

0013



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)

July 27, 2001

David Miller, Resident Agent
Lodestar Energy, Inc
HC 35 Box 370
Helper, Utah 84526

RE: Approval to Conduct Minor Coal Exploration in Section 30, T13S, R7E, Lodestar Energy, Inc, White Oak Mine, C007/001-EX00E, Outgoing File

Dear Mr. Miller:

The Division has reviewed and hereby approves your proposal to conduct a Minor Coal Exploration program in Section 30 T13S, R7E effective July 27, 2001. Enclosed is a stamped approved copy of the exploration project and a copy of our technical analysis for your information.

The exploration plan indicates exploration activities will commence as soon as written approval is received from the Division. Reclamation will follow immediately after exploration and should be completed within the year 2001.

Please call me at 801-538-5325 or Gregg Galecki at 801-538-5260, if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Daron R. Haddock".

Daron R. Haddock
Permit Supervisor

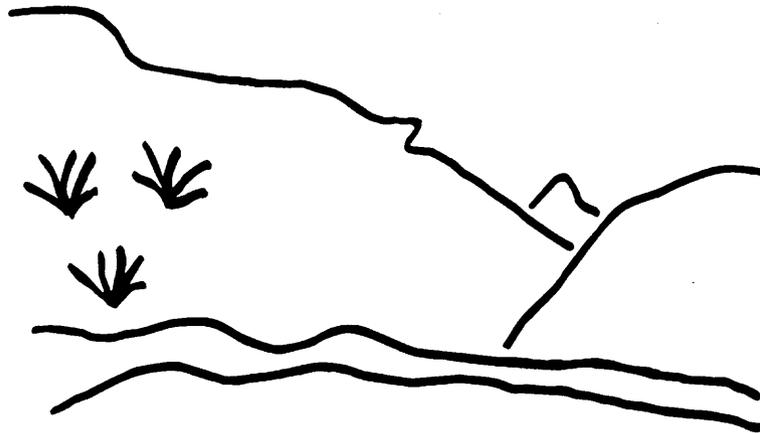
sd

Enclosure

cc: Joe Wilcox, OSM
Richard Manus, BLM w/o
Elaine Zieroth, USFS w/o
Mark Page, Water Rights w/o
Dave Ariotti, DEQ w/o
Derris Jones, DWR w/o
Price Field Office

O:\007001.WO\FINAL\appEX001E-2.doc

State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

White Oak Mine
Minor Coal Exploration
C/007/001-EX00E-2
Analysis & Findings
July 10, 2001

TABLE OF CONTENTS

INTRODUCTION 1

SUMMARY OF OUTSTANDING DEFICIENCIES 2

COAL EXPLORATION 3

 SCOPE AND RESPONSIBILITIES 3

 Minor Coal Exploration 3

 REQUIREMENTS FOR NOTICE OF INTENTION TO CONDUCT MINOR COAL
 EXPLORATION 3

COMPLIANCE DUTIES 4

 PERFORMANCE STANDARDS 4

 OPERATIONAL STANDARDS 4

 Biology 5

 Roads 5

 Topsoil 5

 Diversions of Overland flows and streams 5

 Hydrologic Balance 5

 Acid- or toxic forming materials 6

 RECLAMATION STANDARDS 6

 Approximate original contour 6

 Revegetation 6

 Boreholes 6

 Facilities and Equipment Removal 6

PUBLIC AVAILABILITY OF INFORMATION 7

INTRODUCTION

INTRODUCTION

White Oak Mining and Construction, Inc., is proposing to drill two exploration holes within the Boardinghouse Canyon drainage located in SW 1/4 Section 30, T13S., R7E. The application was originally received at the Division office on November 15, 2000, returned to the permittee on December 6, 2000, and received back from the permittee on January 22, 2001. Deficiencies still not sufficiently answered were returned to the permittee on January 30, 2001. A request for an extension was filed by the permittee on February 26, 2001, and the current application was received at the Division on June 19, 2001. Exploration holes P01-30-7 and P01-30-8 will be drilled on private land owned by Mr. Milton Oman. The coal is fee coal owned by White Oak Mining & Construction, Inc.

The primary purpose of boreholes P01-30-7 and P01-30-8 is to provide geologic information from the upper and lower O'Connor coal seams. Prior to abandonment of the holes, it will be determined whether either hole will be developed as monitoring well.

Information found in the proposal is considered adequate to meet the requirements for Coal Exploration Approval. The proposal meets the requirements for Minor Coal Exploration Approval.

SUMMARY OF OUTSTANDING DEFICIENCIES

The Technical Analysis regarding the Notice of Intention to Conduct Minor Coal Exploration is considered complete at this time. No deficiencies were found in the review of the proposed amendment. Explanatory comments and details of the fulfilled requirements will be found within the text of this Technical Analysis.

MINOR COAL EXPLORATION

COAL EXPLORATION

Regulatory Reference: R645-200.

SCOPE AND RESPONSIBILITIES

Regulatory Reference: 30 CFR 772.1; 30 CFR 772.10; 30 CFR 772.11; R645-100-400; R645-200-100; R645-200-200; R645-201-100.

Analysis:

Minor Coal Exploration

The exploration process will implement the drilling of two boreholes to determine the chemical and physical coal characteristics of the "O'Connor" seam strata at the chosen location. Less than 250 tons of coal will be removed as a result of this exploration activity. The area proposed for drilling is not on 'lands designated unsuitable' for exploration, but does 'substantially disturb' the land surface due to mud pit, drill pad, and possible road construction. The submittal received June 19, 2001, qualifies as a minor coal exploration application.

Findings:

Relative to R645-200-122, -202-200, this amendment qualifies as a minor coal exploration amendment.

REQUIREMENTS FOR NOTICE OF INTENTION TO CONDUCT MINOR COAL EXPLORATION

Regulatory Reference: 30 CFR 772.10; 30 CFR 772.11; R645-100-412; R645-201-200.

Analysis:

The applicant has addressed the requirements of R645-201-200 et al. with regard to names and addresses of applicant, the authorized representative of same, the exploration time period, method of exploration, and the methods used to negate adverse environmental impacts to the area. Also submitted, were a narrative and map describing the exploration area indicating where exploration activity will occur. Exploration will commence as soon as written approval of the application is received by the permittee.

To protect the area from adverse impacts the permittee commits to minimize both new road and

drill construction, use adequately-sized mud pits, and control site drainage with berms, straw bales, and/or silt fencing. In an effort to demonstrate practices that will be followed to protect the area from adverse impact of the exploration activities, the permittee has provided a detailed estimate of the cost of reclamation for the proposed exploration which includes costs for re-contouring, seeding, mulching or fertilizing, and a contingency factor.

Within the Legal Description of the Drill Holes section, the permittee has documented landowner permission to access these sites per leases which include surface access and right-of-way for coal exploration and road construction.

Findings:

The permittee has addressed the minimum regulatory requirements for Notices of Intent to Conduct Minor Coal Exploration relative to R645-100-412 and R645-201-200.

COMPLIANCE DUTIES

Regulatory Reference: 30 CFR 772.13; R645-202.

PERFORMANCE STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-100; -202-200.

Analysis:

The applicant has made the commitment to remove less than 250 tons of coal, not substantially disturb the natural land surface, and reclaim any disturbed areas in accordance with the State Program and in accordance with the conditions imposed by the Division with this permit.

Findings:

The permittee has addressed the minimum regulatory requirements for Performance Standards relative to R645-202-210 and R645-202-220.

OPERATIONAL STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-100; -202-200.

Analysis:

MINOR COAL EXPLORATION

Biology

There are no known threatened or endangered species within the designated area of exploration. T&E evaluations included consultations under the Utah Natural Heritage Program and discussions with local botanists of both the BLM and USDA-Forest Service. The North fork of Boardinghouse Creek is located approximately 800 ft. downslope of both drill sites and is listed as an intermittent stream. The main Fork of Boardinghouse Creek is another 2000 ft. (approximately) downstream and is listed as a perennial stream. Water for the drilling will be pumped from local springs or streams but not without prior written permission of the owner of the water rights. The written permission for water use will need to be available upon request at the drill site. An estimated total of 10,000 gallons per borehole will be needed. As long as the exploration does not extend into the Spring nesting season there will be no concerns as related to raptor nesting in the area.

Roads

No access roads to the drill sites were included in the plan, which is necessary to evaluate the permit. It is anticipated that construction of approximately 1800 ft. of ancillary road will be needed to access the two borehole sites. No drainage crossings are anticipated in the ancillary road construction. Actual road construction should be held to a minimum to minimize reclamation. The road maintenance and reclamation plans may need to be altered dependant on whether either of the boreholes will remain as groundwater monitoring sites.

The permittee has committed to maintain, construct, and reclaim all roads to a condition consistent with State Regulations R645-202-232 and R645-202-240.

Topsoil

The permittee has committed that, 'Topsoil, if any, will be separated from poorer quality soils, removed and stored until exploration activities are complete. At reclamation of the pad and road, all stored topsoil, if any, will be redistributed over areas that were disturbed.'

Diversions of Overland flows and streams

It is anticipated that no diversions will be necessary for the duration of this project. The nearest perennial stream is Boardinghouse Creek which is located approximately 2800 ft downstream. If necessary, the permittee commits to divert water in accordance with R645-301-742.300

Hydrologic Balance

The proposed exploration activities poses minimal impacts to the hydrologic balance. This application commits the permittee to maintain all sediment controls until the reclamation of the sites has been complete.

Acid- or toxic forming materials

This regulation has been addressed by the permittee committing to adhere to State Regulations R645-301-731.100 through R645-301-731.122. Any fuel spill contamination will be contained, collected, and disposed of, off property, in an approved manner (page 19).

Findings:

The permittee has addressed the minimum regulatory requirements for Operational Standards relative to R645-202-231 through R645-202-236.

RECLAMATION STANDARDS

Regulatory Reference: 30 CFR 772.13; R645-202-200.

Analysis:

Approximate original contour

Page 21 of 24 commits the applicant to returning the drill pad to the contour configuration existing prior to the exploration activity in a timely manner.

Revegetation

Page 22 of 24 commits to conform to R645-202-242. The seed mixture table is the prescribed mixture for the area as recommended by Division Biologist, Paul Baker.

Boreholes

The applicant commits to plugging **all** exploration holes with cement for their entire depth upon completion of the drilling and geologic logging activities. This will be performed by the licensed driller.

Facilities and Equipment Removal

The applicant commits to promptly removing all equipment from the drill sites once exploration and reclamation activities are completed to reduce or control the on-site and off-site impacts.

Findings:

The submittal meets the minimum regulatory requirements for Reclamation Standards relative to R645-202-241 through R645-202-244.

MINOR COAL EXPLORATION

PUBLIC AVAILABILITY OF INFORMATION

Regulatory Reference: 30 CFR 772.15;R645-203.

Analysis:

No written request has been made by the applicant to keep any portions of the submittal confidential. The entire document will be made available for public review.

Findings:

The submittal meets the minimum regulatory requirements for Public Availability of Information relative to R645-203-100 through R645-203-200.

sd

O:\007001.WO\FINAL\TATA_EX00E-2.wpd