

BHP BILLITON
New Mexico Coal Operations

San Juan Coal Company

September 2006

Collette Brown



bhpbilliton

BHP Billiton Sustainable Development Policy

OUR APPROACH TO HEALTH, SAFETY, ENVIRONMENT
AND THE COMMUNITY

BHP BILLITON'S SUSTAINABLE DEVELOPMENT POLICY

At BHP Billiton our objective is to be the company of choice – creating sustainable value for our shareholders, employees, contractors, suppliers, customers, business partners and host communities.

We aspire to Zero Harm to people, our host communities and the environment and strive to achieve leading industry practice. Sound principles to govern safety, business conduct, social, environmental and economic activities are integral to the way we do business.

Wherever we operate we will develop, implement and maintain management systems for sustainable development that drive continual improvement and ensure we:

- do not compromise our safety values, and seek ways to promote and improve the health of our workforce and the community
- identify, assess and manage risks to employees, contractors, the environment and our host communities
- uphold ethical business practices and meet or, where less stringent than our standards, exceed applicable legal and other requirements
- understand, promote and uphold fundamental human rights within our sphere of influence, respecting the traditional rights of Indigenous peoples and valuing cultural heritage
- encourage a diverse workforce and provide a work environment in which everyone is treated fairly, with respect and can realise their full potential
- set and achieve targets that promote efficient use of resources and include reducing and preventing pollution
- enhance biodiversity protection by assessing and considering ecological values and land-use aspects in investment, operational and closure activities
- engage regularly, openly and honestly with people affected by our operations, and take their views and concerns into account in our decision-making
- develop partnerships that foster the sustainable development of our host communities, enhance economic benefits from our operations and contribute to poverty alleviation
- work with those involved through the lifecycles of our products and by-products to promote their responsible use and management
- regularly review our performance and publicly report our progress.

In implementing this Policy, we will engage with and support our employees, contractors, suppliers, customers, business partners and host communities in sharing responsibility for meeting our requirements.

We will be successful when we achieve our targets towards Zero Harm, are valued by our host communities, and provide lasting social, environmental and economic benefits to society.



Chip Goodyear
Chief Executive Officer
September 2005



COLORADO

NEW MEXICO

ARIZONA

Navajo Indian Reservation

Ute Mountain Ute Indian Reservation

La Plata Mine

FRUITLAND LEASE

La PLATA HAULROAD

San Juan Generating Station

DEEP LEASE

DEEP LEASE EXTENSION

SAN JUAN MINE

TWIN PEAKS EXTENSION

PILOT MINE

Shiprock

La PLATA RIVER

Farmington

Animas River

Four Corners Power Plant

San Juan River

Navajo Mine Permit Area

Navajo Lease Boundary

CHACO WASH

BHP Billiton
New Mexico Coal

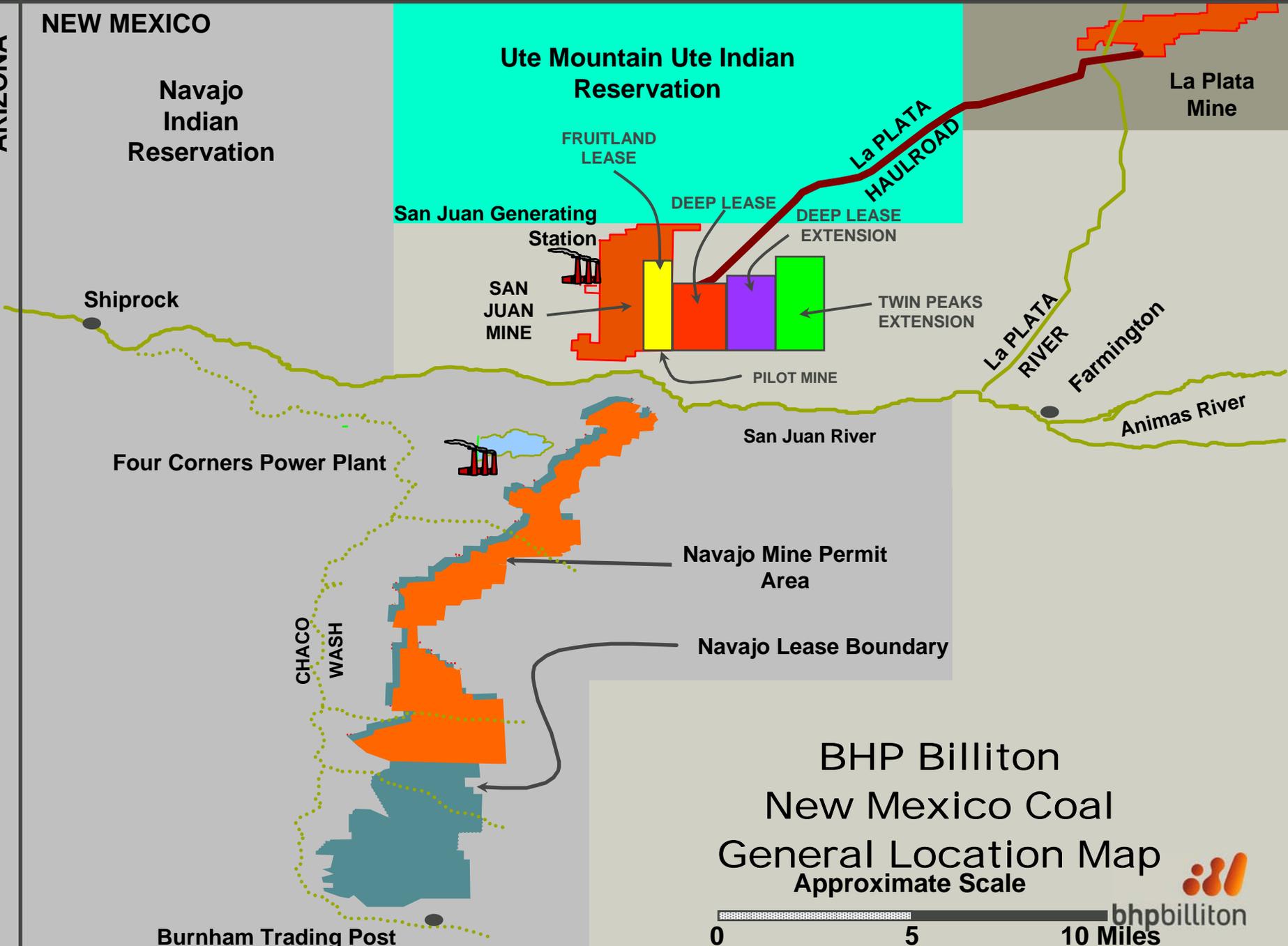
General Location Map
Approximate Scale

Burnham Trading Post

0 5 10 Miles



bhpbilliton



San Juan Mine

- Surface Operations at San Juan
 - Coal Haulage, Ash and Gypsum Haulage, Coal Plant, Reclamation and Underground Support
- Underground Operations at San Juan
 - Coal Production using Longwall System
 - Annual Coal Production 6-7 Mt
 - Sub-bituminous Coal: 9,500 Btu/lb, 18 – 25% ash, < 1% sulfur
 - Contracted to supply coal through year 2017

La Plata Mine

- Full Mine Closure:
 - Starting 4th Year Of Reclamation
- Final Closure Goal:
 - Move 55 Million Cubic Yards of Backfill Material
 - Move 2.13 Million Cubic Yards of Topsoil
 - Complete 1727 Acres of Primary Regrade
- Actual (FY 2006):
 - Moved 13 Million Cubic Yards Of Backfill Material
 - Completed 180 Acres Of Primary Regrade
 - Moved 376,000 Cubic Yards Of Topsoil

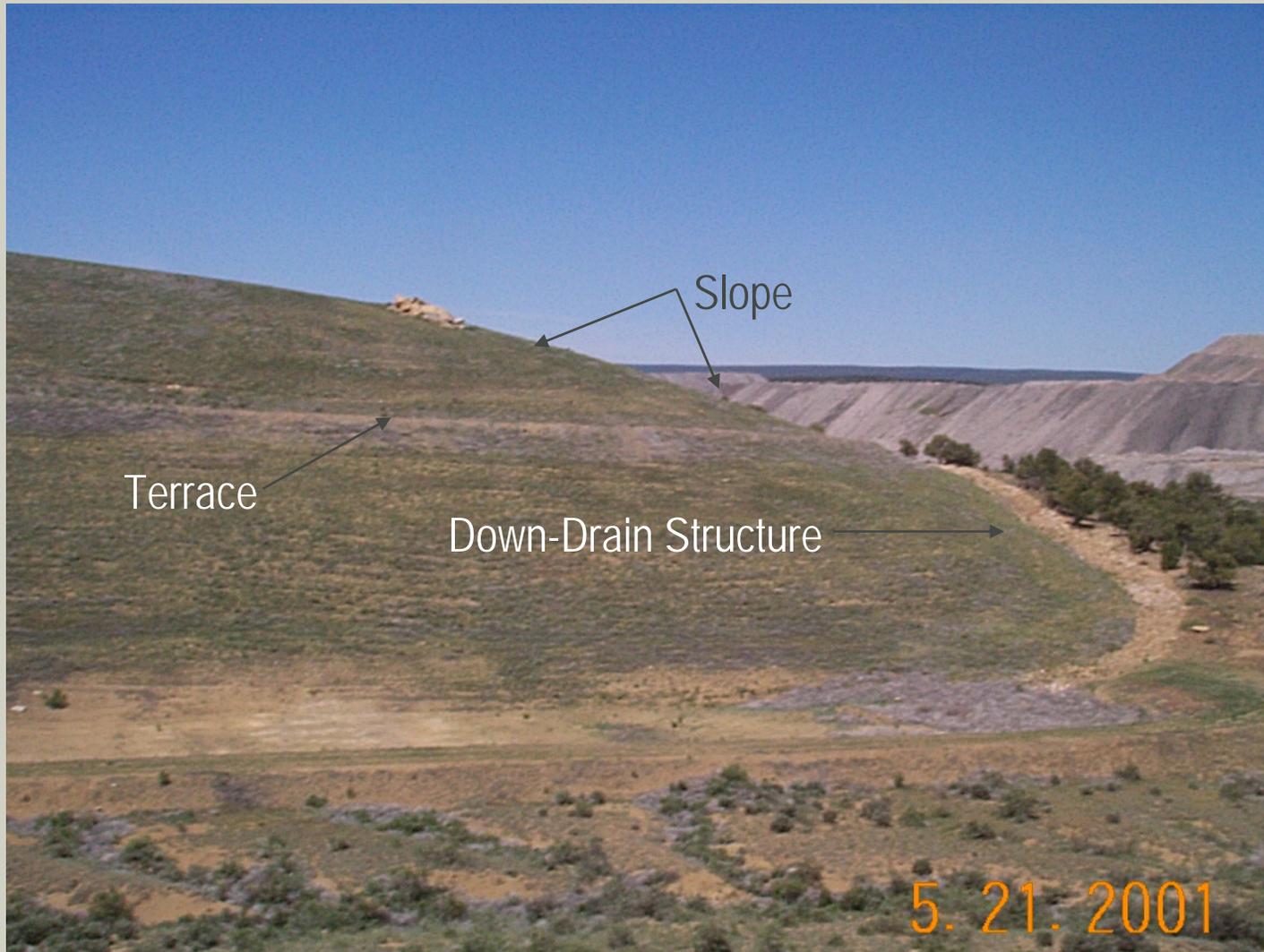
Geofluvial Grading Goals

- Provide long-term stabilization for steep slopes and drainages :
 - meet water quality criteria for runoff from reclamation
 - reduce long term maintenance costs
- Provide topographic diversity to enhance plant and wildlife opportunities
- Promote Bond Release

Conventional Steep Slope Reclamation

- Terrace and down-drain structures can require **long-term maintenance**
- Terraced slopes **do not** provide desired topographic diversity
 - minimal precipitation and high evaporation minimizes available water
 - minimal plant and wildlife opportunities

Conventional Steep-Slope Reclamation La Plata Mine: McDermott Dump-East Slope-1998



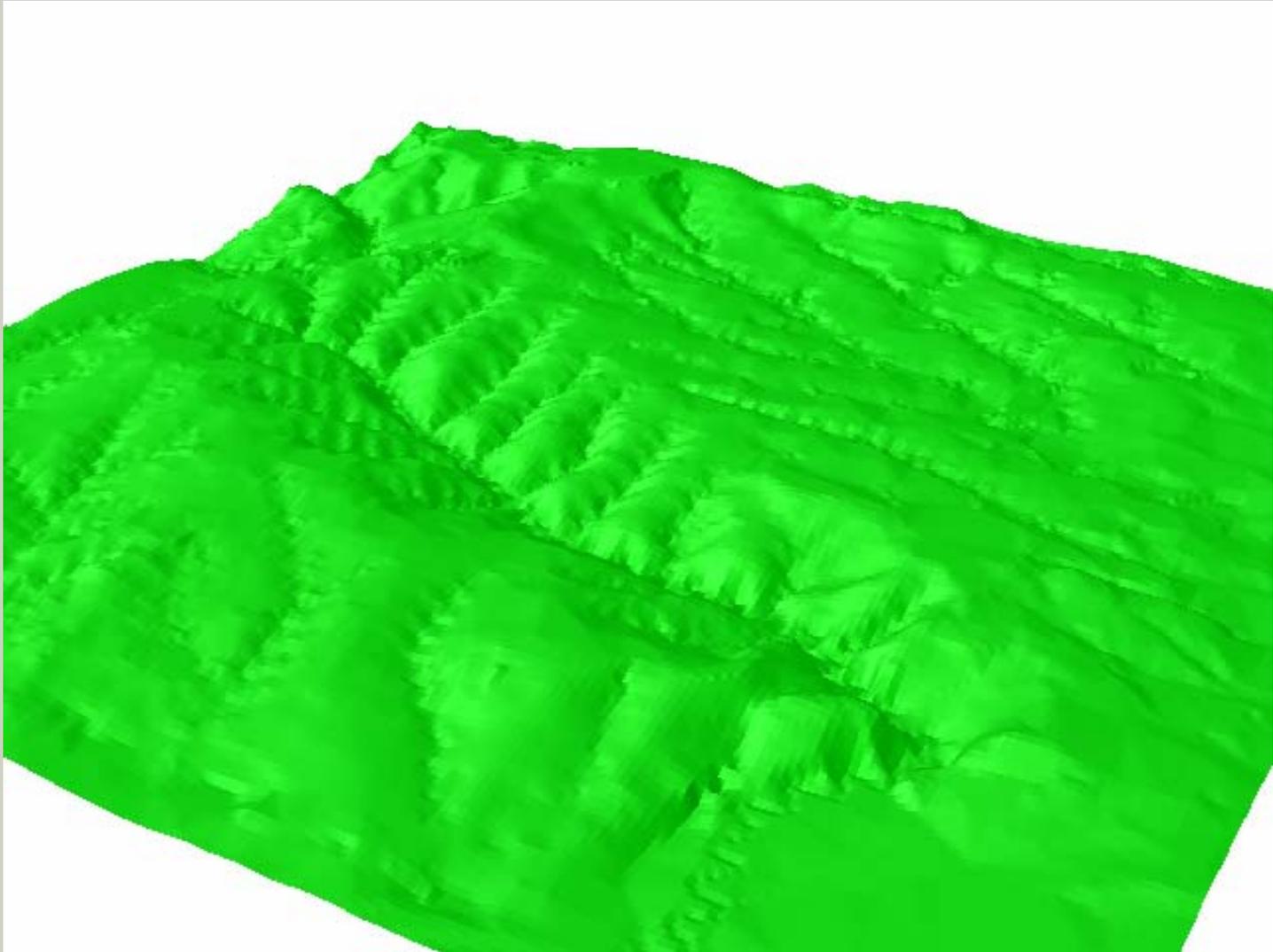
Challenges

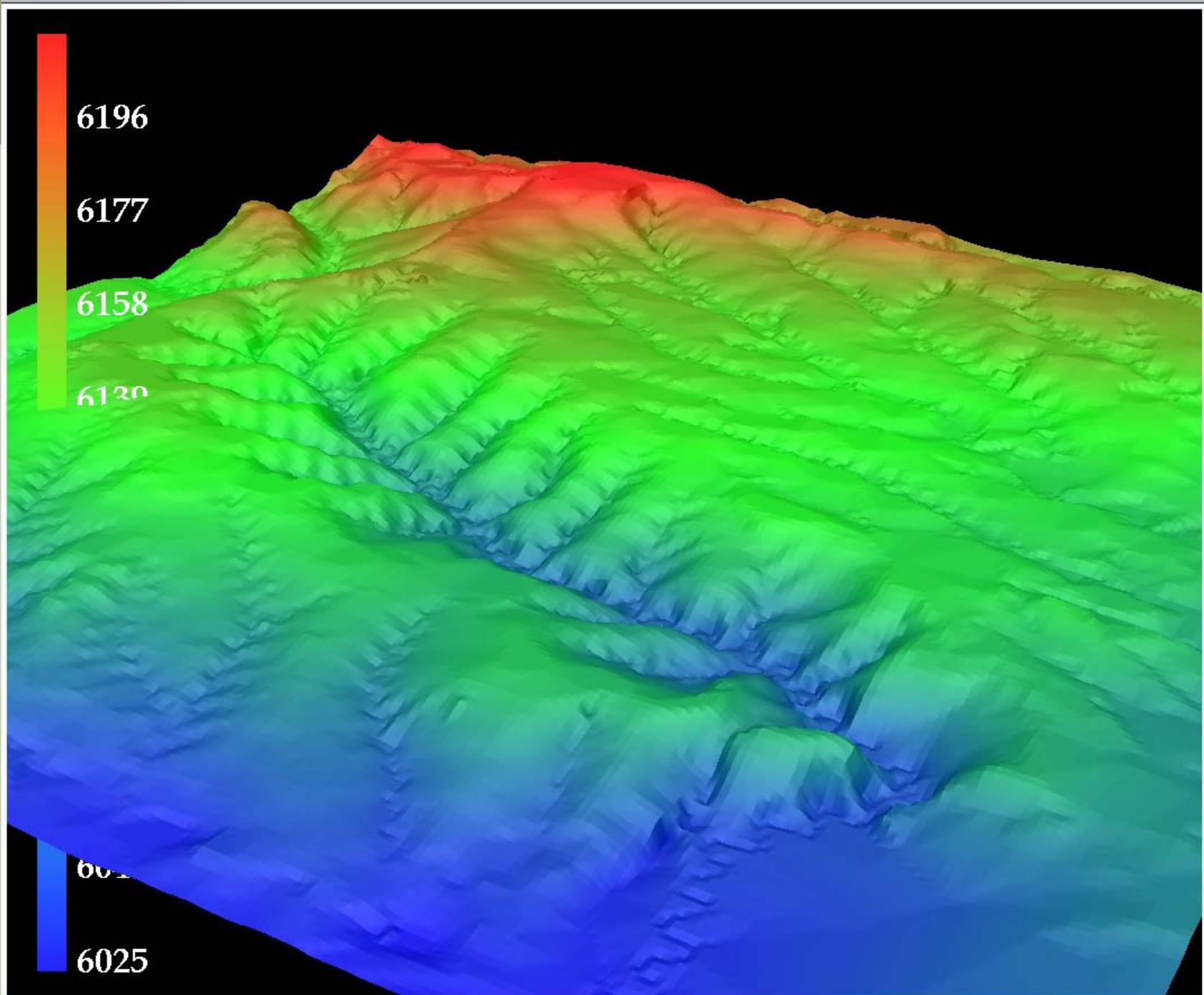
- Spoil Suitability and Mitigation
- Topsoil lay-down
- Seeding
- 434 NPDES issues
- Tie in with Natural Drainages and Previous Reclaim
- Dozer Intensive
- Enhanced operator skills
- Management Acceptance
- Regulatory Acceptance

Spoil Suitability, Topsoil Lay-down, Seeding

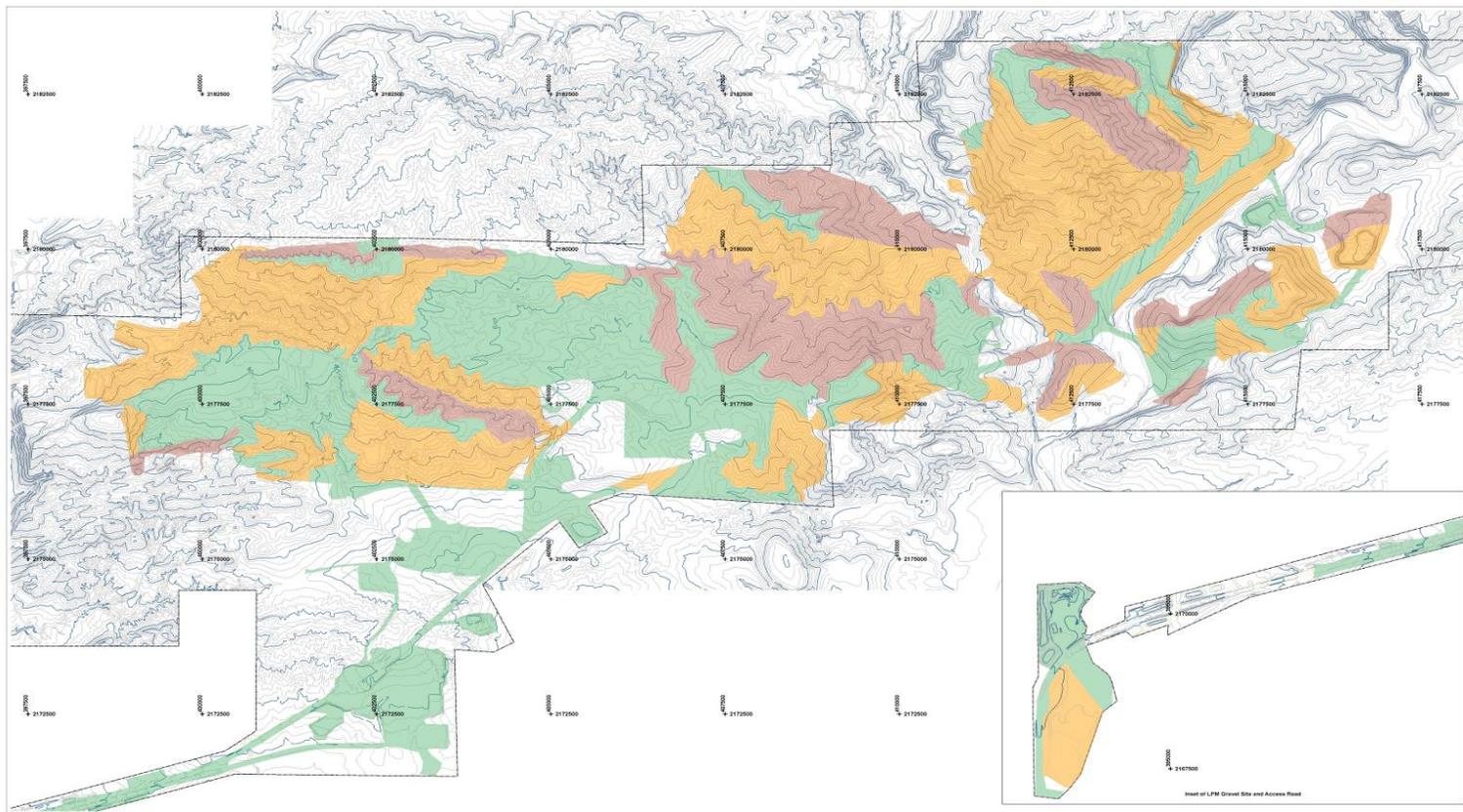
- Plans must be made to address potentially toxic or acid forming materials (PTAFM) before implementation of the Geofluvial approach.
- The Geofluvial designs generate more complex topography and require more planning for topsoil replacement and seeding.
 - Variation in topography allowed for diversity in Topsoil Depths and seed types
 - Shallow 8 inches of Topsoil placed on steep slopes
 - Thick 14 Inches of Topsoil placed on slopes <6%
 - 4 Types of seed mixes based on slope, aspect and topsoil thickness

Geofluvial Topography





La Plata Mine Post Mine Reclamation - Vegetation Communities



Vegetation Communities

Seed Mix

- Grassland
- North Shrub
- South Shrub
- Prime Farmland
- LPM Permit Boundary
- Index Contour
- Intermediate Contour



 Safarian Gold Company <small>Mineral Explorers & Developers</small>	
Prepared By: Brent Moushinski	Date Prepared: August 17, 2005
Scale: 1:5,000	Map Size: A4/E

2004 La Plata Mine Reclamation



434 NPDES Western Alkaline Coal Mines

- We were required to complete a Sediment Control Plan using RUSLE and Sed Cad models to demonstrate the sediment yields would meet pre mine undisturbed conditions.
- Monitored water quality on regraded spoil, topsoiled areas, and revegetated area to demonstrate we would meet standards.
- La Plata permit allows for runoff to occur without numeric limitations once reclamation has been completed.
- During the regrade, topsoiling, and revegetation stages we were required to maintain ponds as our water management features.
- Once the watershed to a pond was revegetated we were allowed to either leave them in place or remove them.

Spring & Summer 2005 - La Plata Mine Reclamation



2004 LPM Reclamation



2005 LPM Reclamation

Operator Skills

- The shovel was used to move the large parcels of overburden and the detail work was left for the dozers.
- The dozer operators had to first understand the concepts of what we were trying to achieve with the geofluvial approach.
- We used an operator from our San Juan operations to cross train.
- Began use of Machine Control in 2003 which required further training for the operators.
- This almost eliminated the need for staking and increased efficiency significantly.

Designed Drainage Channel Development



Designed Drainage Channel Construction



Designed Drainage Channel Completion



AUG 22 2002



bhpbilliton

Management and Regulatory Acceptance

- Based upon understanding for need to be flexible with reclamation plan.
 - AOC flexibility
 - Spoil mitigation
 - Erosion is a natural process

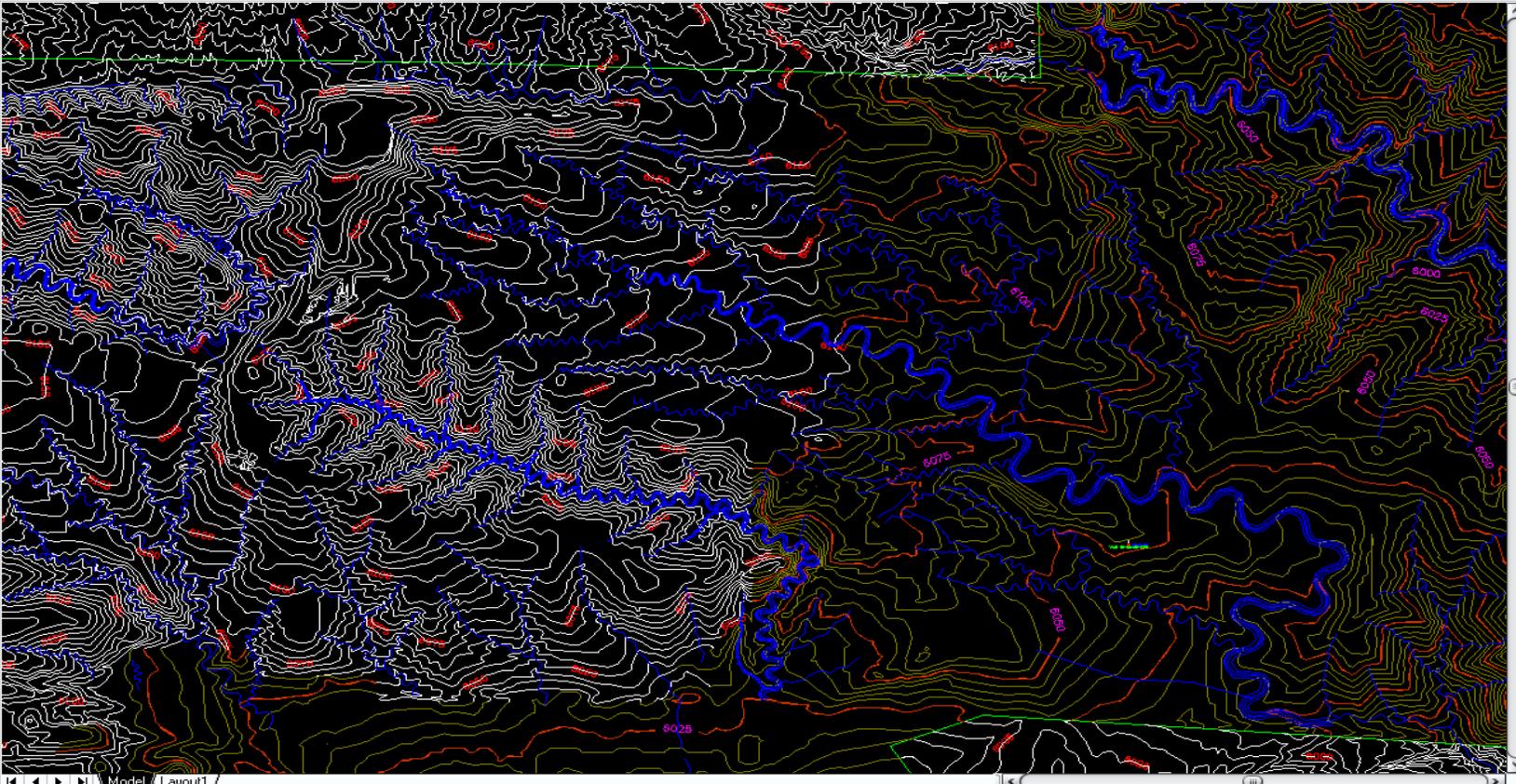
AOC

Autodesk Map 3D - [C:\Documents and Settings\kfbrocm\My Documents\Exhibit 906 B(3) Working Draft 2-3-06_recover.dwg]

File Edit View Draw Inq-Set Points D.I.M. Watershed Structure Natural Regrade Misc Window Help Map

STANDARD STANDARD

ByLayer ByLayer Default ByColor



Model / Layout1

Command:
Command: _preview Regenerating model.
Press ESC or ENTER to exit, or right-click to display shortcut menu.
Command:

401163.8771, 2180535.1705, 0.0000 SNAP GRID ORTHO POLAR OSNAP OTRACK DYN LV Microsoft PowerPoint - [CB 060706 Billings presentation.ppt]

start My Documents Microsoft PowerPoint ... Autodesk Map 3D - [... EN 79%

5:03 PM

New Mexico Mining and Minerals Division Reclamation Procedure – San Juan & La Plata Mines



La Plata Mine

Regulatory involvement is critical for a common goal



San Juan Mine

2004 San Juan Mine Reclamation



Winter 2004/Spring 2005 La Plata Mine Reclamation



La Plata Mine





2004
La Plata Mine Reclamation



San Juan Mine
Cottonwood Pit

Cottonwood Pit Reclamation





JUN 7 2002

First year vegetation growth with reclaimed rock outcrop at Cottonwood Pit

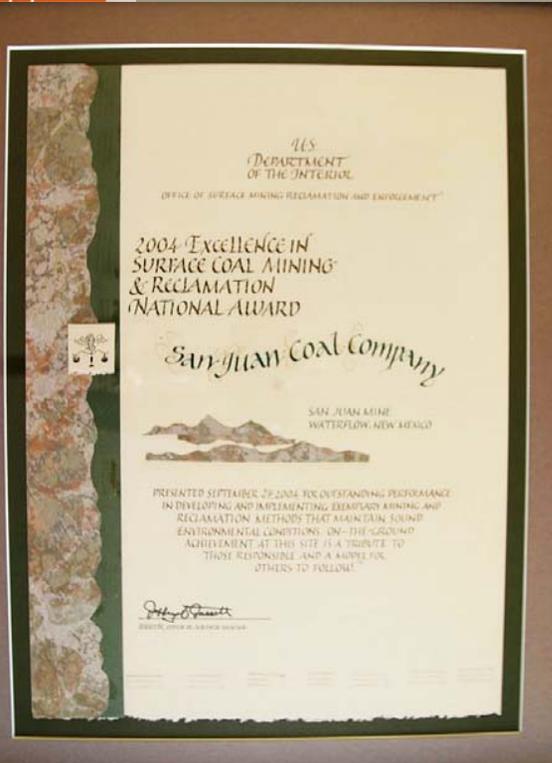


Recent Accomplishments for SJCC

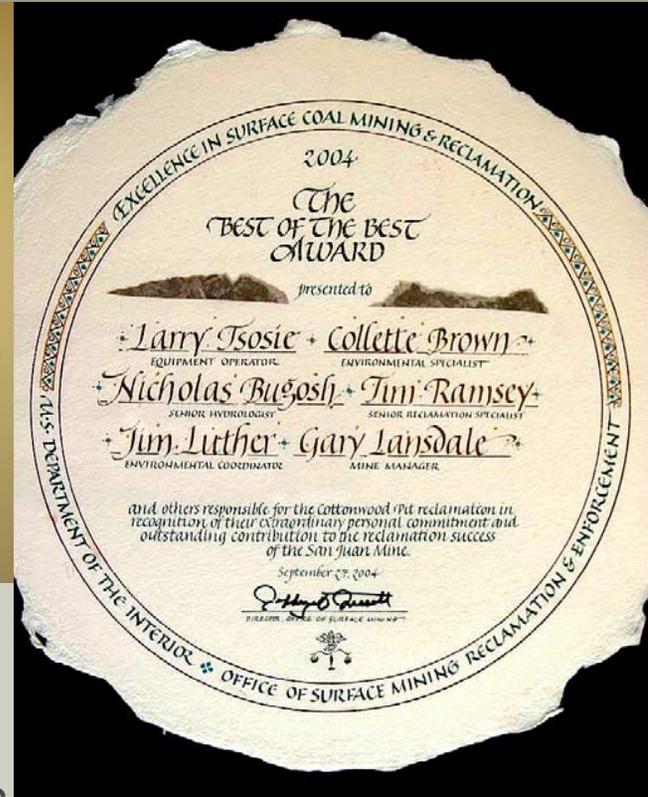
Awards:

- 2004 US Department of Interior, OSMRE's 2004 US Department of Interior, OSMRE's National Excellence in Surface Coal Mining and Reclamation and Best-of-the-Best in Surface Coal Mining and Reclamation
- 2004 Interstate Mining Compact Commission Honorable Mention Award for Reclamation
- Operator of the Year San Juan Mine, New Mexico Mining Association 2002

2004 US Department of Interior National Reclamation Awards



l to r: Collette Brown, EQ/SJCC; Tim Ramsey, EQ/SJCC; Gary Lansdale, Manger/SJCC; Steve Funk, Production/SJM; Larry Tsosie, Operator/SJM; Jim Luther, EQ/SJCC

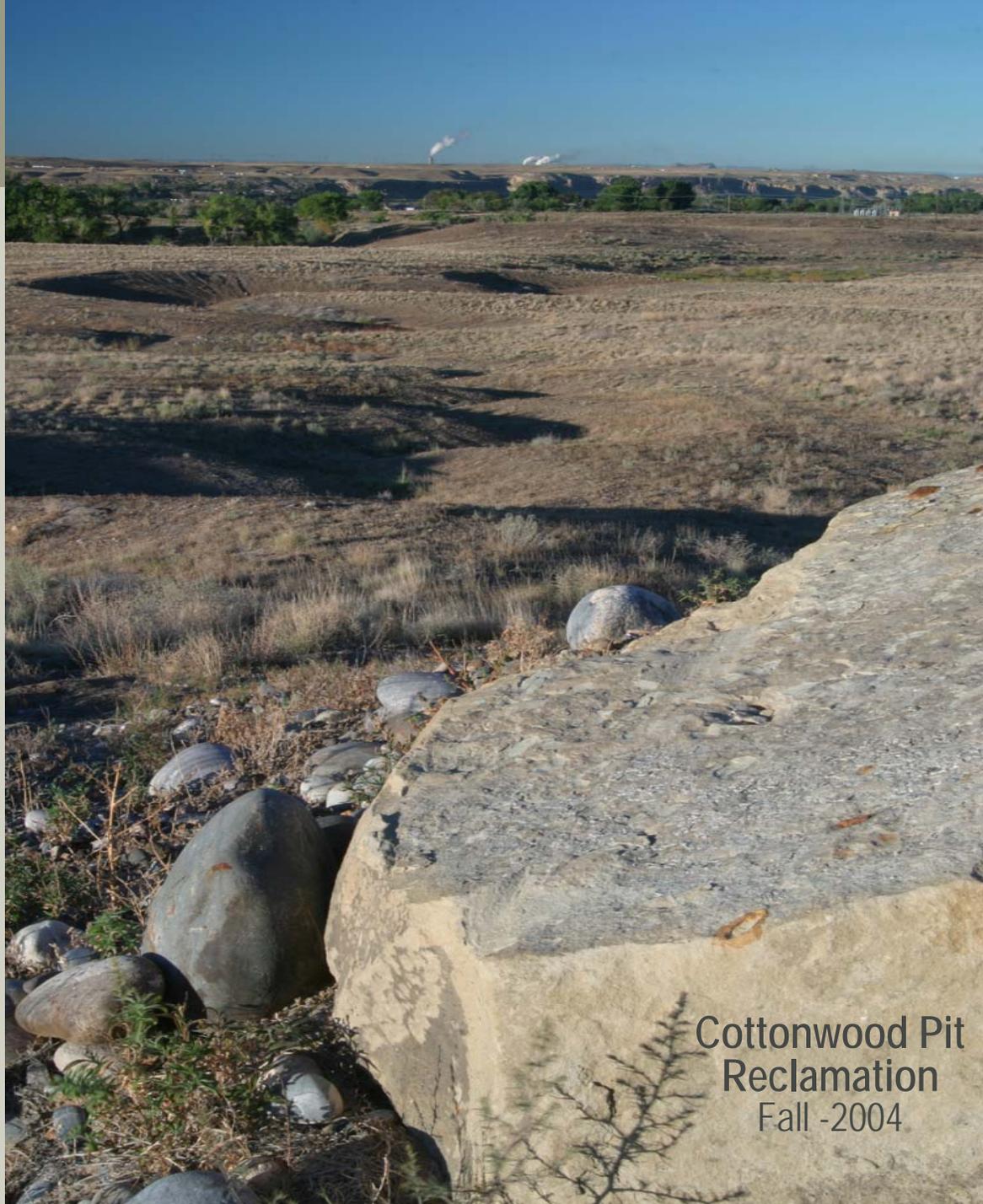


2004 The Best of the Best Award

2004 Excellence in Surface Coal Mining & Reclamation National Award

Conclusion

- Spoil Suitability
- Management & Regulatory Acceptance
- 434 NPDES Western Alkaline Coal Mine Regulations



?'S

Cottonwood Pit
Reclamation
Fall -2004

