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JIM MATHESON
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Congress of the United States
House of Representatives
Washington, DC 20515-4402

*2/8/02 This was copied to LPB
He is regarding*

COMMITTEES: 2/11/02
TRANSPORTATION AND
INFRASTRUCTURE -/NAN
SUBCOMMITTEES:
AVIATION
HIGHWAYS AND TRANSIT
BUDGET
SCIENCE
SUBCOMMITTEE:
ENERGY

*007/601
Incoming*

February 5, 2002

OK

Sir/Madam
Department of Natural Resources
Division of Oil, Gas and Mining
451 East 400 North
Price, UT 84501

EB - 8

Dear Sir/Madam:

A constituent, Steven K. Tanner of 2060 North, 1345 West, Helper, Utah 84526, has contacted me for assistance on a problem with which you might be able to help. Enclosed is the information we have been given on the particular case for your review.

Mr. Tanner is anxious to resolve this problem as soon as possible. Because of this, your prompt consideration would be greatly appreciated. I would appreciate your review of the situation, and a copy of your response will be sent to my constituent.

Should you have any questions, please contact Adam Romney in my district office at (801) 524-4394 or 125 South State Street, Room 2311, Salt Lake City, Utah 84138.

Thank you for your time and cooperation. I look forward to hearing from you.

Regards,



JIM MATHESON
Member of Congress

JM/ar

January 30, 2002

Congressman Jim Matheson
US House of Representatives
125 State Street
Room 2311
Salt Lake City, Utah 84138

FEB 2

Dear Congressman Matheson

Re: Utah Division of Oil, Gas and Mining Bonding Requirements

Please find enclosed one copy of the "Citizen's Complaint" I filed with DOGM, on January 28, 2002, expressing my opinion of the abovementioned reference, regarding the failure of the State of Utah to enforce the Surface Mining Act of 1977 dealing with coal mining. In accordance with Federal and State Regulations, to operate a coal mine in this State, the operator will hold an "Approved" Mining and Reclamation Plan and "Permit" issued by the State.

The State set a bond amount of 3.4 million dollars to reclaim this property, to allow a strip mine to continue operating without a bond, exhibits a total lack of responsibility or concern by the State who is fact, mandated to provide protection for environment of the State, County, and particularly the Private Landowners surround this property or that are adjacent to the permitted area.

What gives DOGM the right to risk surface land owners property, while an Operator is seeking a bond from a different surety company or bank, for what ever reason?

My personal experience with DOGM and an inadequate bond of a mining company resulted in substantial losses for both me and my associate, and this is a "No Bond" issue.

I know this is not your responsibility, Congressman, but I would appreciate your help. Thank you for your time and consideration in this matter.

Sincerely,

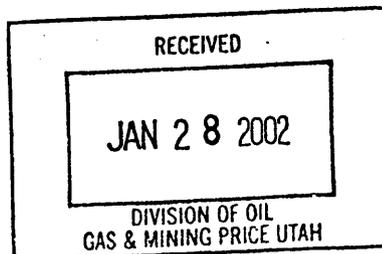


Steven K. Tanner
2060 N 1345 W
Helper, Utah 84526
(435) 637-5986

Enclosure:

January 2⁸, 2002 *SKN*

State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
451 East 400 North
Price, Utah 84501



To Whom I May Concern:

Re: Lodestar Energy Co., Inc. Permit No. C-007-001 Performance Bond, Permit and Requirements.

This is a Letter of Protest for the Willful Violation of the Act by Lodestar Energy Co., Inc. and the failure of the State of Utah to enforce said Act. The issues are as follows but not limited to; 1) the Failure of Lodestar Energy Co., Inc. to provide the State of Utah with a Performance Bond, and 2) the failure of the State of Utah to require Lodestar Energy Co., Inc. to provide adequate bond coverage be in effect at all times, and 3) failure of the State of Utah to enforce the regulations in place to "Cease All Operations" of Lodestar Energy Co., Inc. after a 90-day grace period following the incapacity of a bank or surety company for reason of bankruptcy or insolvency.

Other Issues of Concern

Has the State notified the general public that in fact Lodestar Energy Co., Inc. is operating without a bond and also has the State required Lodestar Energy Co., Inc. and its Principals to provide a Real Property Collateral Bond or an irrevocable Letter of Credit to cover the reclamation until such time as a Performance Bond is in place?

Furthermore, has the State set a schedule for permit reviews and the reevaluation and adjustment of the Bond amount?

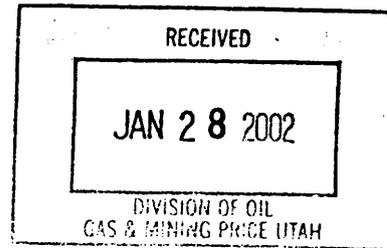
The ability to protect and maintain the quality of the water being discharged from the seeps and springs associated with both coals seams while the mining operation is being conducted prior to being discharging into Whisky Creek, is of the utmost concern, as well as the sediment pond size due to the redisturbance of the soil horizons on the upper pad and the removal of structures and surface stabilizing features for the remining being conducted at the present time.

Also there is a question of the stability of the sediment pond and the adjacent water well on the Madison property. Since both are, as the State well knows, within a fault zone, what will

the seismic effect of blasting have on these two structures?

I am of the opinion the State of Utah has failed to provide assurance that adequate protection is in place to cover the costs of reclamation of this operation. The Act is very explicit with regards to Bonding. It appears the State has chosen to set aside what is the very basis of the Act to assure reclamation is completed by the Operator and not accomplished with tax payer funds.

Signed by: 
2060 North 1345 West
Helper, Utah 84526
(435) 637-5986



cc OSM