

CLOSING AND ABANDONING MINES IN THE UNITED KINGDOM

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Introduction

1947 nationalization:

**950 coal mines
1 million miners**

2004 privatization:

8 large coal mines

**UK Coal: 6,000 people
15 deep and surface mine sites
18 million tonnes of coal in 2003**



Breadth of Law

Include:

Business Law

Environment Law

Employment Law

Insolvency Law

Land Law



Privatization

Former State owned British Coal mines transferred into the ownership of RJB Mining (UK) Ltd on 1 January 1995

Four previously closed coal mines were re-opened



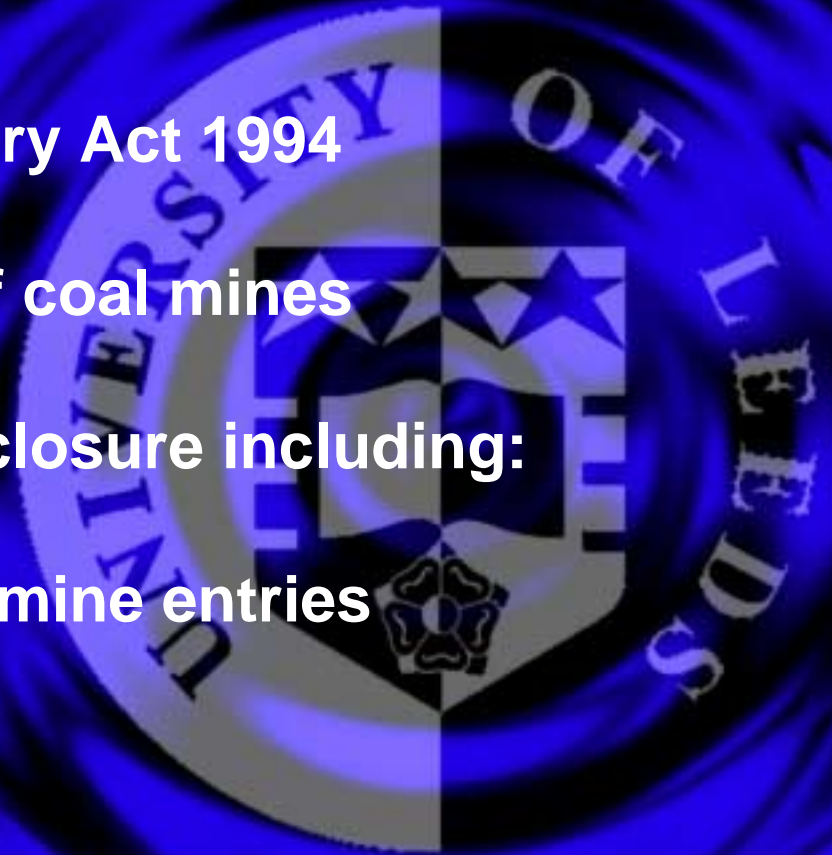
The Coal Authority

Established by the Coal Industry Act 1994

Responsible for the licencing of coal mines

Oversees procedure for mine closure including:

- **sealing of shafts and other mine entries**
- **prevention of pollution**



The Coal Authority

No formal legal responsibility for water emission from Mines under the Coal Industry Act

Lord Strathclyde (Minister for Energy) stated the Coal Authority would exceed its legal obligations with funds provided by the Department of Trade & Industry

Liability of closure was transferred to the licensees

Freehold ownership lies with the Coal Authority which owns the shafts, entries and coal

Licensee responsible for surface restoration

The Coal Authority

Licensee must have a secured bond to pay for sealing of shafts and entries

Approx cost is £1.5 million per mine



Abandonment Procedure

Closure plan

agreed in consultation with the Coal Authority, Her Majesty's Inspector of Mines, the Environment Agency, and Local Authorities



Legal Procedures

No unifying code

Start with:

Management & Administration of Safety & Health at Mines Regulations 1993 (MASHAM)

Give 6 months notice to the Environment Agency in accordance with:

Mines (Notice of Abandonment Regulations) 1998

Legal Procedures

The Coal Authority ensures that no liability transfers to the tax payer

Environment Act 1995 (amends Environmental Protection Act 1990)

Important to note it is the operator and not the owner of the mine who must carry out the closing procedure

Effect of Insolvency & Disaster

Licence to operate granted by s36(1) Coal Industry Act 1994

The Licence is not considered to be property for the purposes of the Insolvency Act

This means the liquidator does not have the authority to dispose of the licence or close the mine

s85 Water Resources Act 1991 warns the liquidator not to stop pumping

Case Study – Longannet Mine

Owned by the Scottish Coal (Deep Mine) Company Ltd

In March 2002 had a sudden inrush of water

Resulted in liquidation



The Law in Practice

Mine Manager usually has a 'First Class Certificate of Competency'

Legal responsibility of closure rests with the operator and not the mine owner

Her Majesty's Inspector of Mines have substantial legal powers



The Law in Practice

Mines & Quarries Act 1954 states that the persons legally responsible for the mine are the Mine Manager & the Mine Agent

i.e. Gilfield – Lead/Zinc Mine (University of Leeds)

Manager – Dr Darron Dixon-Hardy
Agent - Prof Peter Dowd



Conclusion

The Law formally recognizes that some entity or person be regarded as the mine operator since the regulations governing mine closure and abandonment consistently refer to the duties of the operator in the abandonment procedures

The liability of the operator is limited to ensuring the mine is correctly sealed and any water issuing from the mine does not cause pollution

For coal mines the cost to seal the mine is met by a shaft treatment fund, or if the operator is insolvent, the costs are met by the Coal Authority. Hence the cost for abandoning is ultimately met by the tax payer