

0032



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

PG 2
by
[Signature]

Partial: _____ Complete: XXX Exploration: _____
Inspection Date & Time: 11/28 & 30/2000 / 8 AM-2 PM
Date of Last Inspection: 10/18/00

Mine Name: White Oak #1 and #2 County: Carbon Permit Number: C/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): Messrs. Dave Miller and Garon Harada
State Official(s): Peter Hess / Mike Suflita Federal Official(s): None
Weather Conditions: Windy, clear, cold/ 20's Fahrenheit with wind chill
Existing Acreage: Permitted 3746 Disturbed 140.2 Regraded _____ Seeded _____
Status: Active XXX

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
9. PROTECTION OF FISH, WILDLIFE AND RELATED ENVIRONMENTAL ISSUES	<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 type="checkbox"/>	<input checked="" 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 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 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 (4 th Quarter- April, May, June)	<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 checked="" type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: Prior to November 28, 2000, the site had received approximately 28 to 30 inches of snow. An additional two inches was received during the early hours of November 30, 2000.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee currently has two minor coal exploration applications under review at the UDNR/OGM. It is the intent of EX00B to permit four exploration boreholes north of the rail loading facility in Section 8 of Township 13S Range 7E; EX00E will permit two exploration holes in Section 30 of Township 13S Range 7E when approved.

The permittee is preparing a revision to the mining and reclamation plan which will allow, upon UDNR/OGM approval, the extraction of outcrop coal from the upper and lower O'Connor coal seams in the White Oak #1 and #2 Mines area. The coal in the Mine facilities area is owned by Carbon County. The surface ownership is through private individuals. The permittee has discussed this proposal with the Salt Lake OGM staff. Lodestar intends to bring in expertise from their Kentucky operations to assist in the permitting and operation of the method chosen for this type of coal recovery. The removal, storage and replacement of overburden in the mined outcrop area will be of major concern to the Division.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The third quarter impoundment inspections for the site were conducted by Mr. John Walters on September 29, 2000. There were no signs of instability or other hazardous conditions noted for any of the sediment ponds. Based on the review of the various pond inspection forms, all ponds appear to have adequate sediment volume remaining.

Based on the field inspection conducted on November 30, 2000, all ponds contain water and are frozen. No problems were noted. Ice levels are well below the primary discharge elevation in all ponds.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Many of the sites alternate sediment control measures were not inspectible due to being buried under snow. A few silt fences along the Belina haul road were visible, and appeared to be functioning as designed.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Mr. Mike Suflita, Senior Reclamation Hydrologist of the Salt lake staff, assisted this individual during the November 28, 2000 review of the permittee's water monitoring data. The permittee conducted a spring/stream survey in Coal Canyon on September 17, 2000. Seventeen sites were monitored for flow.

Third quarter field and laboratory analysis sheets were reviewed. Initially, it was felt that a potential compliance situation may have existed due to the difficulty in interpreting the water monitoring parameter list depicted as Table 731.211a. Many of the analysis sheets were thought to be missing fourteen of the required parameters. It was later determined that the missing baseline parameters are only required to be monitored during the year prior to the permit renewal for the site, (or in this case in

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2003). All surface and ground water monitoring sites appear to be meeting the frequency and parameter requirements listed in the approved mining and reclamation plan. There were no abnormalities noted with any of the submitted data. All cation/anion balances were within the acceptable error range.

The fourth quarter water monitoring was conducted by the permittee on October 14 and 22, 2000. Surface and ground water sites were monitored in Cox Canyon on October 14, 2000. Spring and surface water sites in the Mine site area were monitored on October 22, 2000. The laboratory analysis sheets which were reviewed did not reveal any abnormalities. All field parameters are being reported.

UPDES discharge monitoring report forms for the months of August and September were reviewed. It was noted that the August reports, which are supposed to be postmarked by no later than September 28, 2000, had submittal dates noted on them as October 10, 2000. The site has five UPDES outfall points; only 004A, which is the mine site sediment pond discharge, with no exceedances being reported.

The September reports, which were due on October 28, 2000, were noted as being submitted on November 1, 2000. Again, only point 004A had an outfall, with no exceedances reported.

The submittal of the reports by the 28th day of the month following the monitoring period is a UPDES permit requirement. Utah Division of Water Quality is the lead in enforcement issues relative to UPDES permits.

7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS

The third quarter refuse pile inspection for the White Oak disposal area was conducted by Mr. John Walters, registered P.E. in the State of Colorado on September 29, 2000. There were no signs of instability or other hazardous conditions noted by Mr. Walters that day.

Today's field inspection revealed similar observations. The outslope of the area is vegetated with grasses and there are no visible gullies. Ditches routing runoff to the sediment pond were reported to be in good order on September 29, 2000. There has not been any new material added to the facility for quite some time.

Based on the fact that this pile is relatively inactive, and that the outslope has been graded and vegetated, a suggestion was made to Mr. Harada that the permittee might want to consider a permit amendment to reduce the inspection frequency of this disposal area. 30 CFR 77.215-3, paragraph (b) allows for a P.E. certification to be submitted every twelfth month following removal of all hazards. There have not been any hazards noted relative to this pile within the last ten months.

8. NONCOAL WASTE

The shop area is in need of housekeeping; broken pallets were observed in addition to a general disarray of machine components. A few items of noncoal waste were observed over the guard rail on the head of the slope opposite the bath house doors (main building).

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

The SPCC plan was re-certified by David Miller, P.E., on August 28, 2000.

14. SUBSIDENCE CONTROL

Ms. Vicki Miller conducted the annual subsidence survey surface walkover on October 21, 2000. A report of the findings has not as yet been received by the permittee.

20. AIR QUALITY PERMIT

The coal stockpiles at both the mine site and the rail loading facility are very near the tops of the stacking tubes. It appears that the permittee has been able to get the majority of the missing fugitive dust control doors on the tubes replaced. Only one was observed to be missing at the mine site.

Inspector's Signature: _____



Peter Hess #46

Date: December 1, 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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cc: James Fulton, OSM
David Miller, Lodestar
Price Field office

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