

Acme Coke  
11236 S. Torrence Ave.  
Chicago IL 60617



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Ridgeland Coal Purchase Order Cancellation  
Dated: Jan 1995

*Recovered from site on Feb 6 2021*

**ACME METALS INCORPORATED**

January 18, 1995

Mr. Bill Jones  
Carbon Processing & Reclamation, Inc.  
P. O. Box 580  
Lansing, IL 60438

Dear Bill:


**SUBJECT: RIDGELAND COAL ACME ORDER  
24-46616-95**

Based on the following issues, our purchase order 24-46616-95 has been cancelled.

1. Introduction of a new mine to the blend without Acme's approval.
2. Method of sampling prior to loading was change without Acme's approval.
3. Acme's concerns on accuracy and mixing of coal during loading.
4. Concerns of oxidized coals near coal piles.

Acme will schedule a meeting with Ridgeland and CPR to discuss these issues in more detail.

Sincerely,



P. J. Johnson, Manager  
Purchasing

PJJ:pef

CC: J. DI MAURO  
R. L. SMALL  
J. GARZELLA  
D. O'HEARN  
C. LIN  
V. BEAUCAIRE  
M. CORBETT  
A. KEIGHTLEY



312 375 1012

**CARBON PROCESSING & RECLAMATION**

**P.O. BOX 580**

**LANSING, IL 60438**

**PHONE: (312)721-9155**

**FAX: (312)721-9510**

**FAX TRANSMITTAL**

**TO:** JACK GARZELLA

**COMPANY:** ACME STEEL

**FROM:** BILL JONES

**TIME SENT:** \_\_\_\_\_

**COMMENTS:**

PLEASE SEND COPIES OF THIS FAX  
TO DICK O'HEARN AND CHARLIE LTN

**CARBON PROCESSING & RECLAMATION, INC.**

POST OFFICE BOX 580 • LANSING, ILLINOIS 60438

Phone (312) 721-9155 • Fax (312) 721-9510

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February 6, 199

Mr. P.J. Johnson  
Manager, Purchasing  
Acme Metals Incorporated  
13500 Perry Avenue  
Riverdale, Illinois 60627

**SUBJECT: CANCELLATION OF ACME PURCHASE ORDER 24-46616-95**

Dear Joe:

I would like to respond to your cancellation letter of January 18, 1995, referencing Purchase Order # 24-46616-95.

**1. Introduction of a new mine to the blend without Acme's approval.**

The Tipple Mine and Murphy's Branch Mine are brother mines in the same seam of coal (Poca # 3). These mines are contiguous, and are part of the same mine development area. Each individual portal is located approximately 100 yards apart. Murphy's Branch coal carries almost identical petrographic characteristics as coal from the Tipple mine.

On the morning of January 18, 1995, Mr. Rusty Skewes reviewed the daily analysis reports and noted that Murphy's Branch stock pile analysis reflected a lower ash than the Tipple Mine stockpile. In an effort to load the best possible coal for Acme Steel, Murphy Branch was added to the blend. The obvious rationale was that since Tipple and Murphy Branch are the same seam and from the same development area, and Tipple coal was approved, no problems would arise, and the overall coal blend would be better from an analytical stand point for Acme's use. Mr. Jeff Anderson of UEC was made aware of all coal and blends.

**2. Method of sampling prior to loading was changed without Acme's approval.**

The method of sampling was approved by Mr. Jeffery Anderson, UEC Labs, prior to any coal's being loaded. Mr. Anderson, acting as Acme's monitoring agent, should have objected if he felt that the method to be employed did not meet the stringent guidelines established by A.S.T.M. Mr. Anderson raised no such objections and



Mr. P.J. Johnson  
February 6, 1995  
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further more concurred totally with Mr. Ron Whalen, Mr. Rusty Skewes, and Bruce Thompson's suggestion to take samples in 1,000 ton increments instead of the 1,500 ton increments stated in the Acme Purchase Order. Mr. Anderson believed the 1,000 ton increment sampled would give a complete and true representation of the total coal blend. Thus giving Acme the precise information necessary for optimum coke production

**3. Acme's concerns on accuracy and mixing of coal during loading.**

All coals would be dumped into the belt hopper that feed the rail car loadout. Coal would be blended homogeneously by truck dump into the feed hopper. Coal would then be dumped via belt line into rail cars, for transport to Acme Steel in Chicago. I calculate each rail car of coal would be dumped and mixed a minimum of three times before being dumped on Acme's stockpile pad.

**4. Concerns of oxidized coals near coal piles.**

Daily oxidation testing is done on all coal mined at Ridgeland. The coal is tested as it comes from each mine, then it is tested again after crushing. Once the oxidation number is known (All coals having an oxidation number below 92 are segregated from the met coal stockpiles.), oxidized coals are normally hauled to their separate stockpiles which are 1/2 mile from the load-out. However on the morning of January 18, 1995, a stockpile of steam coal was positioned 35 yards behind the stockpile that was to be loaded out for Acme. The steam coal was set for loading at the beginning of the next day's shift. Thus the reasoning for the close physical proximity. However, at no times were any steam or met coal stockpiles commingled or contaminated. Since the Acme Purchase Order does not address OXIDATION guarantees in the description of coal specifications, rejection of shipment due to "concerns" about oxidized coal is invalid

Upon reviewing your cover letter of December 1, 1994 and the attached "Specifications for the Purchase of Coal", page, it is obvious from the analysis performed by Precision Testing Laboratories and UEC Laboratories that all coal loaded from Ridgland was well within the outlined parameters. If the coal train had been allowed to complete loading and had been shipped, the coal arriving at Acme would have met all specifications.

Mr. J. P. Johnson  
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On Friday, January 13, 1995, you called and told me that it was urgent for Acme to received coal immediately. CPR/Ridgeland made a great effort to supply Acme on a very short notice and the results of this situation has been very costly to us from many standpoints.

In the future, please direct all correspondence concerning Ridgeland through the designated sales agent, W. L. Jones or B. W. Thompson.

In order to resolve this situation amicably for all parties concerned, we would like our P.O. # 24-46616-95 reinstated and a coal supply agreement finalized with Acme Steel

We would appreciate the scheduling of a meeting as soon as possible to negotiate the coal supply agreement.

Best regards,



William L. Jones

Enclosures: Acme Correspondence  
Acme Specifications  
Precision Testing Laboratory Analysis Report  
UEC Coal & Coke Lab Report

Copy: J. Garzella  
D. O'Hearn  
C. Lin



INTEROFFICE  
CORRESPONDENCE

DATE: December 01, 1994

TO: SEE DISTRIBUTION

FROM: P. J. Johnson 

SUBJECT: ACME COAL SPEC SHEET

Ridgeland / C.P.R.

The attached coal specification sheet has been approved by Acme and the seller. These specifications are part of our purchase order and all tests will be performed by an independent lab.

Penalties and rejections will be based on independent lab test results. Acme truck top sampling and testing will continue and will provide a double check to all incoming coal and pet coke. Significant discrepancies between Acme lab test results and independent lab results will be reviewed with seller.

DISTRIBUTION: J. GARZELLA  
D. O'HEARN  
M. CORBETT  
C. LIN  
R. SPAETH  
V. BEAUCAIRE  
D. DAVIS  
VENDOR

*We exceeded  
the UECT  
ASTM sampling  
requirements -*

# ACME METALS INCORPORATED

## SPECIFICATIONS FOR THE PURCHASE OF COAL

P.J.J.

NOV 22 1994

THE FOLLOWING SPECIFICATIONS AND TESTING APPLY TO COALS PURCHASED BY ACME STEEL  
 THESE SPECIFICATIONS ARE BASED ON DATA FURNISHED BY THE SUPPLIER OF THE COAL

COAL SUPPLIER CARBON PROCESSING & RECLAMATION  
 NAME OF COAL RIDGELAND LOW VOL #5 COAL SEAM  
 NAME OF MINE SKY TOP MINE  
 NAME OF TOWN ELBERT W. VA.  
 R.R. DISTRICT POCAHONTAS  
 R.R. STATION #1121

	REPORTED TYPICAL	REPORTED NORMAL RANGE	GUARANTEED MIN. OR MAX	
<b>CHEMISTRY</b>				
VOLATILE MATTER (DRY), %	19.5	19.0-21.0	18.0 21.0	MINIMUM MAXIMUM
ASH (DRY), %	6.5	6.0-7.0	7.0	MAXIMUM
SULFUR (DRY), %	0.55	0.50-0.70	0.70	MAXIMUM
MOISTURE, %	7.0	5.0-8.0	8.0	MAXIMUM
GIESELER PLASTICITY, DDPM.	350	200-500	50 700	MINIMUM MAXIMUM
MEAN MAX. REFLECTANCE, %	1.50	1.48-1.52	1.45 1.60	MINIMUM MAXIMUM
ASH SOFT. TEMP. (REDUCING), 'F	2600 +	+2600	2550	MINIMUM
S.H.O./VOLUME CHANGE AT 522, %	- 0%	-2 TO +2	-4 +4	MINIMUM MAXIMUM
COKING PRESSURE, PSI	4	3-5	N/A 6	MINIMUM MAXIMUM

### SAMPLING AND TESTING FREQUENCY

- J.B. LONG SAMPLER WILL BE USED AT RATE SPECIFIED BY ASTM.
- ABOVE TESTS WILL BE PERFORMED BY PRECISION LABS OR U.E.C.
- TEST SHALL BE RUN ON EACH 1500 TONS OR MONTHLY COMPOSITE.

APPROVAL/ACME METALS

DATE

APPROVAL/COAL SUPPLIER DATE

J. Johnson  
J. Beaudry  
J. King  
J. King

11/3/94  
11/8/94  
11/11/94  
11/11/94

W.L. Jones 11-21-94  
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