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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

INSPECTION REPORT

SW

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Governor

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Partial:___ Complete: XXX Exploration:___

Inspection Date & Time: 8/14/2000 / 9:30a.m.-4:00p.m.

Date of Last Inspection: 7/25/2000

Mine Name: White Oak #1 & #2 County: Carbon Permit Number: ACT/007/001

Permittee and/or Operator's Name: Lodestar Energy, Inc. and subsidiaries

Business Address: HC 35 Box 370, Helper, Utah 84526

Type of Mining Activity: Underground XXX Surface___ Prep. Plant___ Other___

Company Official(s): Dave Miller

State Officials(s): Peter Hess Federal Official(s): None

Weather Conditions: Sunny in A.M., Thunderstorm w/rain in P.M.

Existing Acreage: Permitted- 3746 Disturbed- 140.2 Regraded- 0 Seeded- 0 Bonded- 140.2

Increased/Decreased: Permitted-___ Disturbed-___ Regraded-___ Seeded-___ Bonded-___

Status: Exploration/ XXX Active/___ Inactive/___ Temporary Cessation/___ Bond Forfeiture

Reclamation (Phase I/___ Phase II/___ Final Bond Release/___ Liability___ Year)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

Instructions

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. SIGNS AND MARKERS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. NONCOAL WASTE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL VALUES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4th Quarter-April, May, June)_____ (date)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The second quarter impoundment inspections for the site were conducted by Mr. John Walters, Colorado registered P.E. on June 30, 2000. Inspection reports for same were completed on July 3, 2000. The following information was noted from reviewing these reports and today's field inspection:

- 1) Pond 001A was noted as being stable, with no signs of instability or other hazardous conditions apparent. The pond has water in it, but the surface elevation of the water is well below the primary discharge elevation. There were no problems noted during today's field inspection.
- 2) Pond 002A was also reported as stable, with no hazardous conditions being noted by Mr. Walters. Due to water in the pond, Mr. Walters was not able to determine the sediment level in same. The permittee's "TO DO" list indicates that the capacity of pond 002A is to be checked and cleaned as necessary to maintain a 60% sediment storage level. It is not known when the permittee intends to do this.
- 3) Pond 003A was reported as stable; it is dry.
- 4) Pond 004A was reported as stable, and receiving water on June 30, 2000. It was discharging a small amount of water over the primary outfall point this day. There were no problems noted with the pond during today's inspection.
- 5) Pond 005A is the concrete retention pond adjacent to the #1 Mine portal area. It is no longer in service, and only contains water from precipitation events. The permittee is evaluating the need for same, in consideration of its possible reclamation.

4c. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The map designated as R645-301-527, White Oak Loadout Facility-Reclamation shows a large number of straw bales as an alternative means of sediment control. There are a couple of concerns regarding this map.

- 1) The map is considered a "reclamation" map, but all surface structures are shown.
- 2) The straw bales which are depicted on the map, do not exist in the field. If the bales are to be implemented during reclamation, then the buildings should be removed from the drawing. If the map depicts the "operational" surface facilities, then the straw bales should be removed from the map, or installed in the field. This map is but one of the numerous problems which exist with the current MRP, which was essentially inherited from the age when Valley Camp of Utah was the permittee.

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4d. HYDROLOGIC BALANCE: WATER MONITORING

Water monitoring laboratory data sheets for samples which were collected on June 6, 12, 14, and 15, 2000 were reviewed. There were no abnormalities noted with any of the water chemistries with the exception of the cation/anion balance reported for the June 15, 2000 sample for monitoring point SCOAL-5. This value was reported as being -6.2%. All other cation/anion balances were within the acceptable error range, (+/- 5%).

Discharge monitoring reports for the months of April, May, June and July were reviewed. The only outfall which occurred during this period was the mine site sediment pond (UPDES point 004A) which flowed 25-30 GPM during May, 2000. There were no exceedances of effluent limitations. The reports have been submitted in a timely fashion.

The second quarter water monitoring report was submitted to the UDNR/OGM/SLO in electronic format on August 1, 2000.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The second quarter waste rock disposal area inspection was conducted by Mr. Walters on June 30, 2000; P.E. certification of the inspection report followed on July 3, 2000. There were no signs of instability reported. No erosion was reported on the area. Ditches were reported as functional.

The permittee has not added material to this pile for quite some time. The slopes are vegetated.

9. PROTECTION OF FISH, WILDLIFE, AND RELATED ENVIRONMENTAL VALUES

The site's spill prevention control and countermeasure plan received its last professional engineer's certification on August 25, 1997 by Mr. R.W. White of EarthFax Engineering. CFR Part 40, 112.5, paragraph (b) requires that these be recertified every three years. This was pointed out to Mr. Miller, who will probably perform the recertification for the permittee.

13. REVEGETATION

As of today's inspection, the permittee has planted 460 of 600 willow seedlings in the Eccles Creek riparian area directly below where the half round culvert removal (which was permitted through AM00B) occurred.

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16B. ROADS: DRAINAGE CONTROLS

The permittee is working toward attempting to schedule personnel and materials to begin the repair of the shallow concrete drainage diversion which routes Belina haul road runoff to Whiskey and Eccles Creeks. The permittee is in a difficult financial situation at present. All resources are being stretched to the limit.

21. BONDING AND INSURANCE

The permittee's general liability insurance expires on August 31, 2000. Mr. Miller is aware of this.

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas, and Mining.

Copy of this Report:

Mailed to: David Miller (Lodestar)

Henry Austin (OSM)

Given to: Pam Grubaugh-Ittig (DOGM)

Filed to: Price Field Office

Date: August 18, 2000

Inspector's Signature: _____

Peter Hess
Peter Hess

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