



Westray Coal

A Division of
CURRAGH RESOURCES INC.

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April 14, 1992

Mr. Tom Kirincich
Chairman
Citizen's Committee
79 Foster Avenue
Stellarton, Nova Scotia
B0K 1S0

Dear Tom:

Thank you for taking the time to review our registration document for the Stellarton Pit project, and for providing me with a list of your concerns. I would like to take this opportunity to address those concerns:

- We agree that any compensation package should be binding for a 25-year term. We will continue discussions with the Town of Stellarton and the Community Liaison Committee to determine a satisfactory compensation package.
- We agree to provide fair compensation for any resident who loses an artesian well because of this project. By fair compensation, we mean compensation acceptable to both parties, acting reasonably. Should we fail to come to an agreement, we would agree to compensation determined by a mutually acceptable third party.
- We strongly recommend that anybody entering into any contractual agreement with Westray Coal, whether it be for the sale of property or a long-term leaseback, obtain legal advice. Any compensation that we offer would include an allowance for that legal advice, but it would not be proper for the lawyer to receive money directly from us.

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- We hope that our history of operations will eventually show that monitoring on a three day per week schedule will be unnecessary. We realize that until at least one summer is past, we cannot demonstrate a reduced requirement for monitoring. We would propose that the issue of monitoring frequency and location remain a responsibility of the Liaison Committee, with minimum standards set out in the permit.
- We will continue to compensate fairly for power usage.
- The surface water treatment system is designed to intercept and hold all run off water (from rain or snowmelt) so that it can be treated and tested before being released to the environment. Channelling water through natural drainage paths is far preferable to creating new ditches, as natural paths are more stable, the ground is not disturbed, and the water is used by the vegetation. It is for these reasons that the surface water treatment system design incorporates natural drainage channels whenever possible, and ditching is used as a second choice.
- It has been our experience that the staff of the Department of the Environment, as well as the staff of Environment Canada and the Department of Fisheries and Oceans, are all competent, dedicated professionals who take their job responsibilities seriously. We have never attempted to circumvent environmental stipulations by applying political pressure, and I do not believe it would be possible to do so.
- We support reviewing permits with the Liaison Committee before the permits are finalized.
- We agree that a fence around the entire project would be a good safety feature.
- We agree that a 100 foot strip should be left between existing properties. This area would remain undisturbed except, perhaps, for fencing or diversion ditching.

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- We believe that 100 feet is a good minimum barrier, however we will continue to maintain boundaries as great as possible.
- We agree to carry out operations from 7:00 a.m. to 7:00 p.m. only, however, we would prefer a six day per week schedule, and would consider working only part of the day on Saturdays.
- We would like to consider the option of operating the coal haul during the night time hours. We would only do this if we could do it quietly, and we would anticipate a lower noise stipulation than during the daytime. If this is not acceptable to the community, we will withdraw this request.
- We agree to keep the Liaison Committee informed of our operational plans, however, it would be unreasonable to notify the Committee every time we change our day to day plans.
- We agree not to operate on December 24, 25 or 26, Sundays, or statutory holidays.
- We will avoid the use of noisy (diesel) pumps whenever possible, and will try to schedule pumping operations for the daytime only. Weather conditions may occasionally necessitate the need for larger pumps or nighttime operation.
- We believe the Community Liaison Committee has proven to be useful and recommend its continued existence. The frequency of meetings should be left to the Committee to decide.
- We agree not to carry out any blasting on the site.
- We agree that wherever there is a possibility that oil contaminated water could be released, an oil retention boom should be installed.
- We agree that all permit stipulations should be binding on any new owner.
- We agree to allow Liaison Committee members access to the site, however we must insist on restricting access for safety reasons or as may be required by legislation.

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- We agree to develop a contingency plan for the event of fire in the old workings, for approval by the Department of Labour. We feel that while the Liaison Committee should be informed of the planning, they should not have an advisory role in this matter unless they are able to provide expert advice.
- We agree that the Liaison Committee be provided with copies of all correspondence with the Department of the Environment relating to the Stellarton pit project.
- We agree to keep our crushing facilities at the Plymouth mine site, however we may wish to carry out screening of the coal at the Stellarton site.
- Whenever practical, we agree that trucking of coal to other parts of the province or elsewhere will be from the Plymouth mine site.

As you can see, we are in agreement on many of these issues. On the items where we are not in agreement, I hope that I have explained our position well enough so that you have an understanding of our point of view.

Yours truly,

WESTRAY COAL

G.J. Phillips
Vice President, General Manager