



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

*SLO
by
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INSPECTION REPORT

Partial: XXX Complete: _____ Exploration: _____
Inspection Date & Time: 10/6/00 / 9 AM-3 PM
Date of Last Inspection: 9/21/00

Mine Name: White Oak #1 and #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): John Walters, mining engineer
State Official(s): Peter Hess Federal Official(s): Jay Marshall, George Tetrault, USDOJ/BLM
Weather Conditions: Sunny, cool, 40's Fahrenheit/mild breeze
Existing Acreage: Permitted 3746 Disturbed 140.2 Regraded _____ Seeded _____
Status: Exploration _____ Active XXX Inactive _____ Temporary Cessation _____ Bond Forfeiture _____
Reclamation (Phase I _____ Phase II _____ Final Bond Release _____ Liability _____ Year _____)

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 ISSUES	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: ACT/007/001

DATE OF INSPECTION: 10/06/2000

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

4A. HYDROLOGIC BALANCE: DIVERSIONS

A stipulation for the approval of ACT/007/001-AM99B, which allowed the permittee to remove a half-round culvert from the outslope above Eccles Creek at the Belina haul road Highway 264 junction, was that the permittee repair the shallow concrete diversion along the haul road by repairing the areas where the concrete has been broken out by various means. As observed this day, the permittee had cleaned out the areas needing repair and filled the voids with new concrete material. Upon hardening, this diversion will be returned to full function, as designed.

14. SUBSIDENCE CONTROL

The inspection of several subsidence impacts within the permit area was the main subject of today's inspection. Messrs. Jay Marshall and George Tetrault from the U.S. Department of the Interior, Bureau of Land Management, Price Field Office accompanied this inspector and Mr. John Walters, representing the permittee, during the inspection of the impacted areas.

A list of what are felt to be significant subsidence impacts are submitted as part of the annual report to the Division. The 1999 Subsidence Survey Log (November 1999) lists 24 impacts; today's inspection looked at the two areas identified as impact #2 and #23. Numerous photos are attached.

Impact #23 is of major concern due to the fact that it is located on Manti-Lasal National Forest surface in Boarding House Canyon. Occurring at surface elevation 9,341, the slump is approximately 30 feet wide and 48 feet long, with a depth of approximately 15 feet. Water was observed in the slump, indicating that no conduit exists between the surface and the Mine workings. Based on a review of a map titled "White Oak #1 Mine Overburden and Cover," approximately 350 feet of cover exists in this area. Impact #23 occurred when a previous permittee (mid 1980's) attempted to delineate a fault in the area, by developing three entries. When the extreme right hand entry was opened, the fragile overlying material chimneyed to the surface, creating the impact. There was no secondary extraction practiced in the area (based on the map), although secondary extraction via the splitting of pillars was practiced in the section immediately to the east (area in which subsidence impacts #22 and #53 occurred).

This area is surrounded by a three foot wire fence, and it appears that wildlife would have no difficulty getting out of the slump. There were no hoof prints evident, nor were there any carcasses.

The area is about 1500 feet from any road, in an area thick with aspen and conifers. It appears that a great deal of environmental damage would have to take place to get any machinery to the site to fill in the area.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: ACT/007/001

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Impact area #2 also occurs in an area where the overburden depth varies between 300 and 400 feet. Two other areas were observed and it was assumed that these can be identified as areas #1 and #19. They are inline as shown on the previously mentioned map, which depicts them in an area where secondary extraction was practiced in shallow cover. Impact #2 is 32 feet in diameter and approximately 12 feet deep. There is no water in the hole. Vegetation, which has slumped in, continues to grow. Area #1 appears to be being used as a wildlife wallowing area.

It is this inspector's opinion that all three of the impacts are too far from any machinery access to mitigate, based on the guidance of "economically and technologically feasible" criterion, (R645-301-525.510). More environmental damage would be created than would be effectively mitigated by repairing the impacted areas.

Inspector's Signature: _____



Peter Hess #46

Date: 10/17/2000

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

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attachments

cc: James Fulton, OSM
David Miller, Lodestar
Price Field office

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INSPECTION REPORT

(Photograph Attachment)

PERMIT NUMBER: ACT/007/001

DATE OF INSPECTION: 10/6/2000

(PHOTOGRAPHS)



#1 Boarding House Canyon Subsidence Sinkhole Item #23 Looking East
(Note the Fence)



#2 Boarding House Canyon Subsidence Sinkhole Item #23
(Standing Water)



#3 Boarding House Canyon Subsidence Sinkhole Item #23
Looking West



#4 Boarding House Canyon Item #23 showing slope into sinkhole.
Looking North

INSPECTION REPORT
(Photograph Attachment)

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#5 Boarding House Canyon
Item #23 showing slope into sinkhole.
Looking South-West



#6 Boarding House Canyon Item #23
showing close-up of standing water in Sinkhole.
Indicates lack of direct link with the mine.



#7 Near 2nd South Section believed to
be Item #2. No standing water.



#8 Near 2nd South Section believed to be Item #1.
Evidence of wildlife using area for wallow-area.

INSPECTION REPORT
(Photograph Attachment)

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#9 Near 2nd South Section believed to be Item #42 (Crack)
Appears to be naturally occurring and not mining related.



#10 Near 2nd South Section believed to be Item #42 (Crack)
Appears to be naturally occurring and not mining related.