

0019



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

INSPECTION REPORT

Partial: XXX Complete: Exploration:
Inspection Date & Time: 07/11/2001 / 10:00a.m.-1:00p.m.
Date of Last Inspection: 06/13/2001

*PGL
by
[Signature]*

Mine Name: White Oak #1 and #2 County: Carbon Permit Number: C/007/001
Permittee and/or Operator's Name: Lodestar Energy, Inc.
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: Sunny, 70's Fahrenheit, breezy
Existing Acreage: Permitted 3906 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 type="checkbox"/>	<input type="checkbox"/>	<input 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input 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: 7/11/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

Note: An e-mail requesting a determination of status regarding AML fees for the first and second quarter of 2001 was received by this inspector on June 19, 2001. Upon checking with Mr. Dave Miller, Business Manager for the permittee, Mr. Miller indicated that all fees up until April 27, 2001 are tied up in the bankruptcy, but that a check for the second quarter from April 28 through June 30, 2001 should be paid by July 31, 2001. This information had been received from Lodestar's corporate headquarters and had been forwarded to Ms. Pamela Grubaugh-Littig, Permit Supervisor prior to today's inspection.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

It had been previously determined that underground activities in the #2 Mine would cease sometime during the month of August. Now, according to Mr. Miller, a need for manpower at the McClane Canyon Mine in Colorado may necessitate a transfer of some of the employee's to that operation. The #2 Mine currently operates two machine shifts per day. A reduction to one machine shift per day would extend the life of the #2 Mine into October of this year.

Based on the future termination of underground activities, the issue of leaving mining related materials and/or machinery in mine was discussed. The UDNR/OGM sent the permittee a letter on April 16, 2001 describing requirements which need to be addressed prior to receipt of Division approval which is necessary before final approval of abandonment can be granted. The Division utilizes this information in making determination relative to the potential for impact to the ground and/or surface water regimes within the permitted area.

Mr. Miller indicated that information had been previously provided for the purposes of the U.S. Department of the Interior, Bureau of Land Management, Price Field Office. It was suggested that Mr. Miller forward the same information to the UDNR/OGM/SLO with the proper C1/C2 forms to address this permitting requirement.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

All of the ponds at the rail loading facility (001, 002, and 003) were noted as containing water this day. There were no problems noted with any of the three. Water levels were well below the decant elevation in each pond.

It was observed that one of the inlet ditches to pond 003A (designated as D-16-A) is in need of maintenance. At some point, the permittee placed a section of conveyor belting in this ditch to act as armoring. Subsequent flows have either disarrayed the belting or overflowed same allowing the ditch and the underlying riprap to become disheveled. The gradient of this ditch is such that even minor flows erode material.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The permit area received approximately one inch of rainfall on July 10, 2001. Several thunder storms have pelted the Carbon County area during the previous five-day period. Upon arriving at the site, Mr. Dave Miller was issuing instructions to the surface foreman regarding the repair of several of the straw bale dikes which are in place along the primary coal haul road. These dikes have been discussed in several previous inspection reports due to their function as the primary means of sediment treatment prior to the flows entering undisturbed drainages and thereby leaving the permit area.

INSPECTION REPORT
(Continuation sheet)

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The inspection of the straw bales revealed that several bales were pushed through the damming structure by the force of flow reporting to it. This was observed to be the case at the straw bale dike located in ditch D-28, which is just up-grade from the under-road undisturbed culvert designated as C-28-24.

The straw bales which operate in series and are located at the lower end of disturbed area drainage D-18B had one bale from the lowest dam pushed on through from force of flow. The other dikes held, but had heavy volumes of silt immediately up channel from each treatment device. The series performed as designed; the permittee has made arrangements to remove the sediment buildup from behind the dams in preparation for the next precipitation event.

The three dike series located at the bottom of disturbed ditch D-21 (just above confluence with Eccles Canyon Creek) functioned as designed, with large volumes of sediment having been deposited upstream of the impounding embankment. As noted above, the permittee will remove this sediment from the structure in preparation for the next storm event.

On July 13, 2001, a follow-up inspection of the sediment control devices along the primary coal haul road was conducted. All repairs which have been noted above as being needed were observed to have been completed on that day. Sediment which had been removed from behind the bales was piled in adjacent areas, as were several deteriorated straw bales. The devices have been returned to operational mode.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The permittee indicated that all water monitoring had been completed for the second quarter of 2001. The following sites were monitored: SCOAL 1 and 5, COAL and COX, S-711, S36-23, S36-17, S31-13, S36-7, S24-12, S25-13, and S36-19. Ms. Vicki Miller is currently awaiting analytical results for the water samples taken during May and June.

Inspector's Signature: _____


Peter Hess #46

Date: July 16, 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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