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State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

OK

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October 4, 2002

Dave Miller, P.E., and Business Manager
Lodestar Energy, Inc. / Mountain Operations
HC 35, Box 370
Helper, Utah 84526

RE: Approval of Revision of Projected Surface Mining Plan, Plate 5-1C, Lodestar Energy, Inc., White Oak/Whiskey Creek Surface Mine, C/007/001-AM02C-1, Outgoing File

Dear Mr. Miller:

The above-referenced amendment has been reviewed and is approved effective October 4, 2002. A stamped incorporated copy is enclosed for your copy of the Mining and Reclamation Plan.

If you have any questions, please feel free to call me at (801) 538-5268 or Pete Hess at (435) 613-5622.

Sincerely,


Pamela Grubaugh-Littig
Permit Supervisor

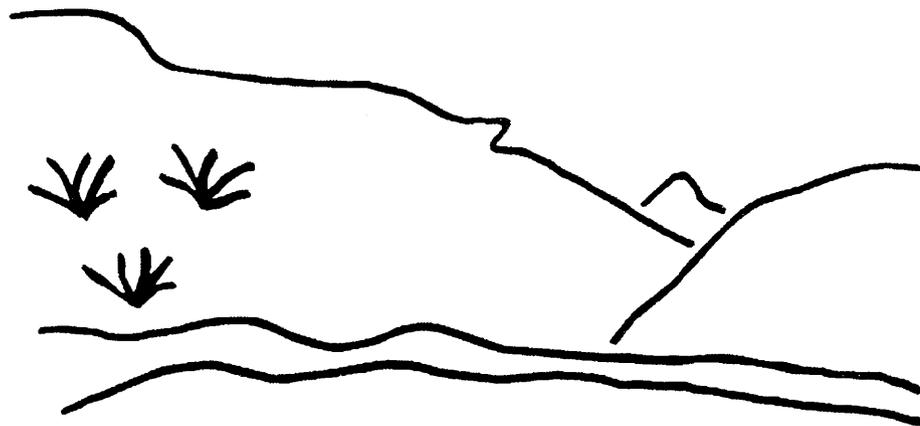
PHH/sd

Enclosure:

cc: Ranvir Singh, OSM
Pat Gubbins, BLM
Elaine Zieroth, USFS
Mark Page, Water Rights, w/o
Dave Ariotti, DEQ, w/o
Derris Jones, DWR, w/o
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

White Oak/Whiskey Creek Mine
Revision of Projected Surface Mining Plan, Plate 5-1C
C/007/001-02C-1
Technical Analysis
October 2, 2002

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The Division regulates the Surface Mining Control and Reclamation Act of 1977 (SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.



INTRODUCTION

INTRODUCTION

The Lodestar Energy, Inc. mining operation completed underground coal extraction activities in the White Oak #2 mine during the latter part of September 2001. On October 26, 2001, the Division of Oil Gas, and Mining approved a surface mining permit for Lodestar such that a contour strip mining operation could be initiated in the upper and lower O'Connor coal seams on private ground owned by the heirs of Milton Oman, Ltd. This operation would produce coal from the area formerly occupied by the surface facilities of the White Oak #1 and #2 Mines.

The surface mining plan approved by the October 26, 2001 permit approval included a map (Plate 5-1C) depicting the proposed method to be used to extract the coal from the two-seam area. The pit sequence to be used was detailed on Plate 5-1C.

The permittee decided during August 2002, that an increase in production was necessary, which mandated going to a two-shift production operation. This necessitated a revised pit extraction sequence. The permittee has submitted a revised Plate 5-1C as of September 13, 2002 to reflect the revised pit sequence.

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MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Analysis:

The revised Plate 5-1C submitted on September 13, 2002 depicts a new pit sequence that has been developed by Mr. Dave Miller, P.E., to extract the mineable coals from the two-seam operation. The Plate has been P.E. certified by Mr. Miller. The purpose of the submittal is to prevent the possibility of a compliance situation, as the currently approved Plate is not accurate relative to the pit sequence being followed in actuality. The legend included on Plate 5-1C (September 13, 2002 submittal) reports the projected mineable tons from both the upper and lower O'Connor seams, as well as the cubic yards of burden to be moved to recover the coals. The calculated stripping ratio for each pit is also shown.

The September 13, 2002 submittal depicts all pertinent property boundaries with the associated surface ownerships.

The Division is not in the business of telling a permittee how to conduct their respective coal extraction process, as the types of equipment available and that equipments capability is normally not described within a mining and reclamation plan. These factors, plus others that may not be understood by Division personnel, are critical in developing an operation that is efficient and cost productive. Hence, the Division does not critique a pit sequence as has been developed by the permittee. It is the permittee's responsibility to make the coal extraction process, which includes all backfilling and grading requirements (as reviewed and approved by the Division) cost productive. All backfilling and grading requirements that have been reviewed are adaptable to the revised coal recovery sequence; hence, another review of those requirements is not necessary. All permit conditions relative to back filling and grading remain in effect, regardless of the pit sequence being utilized.

Findings:

The revised Plate 5-1C, as submitted September 13, 2002 adequately addresses the requirements of the R645 coal rules.

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