjacent to the IADA spillway.

Discharge Point	Sample Point	GPS South	GPS East	Comments
IADA Spillway		26º56´13.00´´	150º44´57.00´´	Discharge will be pumped, syphoned or spill from the IADA Spillway – water flows into Paddy's Gully.
	IADA Spillway	26º56´13.00´´	150º44´57.00´´	Sampling IADA discharge water
	Kogan Creek – Old Smiths Road Causeway	26º55´51.92´´	150º46´19.16´´	Point to monitor impact of IADA discharge on Kogan creek – approx 1.5 km from the confluence of Paddy's Gully with Kogan creek

A drawing is attached showing the approximate locations.

Please contact CS Energy if you require any additional information.

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Aberdare Collieries Pty Ltd

Thanks for your on-going assistance.

Regards

Gary Joy
CS Energy
Manager Environment and Chemistry

For

Tim Mortimer
Mining Manager
Aberdare Collieries Pty Ltd / CS Energy

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Webber Lindsay

From: JOY Gary [gjoy@csenergy.com.au]
Sent: Tuesday, 18 January 2011 1:18 PM
To: Webber Lindsay
Subject: RE: IADA TEP - SAMPLING POINT INFORMATION

Hello Lindsay,

I have received information back from site in relation to your enquiry "if the excess IADA water could be pumped to the OPAC" - the following comments are noted:

- No suitable infrastructure exist to transfer any reasonable quantities of water from the IADA to the OPAC so as to avoid a spill of the IADA - the only existing infrastructure is a temporary diesel pump transferring 0.5 ML per day from the IADA back to the Station SCC cooling pond for direct use in the ashing system.
- Also, no suitable infrastructure currently exist to transfer any reasonable quantities of water from the OPAC back to the station at a future date.
- The recent high rainfall has also increased the water level in the OPAC - most importantly we would be concerned that any additional water from the IADA added to the OPAC would compromise the long term water balance for the OPAC and thus would be initiate a future compounded problem.

The following station status is also noted:

- The station returned to service on 15 January following a 4 day forced maintenance outage.
- Access to the station is still flooded and essential staff are still being flown in by helicopter.
- The IADA remains at imminent risk of spilling with the level being less than 90 mm below the spillway
- The low lying areas surrounding the power station and mine remain flooded.

Noting the points recorded above – CS Energy still considers that the most effective way to manage the current spill risk of the IADA in a controlled manner that minimise the environmental impact is to apply the methodology set out in the TEP Application.

Thanks

Regards

Gary Joy
CS Energy
Manager Environment & Chemistry
Level 2 North Tower
HQ Building,
540 Wickham Street,
Fortitude Valley. Brisbane. QLD. 4006.
gjoy@csenergy.com.au
www.csenergy.com.au
s(3)(4)(M) Personal information
ph 07 3854 7347
fx 07 3854 7323

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From: Webber Lindsay [mailto:Lindsay.Webber@derm.qld.gov.au]
Sent: Monday, 17 January 2011 6:59 AM
To: JOY Gary
Subject: RE: IADA TEP - SAMPLING POINT INFORMATION
Importance: High

Hi Gary,

Thanks for this information.

Also, just wondering if CS Energy has considered pumping from the IADA to the OPAC?

Regards,

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 **Fax:** (07) 4699 4399
Visit us online at www.derm.qld.gov.au

Department of Environment and Resource Management
173 Hume Street, TOOWOOMBA Q 4350
PO Box 731, TOOWOOMBA Q 4350

From: JOY Gary [mailto:gjoy@csenergy.com.au]
Sent: Friday, 14 January 2011 5:12 PM
To: Webber Lindsay
Subject: RE: IADA TEP - SAMPLING POINT INFORMATION

Hello Lindsay,

Sample point location information attached.

Apologies for delay – technology limitations have been frustrating today. IADA water level today 318.41m versus a spillway 318.5 m.

Thanks

Regards

Gary Joy

From: JOY Gary
Sent: Thursday, 13 January 2011 2:45 PM
To: 'Lindsay.Webber@derm.qld.gov.au'
Subject: Re: IADA Program Notice

Hello Lindsay,

Thanks for the email and the update.

Do we need to lodge any additional notices to support the TEP application given that the Program Notice has not been accepted. Is a 320 notice required as an alternative. Obviously we wish to ensure that a valid TEP application has been lodged and that the TEP is acceptable for evaluation by DERM.

Please contact me email or mobile if you require any additional information with respect to the TEP.

With respect to rainfall at Kogan site, I can confirm that we have received a total of 756 mm in the period 1 August to 31 December and a further 112.5 mm during January.

As a GOC, CS Energy continues to report the status of all issues affecting the reliability of our generating plant including Kogan Creek Power Station to the Ministerial Office for the Minister for Natural Resources Mines and Energy..

Thanks for your assistance - it is greatly appreciated.

Regards

Gary Joy

From: Webber Lindsay <Lindsay.Webber@derm.qld.gov.au>
To: MORTIMER Tim; MCNICOL John; JOY Gary
Sent: Thu Jan 13 12:46:00 2011
Subject: IADA Program Notice
Tim/John/Gary,

The department has received legal advice on the submission of Aberdare Collieries Pty Ltd Program Notice that it is invalid as the proposed event has not occurred. As a result, please find attached a notice refusing the acceptance of the program notice. A hard copy of this notice will be forwarded in the mail.

This does not prevent the submission of your voluntary TEP to deal with water management issues related to the IADA.

Please let me know if you require further information regarding this matter.

Regards,

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 **Fax:** (07) 4699 4399
Visit us online at www.derm.qld.gov.au

Department of Environment and Resource Management
173 Hume Street, TOOWOOMBA Q 4350
PO Box 731, TOOWOOMBA Q 4350

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3 sheets of A4 paper = 1 litre of water

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Brown Ruth

From: Aric Zimmerle [Aric.Zimmerle@golding.com.au]
Sent: Thursday, 20 January 2011 1:49 PM
To: Webber Lindsay; Brown Ruth
Subject: Daily results
Attachments: SKMBT_C25211012013270.pdf

Afternoon Ruth,

Daily samples for you. I will send power station lab results when the come through.

Regards

Aric

Aric Zimmerle
Safety, Health, Environment Training Advisor
Golding
c/- TNT Depot Chinchilla
Smiths Road via Banana Bridge Road
PO Box 338
Chinchilla, Queensland, 4413
Phone: (07) 4665 2177 / Mobile: Personal information Fax: (07) 4665 2100
Email Aric.Zimmerle@golding.com.au

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Daily Water Testing

Date: 20/01/2011 Daily Rainfall: 5mm

Sample Collected By: Aric Zimmerle

Dam #	SS	EC	pH	Temp	Release Date	Release Time	Discharge Volumes
1							
2							
4							
5							
6							
7	564	277	6.72	27	12/01/2011	13:10	30.4ML
8							
9							
Pit							

Discharge Location (200m Downstream)	SS	EC	pH	Temp	Flow Rate (m/sec)	
Culvert Crossing	391	184.6	6.04	27.7	N/A	(Kogan Creek) Dam #7

Anticipate Cessation Date for Discharge

31/01/2011

Characteristics of Receiving Waters:

Observed Impacts to Receiving Waters:

Nil.

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Brown Ruth

From: Hargraves Gary
Sent: Friday, 21 January 2011 10:48 AM
To: Webber Lindsay
Cc: Darvall David; Brown Ruth; McConnell Russ
Subject: RE: IADA Water Management / Overflow Strategy

Hi Lindsay

As discussed with you and Ruth respectively over the Xmas/new year, the preferred mode of dealing with excess water arising in the IADA would have been to pump it to the new OPAC once commissioned.

In the current circumstances, with excess waters elsewhere on site together with verbal advice by CS Energy is that they do not have infratructure in place to store in the OPAC; a priority for release off site is the one being pursued by CS Energy. In this respect, I understand that your office is reluctant to provide a direction or TEP for off-site release, but has been taking advice from a hydrologist from Tor St.

Clearly, any releases off site should take account of the water quality being released and ensure adequate mixing and dilution and be appropriately monitored. In view of the slow moving nature of the flood waters around this site. It is possible that some mixing of waters to be released with external waters may be needed in pipe to ensure adequate dilution at end of pipe.

Please be in touch if I can be off assistance in any respect.

Kind regards

Gary Hargraves
B.Eng. (Civil); M.Eng.Sc. (Civil)

Principal Engineer
Containment Systems
Office of the Water Supply Regulator
Department of Environment and Resource Management
3RD Floor, Mineral House, 41 George St, Brisbane 4000

Landline: 323 83190
Mobile: s6(4) - Personal information

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From: MORTIMER Tim [mailto:TMORTIMER@csenergy.com.au]
Sent: Thursday, 6 January 2011 5:29 PM
To: Webber Lindsay
Cc: Darvall David; Brown Ruth; Hargraves Gary; McConnell Russ
Subject: RE: IADA Water Management / Overflow Strategy

Lindsay,
We never intend to & will not be releasing any water outside the IADA DA conditions.

The issue I would like to discuss when you are available is the natural overflow that has a very high chance of occurring sometime soon vs a controlled release.

Regards,

Tim Mortimer
Mining Manager
CS Energy.
Level 2
HQ North Tower
540 Wickham Street (CNR Brooke St)
Fortitude Valley Qld 4006
Ph : 07 3854 7511
Fax: 07 3854 7300
Mb: s47(3)(b) - Personal information

From: Webber Lindsay [mailto:Lindsay.Webber@derm.qld.gov.au]
Sent: Thursday, 6 January 2011 1:52 PM
To: MORTIMER Tim
Cc: Darvall David; Brown Ruth; Hargraves Gary; McConnell Russ
Subject: RE: IADA Water Management / Overflow Strategy

Hi Tim,

Thanks for this information.

The controlled release from the IADA to Kogan Creek would be a breach of the current approval. If you wish to proceed with this proposal, the best way to do this is via a Program Notice and TEP similar to Golders have done for the EA.

If you can forward a detailed proposal for DERM to consider, a meeting can be arranged to discuss the proposal.

Regards,

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 **Fax:** (07) 4699 4399
Visit us online at www.derm.qld.gov.au

Department of Environment and Resource Management
173 Hume Street, TOOWOOMBA Q 4350
PO Box 731, TOOWOOMBA Q 4350

EHP RTI DL Release

From: MORTIMER Tim [mailto:TMORTIMER@csenergy.com.au]
Sent: Thursday, 6 January 2011 12:57 PM
To: Webber Lindsay
Cc: MAPP Ivan; MCNICOL John; JOY Gary; HARTIGAN Roger
Subject: IADA Water Management / Overflow Strategy

Lindsay,

As previously advised the IADA at Kogan is above MRL at RL 318.2m or about 40ML from overflow and contains about 292ML, prior to this morning's rain.

We have tested the water quality 5/1/2010 with results of...

Turbidity 750

EC 916

pH 8.2

The IADA has some cenospheres (floating ash particles) on the water surface.

Process water is not currently going to the IADA, ash is going to the OPAC.

Our water management strategy for the current situation is to let the IADA overflow if the IADA is to get rainfall that will make this occur.

We confirm receipt of DERM correspondence that did not endorse and precludes a temporary fuse plug spillway raising.

Precautions we have to prevent cenospheres being discharged is a floating containment boom on the spillway.

In addition to this we are constructing a low height leaky sediment fence from hay & poly mesh in order to restrain and contain ash but let all water through to the spillway. This silt fence will not constrain the spillway operation or allow water to be stored above the spillway height.

We continue pump water back to the station at up to 0.5ML per day and while this will not prevent overflow over the longer term this will gradually reduce water levels.

In comparing the IADA water quality to the Kogan Mine water release criteria with the exception of turbidity / suspended solids the water is within release criteria.

An alternative option we would like DERM to consider is the controlled release by pumping of a percentage of water in the IADA, nominally 50% or 150ML so as to reduce the likelihood of cenospheres being discharged and future dirty water from a storm event(s) would be captured without overflow and allow the settling of solids.

This action would have the advantage of releasing water into a major water flow with significant dilution, whereas additional rain in the next few months could cause the spillway to overflow into much lower volume Kogan & Condamine flows.

We would like to discuss at your earliest convenience.

Regards

Tim Mortimer
Mining Manager
CS Energy.

Level 2
HQ North Tower
540 Wickham Street (CNR Brooke St)

EHP RTI DL Release

Fortitude Valley Qld 4006

Ph : 07 3854 7511
Fax: 07 3854 7300
Mb: s6h4 - Personal information

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3 sheets of A4 paper = 1 litre of water

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EHP RTI DL Release

Brown Ruth

From: Webber Lindsay
Sent: Monday, 24 January 2011 11:10 AM
To: Brown Ruth
Cc: Darvall David
Subject: FW: Daily results / Weekly Report

FYI

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 Fax: (07) 4699 4399
Visit us online at www.derm.qld.gov.au

Department of Environment and Resource Management
173 Hume Street, TOOWOOMBA Q 4350
PO Box 731, TOOWOOMBA Q 4350
-----Original Message-----
From: Aric Zimmerle [mailto:Aric.Zimmerle@golding.com.au]
Sent: Friday, 21 January 2011 3:29 PM
To: Webber Lindsay
Cc: Dylan Pieters
Subject: RE: Daily results / Weekly Report

Good afternoon Lindsay,

Weekly Report:

a) all in situ monitoring data for the week

Dam # 1
12/01/2011 - SS = 839 EC = 558 pH = 7.49
13/01/2011 - SS = 922 EC = 552 pH = 7.75
14/01/2011 - SS = 858 EC = 563 pH = 7.66 Discharge Ceased 14/01/2011 approximately 16:30h

Dam # 7
12/01/2011 - SS = 791 EC = 239.4 pH = 6.87
13/01/2011 - SS = 610 EC = 246 pH = 7.8
14/01/2011 - SS = 610 EC = 250 pH = 7.4
15/01/2011 - SS = 613 EC = 240 pH = 7.15
16/01/2011 - SS = 820 EC = 223 pH = 7.04
17/01/2011 - SS = 556 EC = 264 pH = 717
18/01/2011 - SS = 549 EC = 268 pH = 7.6
19/01/2011 - SS = 531 EC = 231.7 pH = 7.5
20/01/2011 - SS = 564 EC = 277 pH = 6.72
21/01/2011 - SS = 2210 EC = 263 pH = 7.56
Discharge Ceased 21/01/2011 approximately 15:00h

b) the receiving water flow rate

Has fluctuated significantly given that the creek has been backing up for a good portion of the discharge period. Currently developing a system for measuring flow rates more accurately due to the drop in flood waters and return of Kogan Creek to more normal flow patterns in the past 24 hours. There has never been a requirement (in accordance with existing site EA) to measure or monitor the flow rate of Kogan Creek in the past hence no system or equipment currently available for use. A method for establishing flow rate using the time taken for an object to travel a known distance downstream will be utilised to calculate daily flow rates from today onwards.

c) the release flow rate

Dam # 1 = 130L per sec (Ceased discharge 14/01/2011 approximately 16:30h)

Dam # 7 = 90L per sec (Ceased discharge 21/01/2011 approximately 15:00h)

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d) the volume of water released from the release point and,

Dam # 1 Discharge Volume = 24.8 ML
Dam # 7 Discharge Volume = 30.73 ML

e) actions or mitigation efforts to minimise discharge.

ROM Pond (one of the best water qualities on site) was discharged to minimise holdings in this dam. Pit water (high in EC) was then transferred into the ROM pond to avoid having to remove from site at this time but still allowing mining operations to continue.

Currently only discharging from Western water storage areas. Have managed eastern holdings by pumping between dams in order to avoid discharging.

Regards

Aric

>>> "Webber Lindsay" <Lindsay.Webber@derm.qld.gov.au> 21/01/11 8:35 AM
>>> >>>
Hi Aric,

Thanks for the updates.

Just want to remind Golding's of their obligation to meet the requirements of conditions in the TEP certificate of approval.
Particularly at this point conditions 5, 6 and 9.

Contaminant Release Events

5 Notwithstanding any other condition of this TEP - Certificate of Approval releases under this TEP must not exceed 20% of the minimum natural receiving environment flow rate (i.e. 1:4 - 1 part discharge wastewater: 4 parts natural flow).

6 The natural stream flow volume must be recorded daily at each contaminant release point during release events.

9 The TEP holder must provide the administering authority a weekly summary during the release of mine affected water, information on the releases made under this TEP. The information must be provided in writing and include the following:

a) all in situ monitoring data for the week

b) the receiving water flow rate

c) the release flow rate

d) the volume of water released from the release point and,

e) actions or mitigation efforts to minimise discharge.

To date, Golding's have only provided a limited description of flow in Kogan Creek or stated that 'unable to access centre channel'. If Golding's are unable to accurately calculate the daily flow in Kogan Creek, as required by the TEP, Golding's should

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consider taking daily photos of Kogan Creek to attempt to demonstrate compliance with these conditions.

Please let Ruth or I know if you require further information regarding this matter.

Regards,

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 Fax: (07) 4699 4399
Visit us online at www.derm.qld.gov.au <http://www.epa.qld.gov.au>

Department of Environment and Resource Management
173 Hume Street, TOOWOOMBA Q 4350
PO Box 731, TOOWOOMBA Q 4350

From: Aric Zimmerle [mailto:Aric.Zimmerle@golding.com.au]
Sent: Thursday, 20 January 2011 1:49 PM
To: Webber Lindsay; Brown Ruth
Subject: Daily results

Afternoon Ruth,

Daily samples for you. I will send power station lab results when the come through.

Regards

Aric

Aric Zimmerle

Safety, Health, Environment Training Advisor

Golding

c/- TNT Depot Chinchilla

Smiths Road via Banana Bridge Road

PO Box 338

Chinchilla, Queensland, 4413

Phone: (07) 4665 2177 / Mobile: sch4 - Personal information / Fax: (07) 4665 2100

Email Aric.Zimmerle@golding.com.au

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Brown Ruth

From: Webber Lindsay
Sent: Monday, 24 January 2011 11:10 AM
To: Brown Ruth
Cc: Darvall David
Subject: FW: Daily results

FYI

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 Fax: (07) 4699 4399
Visit us online at www.derm.qld.gov.au

Department of Environment and Resource Management
173 Hume Street, TOOWOOMBA Q 4350
PO Box 731, TOOWOOMBA Q 4350

-----Original Message-----
From: Aric Zimmerle [mailto:Aric.Zimmerle@golding.com.au]
Sent: Friday, 21 January 2011 3:48 PM
To: Webber Lindsay
Cc: Dylan Pieters
Subject: RE: Daily results

Lindsay,

Current flow rate for Kogan Creek is 10 metres a minute.

Regards

Aric

>>> "Webber Lindsay" <Lindsay.Webber@derm.qld.gov.au> 21/01/11 8:35 AM
>>> >>>
Hi Aric,

Thanks for the updates.

Just want to remind Golding's of their obligation to meet the requirements of conditions in the TEP certificate of approval.
Particularly at this point conditions 5, 6 and 9.

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Please let Ruth or I know if you require further information regarding this matter.

Regards,

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 Fax: (07) 4699 4399
Visit us online at www.derm.qld.gov.au <http://www.epa.qld.gov.au>

Department of Environment and Resource Management
173 Hume Street, TOOWOOMBA Q 4350
PO Box 731, TOOWOOMBA Q 4350

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Sent: Thursday, 20 January 2011 1:49 PM
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Subject: Daily results

Afternoon Ruth,

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Regards

Aric

Aric Zimmerle

Safety, Health, Environment Training Advisor

Golding

c/- TNT Depot Chinchilla

Smiths Road via Banana Bridge Road

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PO Box 338

Chinchilla, Queensland, 4413

Phone: (07) 4665 2177 / Mobile:sch4 - Personal information / Fax: (07) 4665 2100

Email Aric.Zimmerle@golding.com.au

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Brown Ruth

From: Darvall David
Sent: Monday, 24 January 2011 2:13 PM
To: Webber Lindsay; Brown Ruth
Subject: FW: Kogan Creek Power Stn - Refusal of TEP Application for Ash Dam

-----Original Message-----
From: Birchley Michael
Sent: Monday, 24 January 2011 12:32 PM
To: Hill Chris
Cc: Brier Andrew; Darvall David
Subject: FW: Kogan Creek Power Stn - Refusal of TEP Application for Ash Dam

Chris

Further to our previous discussion and your briefing note to me, I provided the advice below to the DG.

I understand that we may have been further considering the matter and will be guided by your advice, but would like to confer if any change in position is proposed to ensure I am across this.

Thanks

Mike

Mike Birchley
Acting Assistant Director-General
Regional Service Delivery
Dept of Environment and Resource Management
Telephone: 07 3330 6302
Mobile: sch4 - Personal information
Email: michael.birchley@derm.qld.gov.au

-----Original Message-----
From: Birchley Michael
Sent: Monday, 24 January 2011 5:38 AM
To: Bradley John; Wall Terry
Subject: Kogan Creek Power Stn - Refusal of TEP Application for Ash Dam

John/Terry

A TEP application by Kogan Creek PS to discharge from its ash dam has been refused.

While a TEP was recently approved for discharge from the power station's mine pit, the circumstances in the case of the ash dam are different and are also distinguishable from the situation at CS Energy's Callide Power Station where a TEP was recently approved for ash dam discharge.

In this instance there are no adequate receiving waters for the material, there is no risk of catastrophic failure of the ash dam, an existing ash dam spillway would control the rate of any discharge that may occur during a flood event, and alternative on-site storage options may still be available. Given these circumstances a TEP was not considered appropriate.

The decision has been conveyed to the company and we will continue to work with it on the issue. I will monitor this and let you know if power station management raises any major concerns as we work through the issues with them.

Based on the information provided by the company and our assessment of the situation, we do not believe that the decision should pose any risk to continuity of electricity generation at the site.

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Mike Birchley

EHP RTI DL Release

Brown Ruth

From: Webber Lindsay
Sent: Monday, 24 January 2011 2:27 PM
To: JOY Gary
Cc: Darvall David; Hill Chris; Spalding Rob; Brown Ruth; MORTIMER Tim; john.mcnicol@csenergy.com.au
Subject: IADA TEP
Attachments: 110124_TEP Decision Notice_IADA.pdf

Hi Gary,

Please find attached the decision notice for CS Energy's TEP application to discharge from the IADA. The original has been sent via registered post today.

Please contact me should you require further information regarding this matter.

Regards,

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 **Fax:** (07) 4699 4399
Visit us online at www.derm.qld.gov.au

Department of Environment and Resource Management
173 Hume Street, TOOWOOMBA Q 4350
PO Box 731, TOOWOOMBA Q 4350

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Department of Environment and Resource Management

REGISTERED POST – SENDER TO KEEP
556180462010

Notice

Environmental Protection Act

Decision to refuse to approve a draft transitional environmental program

This statutory notice is issued by the administering authority pursuant to section 340 of the Environmental Protection Act 1994, *to advise you of a decision or action.*

Your reference : IPDE00173405A11
Our reference : TWB3277

Aberdare Collieries Pty Ltd
GPO Box 769
BRISBANE QLD 4001

Attention: Mr Gary Joy

Re: Application for an approval for a transitional environmental program for discharge of waste water from the Initial Ash Disposal Area at Kogan Creek Coal Mine.

EHP RTI DL Release

Thank you for your application for an approval for a transitional environmentalprogram.

Your application, which was received by this office on 13-JAN-11, has been refused.

The reasons for the decision are:

- the draft transitional environmental program (TEP) application does not offer a significant reduction in environmental harm relative to an unauthorised discharge; and
- the draft TEP does not detail the transition to an environmental standard.

Please be aware that the registered operator of the activity should take all reasonable and practical measures to prevent or minimise any unauthorised discharge, as required by the *Environmental Protection Act 1994*.

Similarly the operator should take all reasonable measures to prevent or minimise any environmental harm from any unauthorised discharge.

You may apply to the Department of Environment and Resource Management for a review of this decision within 10 business days of receiving this notice. You may also appeal against this decision to the Planning and Environment Court.

Information outlining the review and appeal processes under the *Environmental Protection Act 1994* is included with this notice. This information is intended as a guide only. You may have other legal rights and obligations

Department of Environment and Resource Management
www.derm.qld.gov.au ABN 46 640 294 485

Queensland Government

Department of Environment and Resource Management

Notice

Should you have any queries in relation to this notice or should you have any further information which may assist the department in an alternate decision, Lindsay Webber of the Department of Environment and Resource Management on telephone 07 4699 4367 would be happy to assist you.

sch4 - Personal information

SIGNATURE

24 January 2011

DATE

David Darvall
Manager Environmental Services
South West Region
Environmental Protection Act 1994

Enquiries:
South West Region (Toowoomba Office)
PO Box 731 Toowoomba Qld 4350
PH (07) 4699 4333
FAX (07) 4699 4399

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Brown Ruth

From: MORTIMER Tim [TMORTIMER@csenergy.com.au]
Sent: Monday, 24 January 2011 5:05 PM
To: Webber Lindsay
Cc: Darvall David; Brown Ruth; JOY Gary
Subject: RE: IADA TEP

Lindsay,

We will consider what other additional information we can provide on the IADA management.

We feel that a meeting to discuss the management options would help us achieve a ongoing solution and would like to request a meeting on Thursday if you and other suitable DERM personnel are available. Is 10:30 am OK.

I will call you Tuesday.

Regards

Tim Mortimer
Mining Manager
CS Energy.
Level 2
HQ North Tower
540 Wickham Street (CNR Brooke St)
Fortitude Valley Qld 4006
Ph : 07 3854 7511
Fax: 07 3854 7300
Mb : s6h4 - Personal information

EHP RTI DL Release

From: Webber Lindsay [mailto:Lindsay.Webber@derm.qld.gov.au]
Sent: Monday, 24 January 2011 4:35 PM
To: MORTIMER Tim
Cc: Darvall David; Brown Ruth; JOY Gary
Subject: RE: IADA TEP

Hi Tim,

Further to our phone conversation regarding the department's refusal of CS Energy's draft TEP application.

The department will consider additional information in the management of the IADA, if it provides for a significant reduction in environmental harm or details the transition to an environmental standard (i.e. how a return to compliance with the DA will be achieved and the breach prevented in the future). If you wish to discuss this further in a meeting/teleconference please contact Ruth or myself to arrange a time.

Failing this, as I have mentioned, it is the registered operator's responsibility to ensure compliance with the DA conditions and to take all reasonable and practical measures to **prevent or minimise environmental harm** (section 319 of EP Act) and CS Energy are probably best placed to determine what these measures should be.

However, please be aware that the department will investigate any unauthorised discharges to ensure CS Energy has met their obligations under the EP Act.

Regards,

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 **Fax:** (07) 4699 4399
Visit us online at www.derm.qld.gov.au

Department of Environment and Resource Management
173 Hume Street, TOOWOOMBA Q 4350
PO Box 731, TOOWOOMBA Q 4350

From: Webber Lindsay
Sent: Monday, 24 January 2011 2:27 PM
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Cc: Darvall David; Hill Chris; Spalding Rob; Brown Ruth; MORTIMER Tim; john.mcnicol@csenergy.com.au
Subject: IADA TEP

Hi Gary,

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Please contact me should you require further information regarding this matter.

Regards,

Lindsay Webber
Principal Environmental Officer, Environmental Services
Ph: (07) 4699 4367 **Fax:** (07) 4699 4399
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Queensland Government

Enquiries Ruth Brown
Telephone (07) 4699 4304
Your reference ML50074
Our reference TWB3277

Department of
Environment and Resource Management

15 December 2011

Mr Tim Mortimer
Mining Manager
CS Energy Ltd
PO Box 2227
FORTITUDE VALLEY BC QLD 4006

Dear Tim,

I refer to the three reports recently submitted to the Department of Environment and Resource Management (DERM) namely;

1. *Kogan Creek Power Station Initial Ash Deposition Area (IADA) inspection report* dated November 2011
2. *Out of Pit Ash Cell inspection report for CS Energy Kogan Creek* dated November 2011
3. *Inspection Report for Kogan ROM Pond at Kogan Creek Coal Mine* dated 30 November 2011

The inspection of the ash cell dams is a condition of your development approval IPDE00173405A11. The inspection of the ROM Pond is a condition of your environmental authority MIN100878709 for mining lease 50074. Having assessed the reports the following comments are given below.

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Initial Ash Deposition Area (IADA) inspection report

Water management within the IADA is continuing to cause problems even though the IADA is no longer being used as the primary ash storage facility. DERM supports the urgent recommendations provided in the report to ensure compliance with your environmental authority:

- *Remove water from the water storage pond to provide sufficient design storage allowance in accordance with DERM requirements*
- *Mark the MRL at RL317.0m (currently at 317.6m)*

The following actions need to be addressed during the next three months, to ensure the ongoing integrity of the IADA:

- *Install low flow pipes through the embankments of sedimentation ponds 1 and 2*
- *Adjust drainage levels along the northern boundary of the rehabilitated ash landform to prevent ponding of water*
- *Place rip rap rock in the north-western section of the internal perimeter drain to*

173 Hume Street Toowoomba
Queensland 4350 Australia
PO Box 731 Toowoomba
Queensland 4350 Australia
Telephone (07) 4699 4333
Facsimile (07) 4699 4399
Website www.epa.qld.gov.au
ABN 46 640 294 485

mitigate scour of the drainage channel
- *Fix localised damage to the contour drains on the rehabilitated landform.*

CS Energy needs to continue to implement water management procedures which reduce the quantity of water held in the IADA dam. It is understood these include maximising the use of water stored in the IADA by decreasing the use of bore water at the power station and by diverting clean stormwater from the rehabilitated areas away from the IADA which will decrease the level of stormwater captured and contained in the storage dam of the IADA.

Out of Pit Ash Cell (OPAC) inspection report
It is understood that since operation of the OPAC began, water management within the structure has been challenging due mainly to the unusually high rainfall experienced in the 2010-2011 wet season. The design of the OPAC relies on the water level in the decant pond or in the deposited ash remaining below the top of the liner at RL 325m. The report states that "to achieve this control of water level, enhanced evaporation from the decant pond and return of water from the decant pond to the power station is planned to occur by design. Currently neither of these arrangements is in place at the OPAC."

As the current water level of RL 322.5m in the OPAC is greater than the predicted water balance of RL 320m, DERM supports CS Energy's proposed actions to manage the water level in the OPAC over the coming wet season, these being;
- The transfer of water from the IADA to the OPAC has ceased.
- Enhanced evaporation sprays were to be transferred from the IADA to the OPAC by the end of November.
- A surface skimming or floating boom technique will be used to remove about 12 Ha of cenospheres that cover the decant pond.
- From the beginning of April 2012, the water transfer from the IADA to the power station will cease and transfer of water from the OPAC to the power station will begin.

DERM also agrees with the recommendation that the design storage allowance (DSA) and mandatory reporting level (MRL) be reviewed prior to each wet season based on the volume of water and amount of ash stored in the facility.

> *The DSA and MRL for the OPAC have been calculated for the emergency spillway which has its invert at RL 340.5m, some 15.5m above the liner. On the basis that it is not desired that the water level in the OPAC exceeds the top of the liner, the following MRL and DSA are considered appropriate interim levels for the 2011-2012 wet season in respect of the top of liner and are based on the calculations for the MRL and DSA for the emergency spillway.*
>
> - *Interim DSA – 96ML (corresponds to a maximum operating level of 323.0m for liner at RL 325.0m)*
> - *Interim MRL – RL 324.1m (0.9m below top of liner)*

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A recommendation made in the report states "some erosion gullies were observed to be forming on the ramps (both the south west and north east corner) down into the OPAC from the crest…This is not considered substantial at this time, however it should be addressed as part of the regular ongoing maintenance of the facility and should be inspected and repaired as required at the end of the 2011/2012 wet season." DERM supports this recommendation.

Another recommendation made in the report and supported by DERM is that the installation of additional dewatering risers in the current ash deposit should be completed as soon as possible with their base at approximately RL 321m and below the current water level.

ROM Pond inspection report
The inspection revealed that the ROM Ponds are generally in good condition however the larger of the two ponds, ROM Pond South, shows signs of minor erosion. CS Energy should adhere to the recommendations made in the report, namely;

1. *The rilling on the internal walls of the embankment should be monitored to ensure that the severity and extent of rilling does not increase.*
2. *The coal fines on the eastern side of the pond should be removed.*

Should you require further information with regard to this matter, please contact Ruth Brown of this office on (07) 4699 4304.

Yours sincerely

sch4 - Personal information

Sarah Horton
Manager, Environmental Services
Regional Services – South-West

EHP RTI DL Release

Compliance Inspection Program

Compliance

Compliance Inspection Report

Date of Compliance Inspection:	16 December 2011
Compliance Inspection Reason:	Planned Compliance Inspection
Compliance Inspection Type:	Level B - Mine Management
Ecotrack Compliance Action/ Complaint Record No.	CA21963
Compliance Level of Site:	N/A

Licence Holder / Operator Details	
Licensee and/or Company Name:	CS Energy - Aberdare Collieries Pty Ltd
Site Address	ML50074 - Kogan Creek Coal Mine, Banana Bridge Rd Brigalow
Environmental Authority No. and/or Development Approval No.	MIN100878709
Environmentally Relevant Activity (number & name):	Mining Lease – Level 1 mining project, mining black coal
Name and Position of Contact Person/s during Inspection:	Tim Mortimer - Mining Manager

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General Description of the site and surrounding environment

Kogan Creek Coal Mine (ML50074) is located approximately 9km south of the town of Brigalow in a rural environment predominantly used for grazing and some cropping. The mining lease is 2,374ha in size. The mining lease is owned by Aberdare Collieries Pty Ltd, a subsidiary of CS Energy Ltd.

The mining lease is traversed by Kogan Creek, an ephemeral creek and its tributary Eastern Branch Creek. Kogan Creek flows into the Condamine River 2.5km north of the lease. Floodwaters from both the Condamine River and Kogan Creek have the potential to flood the mine operational area. To protect the mine workings, flood protection levees and a creek diversion of Eastern Branch Creek have been constructed.

Environmental Protection Agency
www.epa.qld.gov.au ABN 87 221 158 786

Queensland Government
Environmental Protection Agency
Queensland Parks and Wildlife Service

History of the Activity/ERA at the site

The coal mine is an open cut coal mining operation that will supply 2.8Mtpa of thermal coal to the adjacent Kogan Creek Power Station which is also owned by CS Energy. Golding Contractors Pty Ltd have a 10 year long term contract to operate the mine. The coal mine commenced in June 2006 and the power station became operational in 2007.

Process Description

The mining development is based on mining three seams of coal. These seams vary in thickness and are separated by layers of silty mudstones and sandstones. The average combined seam thickness is 10-12m, with a maximum of 15.8m in the mining area.

Coal is mined by an open cut method by stripping and stockpiling the topsoil and then removing overburden by blasting, front end loaders, excavators and trucks. Coal is then removed using excavators and hauled by truck to the ROM Stockpile or ROM hopper which feeds a conveyor belt to the power station. Ash from the power station is then returned to the mine for disposal at the Initial Ash Disposal Area or the Out of Pit Ash Cell. Aberdare Collieries currently hold a separate development approval for the disposal of regulated waste to the mine. However the Plan of Operations covers the mining operation and the Initial Ash Disposal Area. The mine pits are progressively rehabilitated with the retuning of overburden and covering with topsoil.

Previous analysis and assessment of the overburden material sourced from Kogan Creek Coal Mine indicated that the material is sodic and alkaline with no evidence of potential acid generation. The material is characterised by a low sulphur content and high inherent acid neutralising capacity, therefore unlikely to be acid forming. Consequently acid mine drainage is not a concern.

Ash from the power station is transported to the ash disposal cells via a pipeline as a high concentration slurry for permanent disposal and encapsulating in low permeability material. Ash is disposed of in accordance with their Development Approval for regulated waste disposal. The ash from the power station has been buried in the Initial Ash Disposal Area until late in 2010 when it was redirected to the Out of Pit Ash Cell. 126.5ha of land is currently disturbed for the purposes of ash burial. Rehabilitation of the Initial Ash Disposal Area has commenced.

263.3ha of land is classified as disturbed on the mine site and 126.9ha of land is classified as disturbed at the Initial Ash Disposal Area / West Kogan Creek, giving a total area of disturbance as 390.2ha.

Non-Compliances and/or new identified issues

A site inspection was conducted to assess compliance with the Plan of Operations (PoO), in particular the accuracy of the information provided in the PoO for significantly disturbed land and calculations of financial assurance for year 5 of the project.

The amended calculations for the Financial Assurance component of the PoO includes a detailed map outlining and categorising the disturbance on site as of June 2010. A site visit on 16 December 2010 confirmed the accuracy of the map. The lease covers a total area of 2374ha and a total of 390.2ha is currently disturbed area and 43.7ha is rehabilitated giving a total area disturbed by the mining operations as 433.9ha.

No non-compliances were found with the operations on site and the conditions of the Environmental Authority or the Plan of Operations.

A more detailed breakdown of the areas and costs used to calculate the amount of financial assurance was requested by DERM and provided immediately. Some anomalies were found where incorrect areas of disturbance had been entered in the lower part of the spreadsheet compared to the corresponding amount in the upper part of the spreadsheet. However the differences the changes would make to the final amount of financial assurance would be negligible. Therefore as a new Plan of Operations is due to be submitted in the first half of 2011, a thorough examination of calculations made for the amount of financial assurance will be conducted then.

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Consultation with Licensee (including commitments for improvements/required actions)

DERM has reminded the environmental authority holder that the Plan of Operations expires in June 2011. CS Energy increased the amount of financial assurance in November 2010 due to a number of areas previously associated with the Power Station now being included in the overall disturbance for the mining area. Consequently the mine has been advised to submit a new Plan of Operations in the first quarter of 2011.

Recommendation

The rehabilitation unit costs ($/ha) were estimated using figures for the work to be conducted by a third party the event the mine ceases to operate. 10% has been added for GST and an additional 2% was added to the total rehabilitation cost to account for CPI. When Aberdare Collieries submitted the Plan of Operations in 200 they requested a performance category 5 therefore 100% of the total financial assurance has been paid. The adjusted amount of Financial Assurance lodged in November 2010 is $6.5 million. At the time of the assessment it appeared that the documented areas and categorisation of disturbance was accurate and the estimated cost of rehabilitation in the event the mine ceases to operate was also accurate. The PoO also me the legislative requirements and complies with the old guideline for Financial Assurance for Mining Activities

Report Completed by:			
Name:	Ruth Brown	Date:	24 February 2011
Position	Principal Environmental Officer	Signature:	sch4 - Personal information

Report Reviewed by:			
Name:	~~David Darvall~~ Sarah Horton	Date:	15/3/11
Position:	Manager Environmental Services	Signature:	sch4 - Personal information

Attachments:

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Disclaimer

The information provided in this compliance inspection report cannot be seen as a comprehensive report of the compliance conditions on the site. It is prepared for a specific purpose only. Although the EPA attempts to provide reliable and accurate information in these reports at the time of their completion, we do not guarantee this as circumstances on site can change quite quickly and there may be errors or omissions. The information in this report is not, nor is it intended to be, legal, commercial or professional advice of any kind and should not be relied upon as such. You should consult your own professional advisors for individual advice regarding your own situation before taking any action, or refraining from any action, based on any information appearing in this report. The Queensland Government does not accept responsibility for any loss or damage, however caused (including through negligence), which you may directly or indirectly suffer in connection with your use of this report. Nor do we accept any responsibility for any such loss arising out of your use or reliance on information contained in this report.