



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

October 26, 2000

TO: **Internal File**

FROM: Mike J. Suflita, Sr. Reclamation Specialist *mjs*

RE: Significant E-mail, Change From Underground to Surface Mining, Lodestar Energy, Inc., White Oak Mine, ACT/007/001, No Submittal Yet

SUMMARY:

Dave Miller and Mark Weyment of Lodestar Energy came to discuss the above subject with Division personnel. The attached email describes the meeting. Not mentioned in the email is the fact that they brought in two drawings and a map showing the subjects.

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Attachment: (E_mjsContourMiningA.wpd)
O:\007001.WO\Final\E_mjsContourMining.wpd

From: Susan White
To: Daron Haddock; Dave Miller; Dave Miller2; Mike Suflita; Pam Grubaugh-Littig; Wayne Western
Date: 10/25/00 2:00PM
Subject: Re: Contour Mining at White Oak

Mike, Your detailed notes provided an excellent review of the meeting. I do have just a few clarifications highlighted in red and one addition. I've listed the item number and only shown the relevant sentence.

1. The coal to be mined is owned by Carbon County.
6. Since the road was to be removed and reclaimed, the bond may be reduced in that area.
8. Also, the Division stated that burial of the concrete is allow in highwall backfill. This includes foundations and building walls and other components made of concrete. Asphalt is allowed for backfilling. (We have the authority from DEQ to permit the mine site as a disposal site for asphalt. It's just that sometimes the land owner, i.e. Forest Service, doesn't like it.)
9. First, it is likely that this would be a minor amendment to the MRP.

Correct me if you need to.
Thanks,
Susan

>>> Mike Suflita 10/25/00 12:30:12 PM >>>

On Tuesday, October 24, the people listed in the "To" section of this email, and I, met to discuss contour mining at the existing White Oak Mine site. The following summarizes the discussions as they are understood at this time. Due to new information and added insight, it's possible that things will change in the future.

1. Contour mining will be proposed at the existing main minesite. This involves removal of "barrier coal" which is the coal from the surface outcrop inward to the outer perimeter of the underground mine. Estimates for this area are from 800,000 to 1,000,000 tons. Mining would last from 10 months to 2 years, depending on the mining rate, which is new to this mine operation. All operations for this proposal would be contained within the existing disturbed area. However, major areas that were not previously to be disturbed, and involving nearly all the disturbed area, will now be affected.
2. The underground mining operation is expected to cease about June 2001, or possibly later in the Fall, depending on coal conditions. The surface mining would then begin. This is a complete change in the method of mining the coal. New equipment would be used also.
3. After mining out the main minesite, the contour mining is expected to expand into a mountain-top removal mine. This would be in two adjacent areas southeast of the main minesite. However, the removed overburden would NOT be permanently dumped into adjacent valleys/canyons. Instead the operation would re-place the overburden on top of the mountain from where it originated. The conceptual scheme to do this was discussed. The result would be a shorter mountain since the coal seam has been removed. The expansion areas contain 5 to 8 million tons of recoverable coal, and so are considerably larger than the main minesite. The mountain top removal areas are visible from State Route 96, the road to the recently reclaimed Blazon Mine. Compared to similar Kentucky operations, this has the potential to be quite profitable. The overburden to coal ratio in Kentucky is 15:1 while this site is much less than that. The two coal seams are considerably thicker than those being mined in Kentucky. Lodestar Energy brought personnel from Kentucky to assist in the planning and operation of this newly proposed change at White Oak.
4. There is also consideration for underground mining to continue to the east in the train loadout area, formerly known as the Valley Camp Loadout. Two seams are believed to be economically minable in that

area.

5. The reclamation of the main minesite under this new proposal will involve some substantial changes. As with any surface mine, there will be a plan to backfill, spread topsoil, and reclaim simultaneously with the mining. The existing coal pile, truck loadout, and processing operations will be left in place to be used during mining the main minesite and the anticipated expansion areas. Final reclamation at the main minesite will be partially achieved during simultaneous reclamation, with the main pad being removed only after the expansion areas are mined out and reclaimed. This will require careful consideration of the configuration of the contemporaneously reclaimed slopes so they can be blended into the final reclaimed configuration in Whiskey Creek. White Oak was asked to use concave up slopes to reclaim the areas at the main minesite. They were given a Division document describing how that can be done. The concave slopes will reduce the fill material needed which will save money and improve reclamation. It's the Best Technology Currently Available too.

6. A significant restriction for the mine is that they absolutely cannot increase their present bond amount. However, the proposed new operation will require a whole new bond calculation anyway. The new mining operations, main minesite and the two expanded areas, are on private land. The landowners are not too friendly with one another regarding access, but do agree that they would like the existing paved road to be left in place. Since the road was to be removed and reclaimed, the bond will be reduced in that area. It was noted that a "rolling bond" will not be allowed. The nature of how the bond is structured will need to be worked out in detail with the mine and the Division. The postmining land use is not expected to change. However, it's possible the current main minesite might be used for cabin sites and that would be a change in postmining land use. There is NO U. S. Forest Service land involved in the proposed changes. The Operator was encouraged to contact the Forest Service as a professional courtesy and to keep them apprised of the changes since they are an adjacent landowner.

7. The proposed ammendment will need to consider encroaching into the 100 ft Buffer Zone at the upper end of the site. The surface mining operation will remove the creek itself and later fill the area back in. This will require a Division finding approving the operation. It's undecided whether the mining will be timed to be at low/no flow or whether the stream will be routed around the operation. There is a nearby monitoring point that may be obliterated by the operation. That will need to be considered in detail and addressed in the ammendment. The Operator was referred to R645-301-731.600 for guidance.

8. Another point covered is, except for the existing coal pile, truck loadout, and processing operations, all the buildings will be removed during the surface mining. This will affect the bond calculation. Also, the Division gave approval to bury the concrete from the buildings in the highwall backfill. This includes foundations and building walls and other components made of concrete. Asphalt is not allowed for backfilling. Numerous other changes to the MRP will be necessary. Among them a dust control plan and a blasting plan. The Utah Air Quality permit will need revision and the Operator will need a Stream Alteration Permit for the work in Whiskey Creek. Mike Sufliita introduced Dave Miller to the Water Rights folks who handle that and Dave got the needed paperwork.

9. One important consideration of this situation is how to change the Mining and Reclamation Plan. First, it was agreed that this would be an ammendment to the MRP. It would not be a significant revision since none of the criteria were met. However, it's a major change in the type of mine, namely from underground to surface mining. It was recognized that the White Oak MRP has substantial working difficulties since it was among the first plans ever submitted to the Division. After considerable discussion, it was felt best to have this ammendment be a completely new section of the Operation and Reclamation sections of the existing MRP. The following outline shows how that would be structured in the context of the existing MRP. Basicly, the different physical areas of the mine operation are broken out and addressed separately since their operation and reclamation are distinct and different. Also, they are expected to occur at different times or may not occur. This structure involves considerable work for the Operator to prepare and for the Division to review. This was still felt to be less work than staying within the framework of the existing MRP and the improvement in the plan was felt to be worth it.

OPERATION PLAN

- > Conversion from underground mining to surface contour mining in the main minesite area. All applicable regulatory sections are included. This is a **now** new section.
- > Revised/updated pages in the existing portion of the MRP. This would include all deletions, additions, and modifications of the existing MRP. This is a **now** new revision.
- > Surface mining at the two mountain-top removal areas. This would be a future new section.
- > Revised/updated pages in the existing portion of the MRP. This would include all deletions, additions, and modifications of the existing MRP. This would be a future new revision.
- > Underground mining for the Valley Camp Loadout area. This would be a future new section.
- > Revised/updated pages in the existing portion of the MRP. This would include all deletions, additions, and modifications of the existing MRP. This would be a future new revision.

RECLAMATION PLAN

- > Contour mining Reclamation Plan for the main minesite only. This is a **now** new section.
- > Revised/updated pages in the existing portion of the MRP. This would include all deletions, additions, and modifications of the existing MRP. This is a **now** new revision.
- > Surface mining Reclamation Plan at the two mountain-top removal areas. This would be a future new section.
- > Revised/updated pages in the existing portion of the MRP. This would include all deletions, additions, and modifications of the existing MRP. This would be a future new revision.
- > Reclamation Plan for underground mining for the Valley Camp Loadout area. This would be a future new section.
- > Revised/updated pages in the existing portion of the MRP. This would include all deletions, additions, and modifications of the existing MRP. This would be a future new revision.

This meeting between the Operator and the Division is the second meeting to discuss these changes at the mine. It appears this preliminary work should allow timely completion of the permitting process to enable the Operator to stay on schedule. It was emphasized that a complete and high quality submittal reduces the review time. Should these notes contain errors or omissions, please let me know and I'll revise accordingly. Thanks.

Michael Suflita
nrogm.msufliita@state.ut.us

CC: Mary Ann Wright; Pete Hess