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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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INSPECTION REPORT

Partial: XX Complete: _____ Exploration: _____
Inspection Date & Time: 04/25, 30/2001 / 8 AM-1PM, 3-5 PM
Date of Last Inspection: 03/09/2001

PGI
by
SW

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., Mr. Kit Pappas
State Official(s): Peter Hess Federal Official(s): None
Weather Conditions: Clear, warm/40'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.

	<u>EVALUATED</u>	<u>N/A</u>	<u>COMMENTS</u>	<u>NOV/ENF</u>
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 checked="" 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 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 checked="" type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/001

DATE OF INSPECTION: 4/25,30/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: On April 25, 2001, a partial inspection was conducted at the Lodestar Energy Mountain Operations White Oak Mines complex. During that inspection, three issues were observed which had the potential to become "Notices of Violation". The permittee was instructed on April 25, 2001 to have the compliance issues corrected by April 30, 2001 at 5 P.M.

On April 30, 2001, a follow-up inspection was conducted. The permittee had repaired the compliance situations, such that the issuance of notices of violation was not necessary.

3. TOPSOIL

The topsoil pile located at the rail load out facility (north end of disturbance adjacent to the railroad tracks) has a silt fence about its perimeter, which is in need of repair. It appears that during a snow removal process, the permittee's operator managed to get the end of the snow blade into the roof bolts, which are used to support the filtering material. Several bolts were bent over, allowing the material to drop to the ground. Mr. Pappas made an attempt to make repairs to the fence, but did not have adequate tools or material to repair the fence correctly.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The six inch pipe which was installed on the SW corner of the electrical substation designated as S-3 on the surface facilities map (loadout facility) was observed to be in disrepair, as extensive erosion of the bank had occurred and dislodged the pipe. The purpose of this pipe is to carry all flow over the unvegetated bank to the ditch which parallels the railroad tracks.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The straw bale dike located where disturbed area ditch D-28 empties into an undisturbed drainage, (along the Belina primary coal haul road) thence to Whiskey Creek via culvert C-28-24 was observed to be full of sediment to the extent that it had bypassed an untreated volume of water to an undisturbed drainage during a previous event. Water was not flowing at the time the straw bale dike was inspected. This compliance issue was discussed with Mr. Dave Miller, P.E., and business manager for the permittee. Its seriousness was pointed out to Mr. Miller due to its potential to be considered as an "off-site" impact by the Division.

The permittee has installed several straw bale dikes along the Belina haul road for treatment of flows reporting to undisturbed drainages which, in turn, report to Whiskey or Eccles Creek(s). Although the R645 coal rules do not require the treatment of runoff from roads, the bales were probably implemented to treat the runoff from cut slopes, many of which have had the vegetation removed, but never re-established. It was pointed out to Mr. Miller that once the treatment methods have been installed, they must be maintained or removed via proper permitting action.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The permittee is waiting on the receipt of water monitoring analytical data from the first quarter of 2001. To date, the permittee has not conducted water monitoring sampling for the second quarter of 2001.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/001

DATE OF INSPECTION: 4/25,30/2001

16A. ROADS: CONSTRUCTION/MAINTENANCE/SURFACING

The inspection of the surface facilities area at the Mine revealed that surface flows have been running outside of drainage control ditch D-30, on the edge of the road paving to the extent that an erosion gully has been cut through the black-top paving. The gully is significant, to the extent that the potential for issuing a "notice of violation" for "failure to maintain roads", R645-301-534.330, existed. The road in this area is not constructed on fill material; therefore, saturation of fill is not an issue here. The basis for concern over the erosion is due to lack of control for surface runoff (i.e., outside of the ditch), and the potential for a loss of steering control from the many vehicles which use this road for access to the Mine office/administration/bath house facility.

To repair the erosion gully in the road surface, as observed on April 30, 2001, the permittee placed limestone gravel in the void. It was recommended to Mr. Dave Miller that the permittee grout this material in place to prevent the washout of same by future events.

The problem here appears to be an inadequate ditch design which may have been based on a 10-year, 6-hour storm event as required under R645-301-742.423.1. The shallow diversion which parallels the Belina haul road is very shallow in nature, and its design was more than likely based on the need for a vehicle to get over into the ditch to avoid collisions in very narrow bench areas.

During the winter months, it is not unusual for this area of the Wasatch Plateau to receive in excess of 200 inches of snow. The location of ditch D-30 is such that it is not necessary to have the ability to pass double trailer coal trucks along this length of roadway. Although the ditch design here appears inadequate, it does not seem proper to require the permittee to modify the surface drainage plan here due to the fact that this operation appears to have a short life at the present time. The Division may want to consider the permitting of future ditch designs using snow melt as part of the calculation, particularly for mines which receive such heavy volumes.

16B. ROADS: DRAINAGE CONTROLS

The shallow concrete ditch which parallels the Belina haul road and courses road drainage to various drop drains, thence to Whiskey Creek was observed to have two sections of same obstructed with rock and dirt from the freeze/thaw cycle of the cut slopes adjacent to the road. The two sections which were obstructed are designated as D-24 and D-26A. The obstructions were such that flows reporting to them would be forced out of the diversion onto the asphalt roadway, running in an uncontrolled fashion.

Inspector's Signature: _____



Peter Hess #46

Date: May 7, 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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