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007/001 Incoming



Lodestar Energy Inc.
Mountain Operations
HC 35 Box 370
Helper UT 84526

435-637-9200 or 435-448-9420
435-448-9456 fax

Fax

To: <u>Deron Haddock</u>	From: <u>Dave Miller</u>
Fax: <u>(801) 359-3940</u>	Date: <u>12/11/01</u>
Phone: _____	Pages: <u>3</u>
Re: _____	CC: _____

Urgent For Review Please Comment Please Reply Please Recycle

•Comments:

Questar Response to pre-blast Survey.

Dave

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DIVISION OF
OIL, GAS AND MINING

DEC-07-2001 17:26 FR QUESTAR

TO 91435 9456 P.02/03

Questar Regulated Services Co.
Questar Gas Co. - Questar Pipeline Co
1140 West 200 South
P.O. Box 45360
Salt Lake City, UT 84145-0360
Tel 801 324 5556

QUESTAR

December 7, 2001

SENT VIA FACSIMILE: (435) 448-9456
AND FIRST CLASS MAIL

David B. Miller, Business Manager
Lodestar Energy Inc.
Mountain Operations
White Oak, Horizon, and Grand Valley Mines
HC35 Box 370
Helper, UT 84526

Dear Mr. Miller:

Re: Lodestar's pre-blast survey

This letter is in response to your letter dated November 26, 2001, regarding Lodestar's request for Questar's approval of its pre-blast survey. As you are aware, Questar maintains three major pipelines within the vicinity of the proposed Lodestar blast site. These pipelines and associated facilities are critical in meeting the natural gas demands for residential, commercial and industrial customers in Utah and particularly along the Wasatch Front.

Questar is in possession of the White Oaks Mining maps you have provided, as well as the pre-blast survey report prepared by Ruth Andersen from Salt Lake Seismic Services. Both the maps and the pre-blast survey have raised concerns and questions about the safety of Questar's existing pipeline facilities. Based on Questar's preliminary review, Questar is concerned that blasting activities within the vicinity of the pipelines could effect the integrity of the pillars that exist beneath the pipelines resulting in subsidence. Subsidence, if it occurred, could damage or rupture the pipelines.

In summary, the pre-blast survey does not identify the existence of the inactive White Oaks Mines, which according to the White Oaks Mining maps, exist below Questar's Main Lines 40 and 104 and Jurisdictional Lateral 82. Nor does the report identify the depth, wall thickness, diameter, or pressure of the high-pressure gas pipelines nor any other factors required to complete a comprehensive stress analysis. However, the report refers to stress that may result from "other causes" such as "internal pipe pressurization, thermal expansion

David B. Miller
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or contraction, surcharge or overburden, residual stresses from welding and other installation processes." Although referred to in the report, none of these "other causes" was specifically analyzed. Furthermore, the report identifies various equations or formulas regarding soil velocity or wave action and yet, these formulas were not analyzed in relation to the pipeline. Questar requests that these analyses be completed so that it may conduct a thorough review.

In addition, Questar requests that all available subsidence monitoring data for the areas within the vicinity of the pipelines be provided. Questar also requests copies of all available mining records related to the White Oaks Mines underlying the pipelines to verify the following: the integrity, size, and spacing of the existing pillars; the angle of draw that protects the pipeline easements; and the areas that were secondarily mined.

Questar maintains that all of the specifications regarding the pipelines and the existence of the inactive White Oaks Mines must be analyzed before a determination can be made as to whether blasting can safely be performed without harm to Questar's facilities.

Questar awaits receipt of your comprehensive pre-blasting survey and analyses so that it may complete its analysis of your request to blast in the vicinity three of its major pipeline facilities. Until Questar is in receipt of this additional information and reach agreement with Lodestar regarding the blasting plan and Questar's need to monitor all such activities, Questar notifies Lodestar that no blasting activities may take place at the Whiskey Creek Mine location

Please call me if you require additional information.

Sincerely,



C. Kim Blair
Director of Engineering Services

CKB/gs

cc: Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple
Suite 1210
Salt Lake City, UT 84114-5801

Colleen Larkin Bell

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