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Questar Regulated Services Co.

Questar Gas • Questar Pipeline
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January 28, 2002

Daron R. Haddock
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

*Incoming
1/28/02*

Dear Mr. Haddock:

RE: *Lodestar Energy, Inc., Request for Blasting at White Oak Mine Complex*

On Friday, January 25th, Questar Pipeline Company received a report from its consultant, AMEC Earth & Environmental, Inc., addressing the impact upon Questar's pipeline facilities of the proposed blasting by Lodestar Energy at the Whiskey Creek Mine. Questar's facilities are located within one-half mile of the blasting site.

Although AMEC concludes that blasting limited to a scaled distance factor of 55, which restricts the largest charge weight per 8 millisecond delay to 290 pounds, should not pose a significant risk to Questar's pipelines in the area, AMEC strongly recommends that a comprehensive monitoring program be implemented during the early stages of blasting operations. Specifically, seismic monitoring of ground motions and subsidence measurement between the blast site and the pipelines are recommended. In making these recommendations, AMEC notes that the potential exists for blast-induced ground motions to induce subsidence over underground mines. Furthermore, AMEC finds that the rock strength parameters for long term pillar stability used in Lodestar's underground mining evaluation (previously submitted to the Division of Oil, Gas and Mining) are considerably higher than reported by others in the literature. If rock strengths were overestimated, the potential for mine pillar load capacities to be exceeded during blast-induced vibrations is increased since more pillars would be at or very near load capacity.

Based upon AMEC's recommendations, Questar requests that a detailed monitoring program, satisfactory to both Lodestar and Questar, be implemented during the early stages of the blasting program. Questar also requests that a meeting be held between Loadstar, the Division of Oil, Gas and Mining, and Questar to formulate and approve the monitoring program prior to issuance of any authorization for blasting by the Division.

Sincerely,

C. Kim Blair
Director, Engineering Services

cc: David Miller
Lodestar Energy, Inc.
HC 35 Box 370
Helper, UT 84526

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OIL, GAS AND MINING