



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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## INSPECTION REPORT

*Handwritten notes:*  
201  
12/11/01

Partial: XXX Complete:      Exploration:       
Inspection Date & Time: 01/18/2002 / 9AM-12:30 PM  
Date of Last Inspection: 12/11/2001

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): Messrs. Dave Miller and Kit Pappas, Engineering Dept.  
State Official(s): Peter Hess Federal Official(s): None  
Weather Conditions: Snowing; cold; visibility < 1 mile  
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.

	<u>EVALUATED</u>	<u>N/A</u>	<u>COMMENTS</u>	<u>NOV/ENF</u>
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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input type="checkbox"/>	<input 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 <sup>th</sup> Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

## INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/001

DATE OF INSPECTION: 01/18/2002

( COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE )

### 1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee has contracted with NorWest Mining to permit a coal fines agglomeration facility at the White Oak loadout area. According to Mr. Pappas, the agglomeration plant facility will sit south of coal transfer building designated as S-15 on map R645-301-527, White Oak Loadout Facility. The bulk storage pile will be located on the east side of S-15. Although the permittee did have several preliminary drawings, the submittal of a permit amendment remains in the future.

### 5. EXPLOSIVES

Due to a concern aired by Questar relative to the potential affect of surface blasting on coal pillars in the White Oak #1 and #2 Mines which underlie a portion of the natural gas supply line in the area (considered to be part of the pre-blast survey), the Division has not given final approval to initiate surface blasting at the Whiskey Creek surface mine. Although this stay is currently in effect, the requirement for the permittee to have the certified blaster carry their current certification or to have on file at the permit area certificates of blaster certification was discussed, (R645-301-524.120). The permittee has contracted Wolfe Management to conduct all surface blasting operations for the Whiskey Creek Mine.

Relative to the aforementioned concern by Questar, a meeting was held at the Holiday Inn in Price on January 10, 2002, in which a representative from Questar (Mr. Al Richards, Lead Engineer), Messrs. Dave Miller, P.E., and Business Manager and Mr. Rodney Hedd, Safety Supervisor for the permittee, Mr. C.W. "Mick" Bradley of Bradley Safety Consultants and this individual. The purpose of the meeting was to have Mr. Bradley attempt to resolve Questar's concern about the potential effect that surface blasting at the Whiskey Creek surface mine might have on the remaining support pillars in the #1 and #2 Mines. Mr. Bradley went into extensive detail in explaining how ammonium nitrate/fuel oil works in the borehole to generate the detonation wave, and the compression wave. It was also explained how, when the compression wave reaches air (as at the free face), the compression wave is rebounded into the rock as a tensile wave, which is what breaks the burden material. Mr. Bradley also calculated the maximum peak particle velocity generated per each eight millisecond delay utilizing a 6.75 inch borehole diameter and a maximum eighty foot depth. This was determined to be 0.3 inches per second; R645 coal rules allow a maximum peak particle velocity of 1.00 inches per second using a scaled distance factor of 55 for distances of 301 to 5,000 feet. The Questar pipeline is approximately 970 feet from pit #12, which is the closest pit to the Questar line.

## INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/001

DATE OF INSPECTION: 01/18/2002

Mr. Dave Miller was questioned by the representative from the Division of Oil, Gas and Mining about the dates when mining occurred under the Questar line. According to the mine workings maps generated by Valley Camp of Utah, mining was completed under this line twenty to thirty years ago. It was then explained to Mr. Richards that any subsidence which would have occurred did so many years ago.

Mr. Richards seemed to be satisfied with the explanations offered during the session, and indicated he would forward the information to his superiors. It was later learned, however, that Questar still has concerns about the effect that the surface blasting activities might have upon their buried transmission line.

During today's field inspection, the permittee was observed removing a rock split over the lower O' Connor coal seam with a front end loader. Mr. Miller indicated earlier that nearly all of the coal which can be recovered without the blasting process has been removed.

### 14. SUBSIDENCE CONTROL

As part of the permittee's attempt to resolve Questar's concern over the potential effects of surface blasting on the remaining underground pillars in the White Oak #1 and #2 Mines, subsidence reports were reviewed for several years. Three subsidence impacts, (25, 26, and 50) are in the vicinity of the Questar pipeline over which that Company's concerns exist. The coal under impacts 25 and 26 (which were first discovered in 1991) was mined in the top seam during the latter part of 1989, early 1990. The bottom seam (lower O'Connor) was mined just prior to 1995, which was when subsidence impact #50 was first discovered. As noted in the 2000 Annual Report, all impacts are now indicated to be cracks, which are continuing to weather and heal. When the impacts were first discovered, they were several feet wide. As these have closed in over the years, this is an indication that no further settling is occurring within the two extracted coal seams. The impacts exist in an area in which approximately 465 feet of overburden lies.

### 18. SUPPORT FACILITIES/UTILITY INSTALLATIONS

As part of the surface facilities demolition process, the permittee had removed seven electrical transformers. During today's inspection, these were observed to be stored at the base of the slope over which the permittee is end-casting burden materials from the #1 pit area. It was suggested that the permittee move the transformers to an area in which the oil filled transformers would not be subject to damage from boulders rolling down from the level of the upper O'Connor seam. Mr. Shane Hansen, pit foreman for the permittee, agreed to move the transformers.

**INSPECTION REPORT**  
(Continuation sheet)

PERMIT NUMBER: C/007/001

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**19. AVS CHECK**

To date, the permittee has not submitted an update of the legal and financial information for the revision of the Lodestar upper corporate structure. It is assumed that these upper management changes remain to be confirmed.

**21. BONDING AND INSURANCE**

The current status of the Division's mandated requirement that the permittee replace the surety, which provides reclamation bond coverage, is not known. A three week extension was given by the Federal court in Lexington, Kentucky on January 3, 2002, as a time frame in which the bond situation could hopefully be worked out.

The permittee's previous surety, Frontier Insurance Company, was declared insolvent by the Supreme Court of the State of New York on October 15, 2001.

Inspector's Signature: \_\_\_\_\_

  
Peter Hess #46

Date: January 22, 2002

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas & Mining.

cc: James Fulton, OSM  
David Miller, Lodestar  
Price Field office

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