



Mitchell E. Daniels, Jr.
Governor

Thomas W. Easterly
Commissioner

100 North Senate Avenue
Indianapolis, Indiana 46204
(317) 232-8603
(800) 451-6027
www.IN.gov/idem

TO: Interested Parties / Applicant
DATE: October 5, 2006
RE: Little Sandy Coal Company, Inc. / 125-23642-00044
FROM: Nisha Sizemore
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval - Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective immediately, unless a petition for stay of effectiveness is filed and granted according to IC 13-15-6-3, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3 and IC 13-15-6-1 require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, 100 North Senate Avenue, Government Center North, Room 1049, Indianapolis, IN 46204, **within eighteen (18) calendar days of the mailing of this notice**. The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

- (1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
- (2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
- (3) The date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision, or other order for which you seek review by permit number, name of the applicant, location, date of this notice and all of the following:

- (1) the name and address of the person making the request;
- (2) the interest of the person making the request;
- (3) identification of any persons represented by the person making the request;
- (4) the reasons, with particularity, for the request;
- (5) the issues, with particularity, proposed for considerations at any hearing; and
- (6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.

Enclosures
FNPER.dot 03/23/06



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
We make Indiana a cleaner, healthier place to live.

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Governor

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October 5, 2006

Mr. Charles Bates
Little Sandy Coal Company, Inc.- Hilsmeier Mine
P.O. Box 16
Lamar, Indiana 47550

Re: Source Specific Operation Status
S 125-23642-00044

Dear Mr. Bates:

Your application for Source Specific Operation Status was received on September 13, 2006, and has been reviewed. Based on the data submitted and the provisions in 326 IAC 2, it has been determined that your emissions source, a coal mine and a coal preparation plant, located at 8750 West Old State Road 64, Holland, Indiana 47541, has met the criteria required to obtain a Source Specific Operating Agreement.

Pursuant to IC 4-21.5-3-5(a) and (b), approval of this Source Specific Operating Agreement shall not be effective until fifteen (15) days from the date of this letter.

The facilities and processes of this source are hereby granted the Source Specific Operating Agreement provided that the following requirements of 326 IAC 2-9 are satisfied:

Section A: Coal Mines and Coal Preparation Plants: [326 IAC 2-9-10]

1. The source under this Source Specific Operating Agreement (SSOA) shall not utilize thermal dryers or pneumatic coal cleaning equipment.
2. The source annual amount of coal shipped offsite shall be less than five million (5,000,000) tons per year.
3. The source shall keep and maintain at the site, records of the total annual throughput for the previous twelve (12) months, based on a monthly rolling total. These records shall be kept for a minimum period of five (5) years, and made available upon request of the Office of Air Quality (OAQ).
4. The screening, crushing, and conveying processes at the coal preparation plant shall be enclosed, unless a wet suppression system is used, such that visible emissions shall not exceed an average of twenty (20%) opacity in twenty-four (24) consecutive readings in a six (6) minute period using procedures in 40 CFR 60, Appendix A, Method 9.
5. The fugitive particulate matter (PM) emissions from open storage piles, unpaved roadways, and batch transfer processes shall be controlled by applying water or other approved dust suppressant on an as needed basis, such that the following visible emission conditions are met:
 - (a) The visible emissions from the open storage piles shall not exceed twenty percent (20%) in twenty-four (24) consecutive readings in a six (6) minute period. This limitation shall not apply during periods when application of control measures are ineffective or unreasonable due to sustained high wind speeds. The opacity shall be determined using 40 CFR 60, Appendix A, Method 9, except that the opacity shall be observed at the point of maximum opacity. The observer shall stand at least fifteen

(15) feet, but no more than one-fourth (1/4) mile, from the plume and at approximately right angles to the plume.

(b) The visible emissions from unpaved roadways shall not exceed an average instantaneous opacity of twenty percent (20%). Average instantaneous opacity shall be the average of twelve (12) instantaneous opacity readings, taken for four (4) vehicle passes, consisting of three (3) opacity readings for each vehicle pass. The three (3) opacity readings for each vehicle pass shall be taken as follows:

- (i) The first reading shall be taken at the time of emission generation.
- (ii) The second reading shall be taken five (5) seconds later.
- (iii) The third reading shall be taken five (5) seconds after the second reading, or ten (10) seconds after the first reading.

The three (3) readings shall be taken approximately four (4) feet from the surface at the point of maximum opacity. The observer shall stand at least fifteen (15) feet, but not more than one-fourth (1/4) mile, from the plume and at approximately right angles to the plume.

(c) The visible emissions from material transfer processes shall not exceed an average instantaneous opacity of twenty percent (20%). The average instantaneous opacity shall be the average of three (3) opacity readings taken five (5) seconds, ten (10) seconds, and fifteen (15) seconds after the end of one (1) material loading or unloading operation. The three (3) readings shall be taken at the point of maximum opacity. The observer shall stand at least fifteen (15) feet, but no more than one-fourth (1/4) mile, from the plume and at approximately right angles to the plume.

- 6. All visible emission readings taken, shall be performed by a qualified observer, as defined in 326 IAC 1-2-62.
- 7. The fugitive emissions from the coal mine and coal preparation operation shall not escape beyond the property line or boundaries of the property, right-of-way, or easement on which the source is located, pursuant to 326 IAC 6-4.
- 8. The source shall submit an annual fee of six hundred dollars (\$600) to:

**Cashier
Office of Air Quality
100 North Senate Avenue
Indianapolis, IN 46204-2251**

no later than January 30 of each year.

- 9. Include with the annual notice required in Condition 1 of the General Requirements Section, a legal description of the source's location.

Section B: General Requirements: [326 IAC 2-9-1]

- 1. The source shall provide an annual notice to the commissioner, stating that the source is in operation, and certifying that its operations are in compliance with the requirements of this Source Specific Operating Agreement. The above annual notice shall be submitted to:

**Compliance Data Section
Office of Air Quality
100 North Senate Avenue
Indianapolis, IN 46204-2251**

no later than January 30 of each year, with the annual notice being submitted in the format attached.

2. Any exceedance of any requirement contained in this operating agreement shall be reported, in writing, within one (1) week of its occurrence. Said report shall include information on the actions taken to correct the exceedance, including measures to reduce emissions, in order to comply with the established limits. If an exceedance is the result of a malfunction, then the provisions of 326 IAC 1-6 apply.
3. Pursuant to 326 IAC 2-9-1(i), the owner or operator is hereby notified that this operating agreement does not relieve the Permittee of the responsibility to comply with the provisions of any applicable federal, state, or local rules, or any New Source Performance Standards (NSPS), 40 CFR Part 60, or National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 CFR Part 61 and Part 63.

Any change or modification which will alter operations in such a way that it will no longer comply with the applicable restrictions and conditions of this operating agreement, must obtain the appropriate approval from the Office of Air Quality (OAQ) under 326 IAC 2-5.1, 326 IAC 2-5.5, 326 IAC 2-6.1, 326 IAC 2-2, 326 IAC 2-3, 326 IAC 2-7, and 326 IAC 2-8, before such change may occur.

If there are any questions about this Source Specific Operating Agreement, please contact Melissa Groch (317) 233-8397 or call (800) 451-6027, extension 3-8397.

Sincerely,

Origin signed by

Nisha Sizemore, Chief
Permits Branch
Office of Air Quality

NS/mmg

cc: File – Pike County
Pike County Health Department
Air Compliance Section – Derrick Ohning
IDEM Southwest Regional Office
Compliance Data Section
Permit Review Section II – Melissa Groch

Source Specific Operating Agreement Annual Notification
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This form should be used to comply with the notification requirements under 326 IAC 2-9.

Company Name:	Little Sandy Coal Company, Inc. – Hilsmeier Mine
Address:	8750 West Old State Road 64
City:	Holland, Indiana 47541
Contact Person:	Charles R. Bates
Phone #:	(812)529-8211
SSOA #:	S 125-23642-00044

I hereby certify that Little Sandy Coal Company, Inc. – Hilsmeier Mine is still in operation and is in compliance with the requirements of Source Specific Operating Agreement (SSOA) S 125-23642-00044.

Name (typed):
Title:
Signature:
Date: