

0003



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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## INSPECTION REPORT

*SW by  
JG*

Partial:      Complete: XXX Exploration:       
Inspection Date & Time: 2/22/2001 / 8 AM- 1 PM  
Date of Last Inspection: 1/03/2001

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): Mr. Dave Miller, P.E., Business Manager  
State Official(s): Peter Hess Federal Official(s): None  
Weather Conditions: Clear, cold; 20's - 30's Fahrenheit  
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 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 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 ISSUES	<input checked="" 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 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 <sup>th</sup> 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 type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/001

DATE OF INSPECTION: 02/22/2001

( COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE )

Note: The permittee indicated this day that underground coal production should cease sometime in April.

A significant revision to the mining and reclamation plan which would permit the surface mining of coals along the outcrop contour is currently under review by the UDNR/OGM Salt Lake staff.

#### 4A. HYDROLOGIC BALANCE: DIVERSIONS

The surface drainage system was not inspectible this day due to the amount of snow which was covering most of the site.

#### 4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The fourth quarter and annual impoundment inspection of the site's five sediment impoundments was conducted by Mr. Dave Miller, P.E., on October 23, 2000. There were no hazardous conditions or signs of instability noted for any of the five impoundments. Remaining sediment capacity in the ponds was reported as appearing to be adequate. Mr. Miller certified the inspections on December 27, 2000.

Pond 005A, whose previous use was for the treatment of mine water from the #1 Mine, has been deactivated for many months.

#### 4D. HYDROLOGIC BALANCE: WATER MONITORING

As noted in the January inspection report, a review of the submitted fourth quarter water monitoring information was performed on 1/03/2001. There were no problems noted with the reviewed information at that time.

EPA discharge monitoring reports for the UPDES outfall points for the months of October, November, and December of 2000 and January of 2001 were reviewed. None of the outfalls discharged during this four month period. The October and December reports were not submitted in a timely fashion; the date noted on the DMR forms was two to three weeks after the required submittal date of the 28<sup>th</sup> day of the month following the monitoring period. Although none of the UPDES points had flows, this reporting requirement is a UPDES permit condition, as regulated by the Utah Department of Environmental Quality, Division of Water Quality.

The UDNR/OGM is currently discussing the establishment of procedure to be followed to address infractions of permit conditions and/or violations of permits which are issued and regulated by the Utah Department of Environmental Quality. As determined by the memorandum of understanding between the UDNR/OGM and DEQ, the latter agency is the lead agency relative to the enforcement of water and air quality permits.

To date, the permittee has not conducted any water monitoring for the first quarter of 2001.

**INSPECTION REPORT**

(Continuation sheet)

PERMIT NUMBER: C/007/001

DATE OF INSPECTION: 02/22/2001

Ms. Vicki Miller conducted a stream survey for the permittee in Coal Canyon on September 17, 2000. The following sites had reportable flows; SCOAL 5, 5A, 7A, 8, 9, 10, 15-20 feet below SCOAL 8, 300 feet below SCOAL 8, Iron Springs and Electric Lake. Sites SCOAL 3, 4, 6, 7 and 80 feet below SCOAL 8 were reported as either dry or only having a minimum amount of seepage. No water samples were taken for chemical analysis.

**7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS**

The fourth quarter 2000 waste rock pile inspection was conducted on October 25, 2000 by Mr. Dave Miller, P.E. This pile is inactive and reclaimed/revegetated. There were no hazards or signs of instability reported. The inspection report was completed on December 27, 2000 and P.E. certified on January 3, 2001.

**14. SUBSIDENCE CONTROL**

The permittee has received the 2000 annual subsidence walkover report from V.S. Miller. An analysis of the report was not available for review this day.

**21. BONDING AND INSURANCE**

The permittee's general liability insurance remains in effect until August 31, 2001. The existing policy covers damage occurring from the use of explosives. Coverage amounts of \$2,000,000 for the general aggregate and \$1,000,000 for each occurrence are in place.

On June 5, 2000, the Division notified Lodestar Energy, Inc. that due to an unfavorable reclassification of the surety company holding the current reclamation bonds for Lodestar's Horizon and White Oak coal mining operations, it was necessary for Lodestar to replace the surety bonds with bonds that are acceptable to the federal government by July 15, 2001. Frontier Insurance Company is the surety in place at present. To date, Lodestar Energy, Inc. has not replaced the bonds due to their difficult financial situation.

It is this individual's understanding that negotiations between Lodestar corporate management and the Division have occurred during the past several weeks to attempt to negotiate a favorable solution for both parties. The status of those negotiations is not known to this individual.

Inspector's Signature: \_\_\_\_\_

  
Peter Hess #46

Date: March 1, 2001

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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