

0004



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

*PGL
By
AD*

Partial: XXX Complete: Exploration:
Inspection Date & Time: 3/09/2001 / 9:40 AM - 1:15 PM
Date of Last Inspection: 2/22/2001

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): Messrs. Dave Miller, P.E., and Garron Harada, Mine Engineer
State Official(s): Peter Hess Federal Official(s): None
Weather Conditions: Partly cloudy, mild breeze, temperature just above 32 degrees 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 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 checked="" 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 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/001

DATE OF INSPECTION: 3/09/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

4A. HYDROLOGIC BALANCE: DIVERSIONS

An employee of the permittee was observed operating a motor grader in the coal stockpile pad area. The operator was in the process of blading ditch D-33B. Several other ditches were noted about the site as having been recently maintained.

Ditch D-33A was observed to be flowing as designed; there was no conveyor belting observed in the D-33A locale.

All of the drop box inlet grates along the primary coal haul road were observed to be open. The shallow concrete ditch which parallels the primary haul road appeared to be functioning as designed, although spalling from the adjacent cutbank has placed all sizes (up to 10 inch) of rock in the diversion. Flows in the ditch have not been affected up to this point.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

All of the site's ponds were inspected this day, with the exception of 005A (located by the #1 Mine portals) which was buried under snow. Pond 005A was formerly used for mine water treatment and has not functioned for a long time. It is considered inactive, but is still inspected on a regular basis.

Pond 004A is still covered with snow and ice and is receiving runoff from the surface facilities area including the waste rock area. There were no hazards or signs of instability observable.

Pond 003A (lies SSE of rail load out coal stockpile) remains frozen and is receiving inflow from ditch D-16A, located on the SE side of the coal stockpile. The elevation of the ice on the surface of this pond is three feet below the primary discharge elevation. There were no signs of instability relative to pond 003A.

Pond 002A's surface remains half frozen. The ice elevation at the discharge point appears to be only about ten inches below the discharge elevation. Sediment build-up is apparent where flows from inlet ditch D-12E and culvert C-8-18 enter the pond. Pond 002A should be cleaned during the summer months, after the material has had a chance to dry out.

Pond 001A remains frozen with the elevation of the ice approximately five feet below the primary discharge. The inslope of the embankment between the pond and Mud Creek remains snow covered. There were no hazards visible.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

Many of the sediment controls along the primary mine haul road remain buried by snow. Several silt fences which were exposed will require clean out in the very near future.

INSPECTION REPORT

(Continuation sheet)

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4D. HYDROLOGIC BALANCE: WATER MONITORING

Ms. Vicki Miller informed me that she intends to initiate water monitoring for the first quarter of 2001 at White Oak starting the week of March 18, 2001.

20. AIR QUALITY PERMIT

The paved haul roads at the rail loading facility were observed to be dry and dusty.

21. BONDING AND INSURANCE

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.

Lodestar is keeping the Division informed of their financial situation through monthly updates by Eberly Davis, who is a member of Lodestar's upper management.

Inspector's Signature: _____



Peter Hess #46

Date: March 12, 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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