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Denise A. Dragoo (801) 257-1998
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SALT LAKE CITY, UTAH

PHOENIX, ARIZONA

TUCSON, ARIZONA

IRVINE, CALIFORNIA

DENVER, COLORADO

LAS VEGAS, NEVADA

April 11, 2003

Via E-Mail and U.S. Mail

Pamela Grubaugh-Littig, Permit Supervisor
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

**RE: Reclamation Fund --Agreed Order to Terminate Cessation Order C-03-39-1-1 -- Lane,
Blue Ridge Services, LLC, and Partially Terminate C-03-51-1-1 -- Lodestar
Energy, Inc.**

*Incoming
e/p007/001
Copy Mary Ann,
PAM
FAX PFO*

Dear Ms. Littig:

By Agreed Order filed on March 19, 2003 with the U.S. Bankruptcy Court for Eastern Kentucky, the State of Utah, Blue Ridge Services, LLC ("Blue Ridge"), and the Frontier Insurance Company in Rehabilitation, agreed to have Blue Ridge establish a reclamation fund from a portion of the proceeds from the removal and sale of certain pit coal from the Whiskey Creek Mine and certain stockpiled coal at the Valcam loadout for the period from February 13, 2003 through June 1, 2003. See ¶ 6(b) of Agreed Order and Stipulation. Blue Ridge has now opened Zions Bank Account No. 002994648. The escrow agent for the account is John A. Madison, CPA, Riverpine Services, Inc., P.O. Box 1916, Mechanicsville, Virginia 23116. Zions Bank is forwarding Mr. Madison deposit slips and checks for the account. He will prepare a schedule of the shipments made to date and forward the full fund to the account per the Agreed Order upon receipt of these deposit slips. We propose to provide you with a monthly statement of this account as it is provided by Zions Bank to Mr. Madison.

Please give me a call if you have any questions regarding this matter.

Very truly yours,



Denise A. Dragoo

DAD:jmc:248511

cc: Steve Alder, Esq. (via e-mail)
Scott Kiscaden (via e-mail)
John Madison (via e-mail)
Mark Wayment (via e-mail)

RECEIVED

APR 14 2003

DIV. OF OIL, GAS & MINING

cc: white copy
OSM - Jim Full
5/15/03
EASTERN DISTRICT OF KENTUCKY
FILED OK

MAR 19 2003

**UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF KENTUCKY
(LEXINGTON DIVISION)**

AT LEXINGTON
JERRY D. TRUITT, CLERK
U.S. BANKRUPTCY COURT

IN RE

**LODESTAR ENERGY, INC.
LODESTAR HOLDINGS, INC.
INDUSTRIAL FUELS MINERALS CO.**

DEBTORS.

CHAPTER 11 PROCEEDING

**CASE NO. 01-50969
CASE NO. 01-50972
CASE NO. 03-70015**

(Jointly Administered)

Judge Joseph M. Scott, Jr.

**AGREED ORDER APPROVING STIPULATION TO TERMINATE CESSATION
ORDER ISSUED BY THE STATE OF UTAH AGAINST BLUE RIDGE SERVICES, LLC
AND STIPULATION TO PARTIALLY TERMINATE CESSATION ORDER ISSUED BY
THE STATE OF UTAH AGAINST THE DEBTOR/LODESTAR ENERGY, INC.
(BLUE RIDGE SERVICES, LLC)**

This matter came before the Court on March 13, 2002, upon the MOTION PURSUANT TO 105(A), 363, 365, 503 AND 507 OF THE BANKRUPTCY CODE FOR ORDER APPROVING STIPULATION AND AUTHORIZING SALE TO BLUE RIDGE SERVICES, LLC OF CERTAIN OF DEBTORS' UTAH PROPERTIES, FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES, WITH ALL VALID LIENS, CLAIMS AND ENCUMBRANCES TO ATTACH TO THE PROCEEDS OF SALE, dated February 24, 2003 (the "Motion"). One of the issues that needed to be addressed in connection with consideration of the Motion, was certain cessation orders issued by the State of Utah against the Debtors and Blue Ridge Services, LLC ("Blue Ridge"). To address these issues, at the hearing an agreement in principle was made upon the record, with the understanding that the affected parties would prepare a written stipulation memorializing their agreement and submit the same to the Court for review and approval.

Accordingly, the parties subsequently prepared and filed that certain STIPULATION TO TERMINATE CESSATION ORDER ISSUED BY THE STATE OF UTAH AGAINST BLUE

RIDGE SERVICES, LLC AND STIPULATION TO PARTIALLY TERMINATE CESSATION ORDER ISSUED BY THE STATE OF UTAH AGAINST THE DEBTOR/LODESTAR ENERGY, INC., dated March 18, 2003 (the "Division Stipulation"). The Court having reviewed the Division Stipulation, good cause appearing for the approval of the same, and being advised, hereby

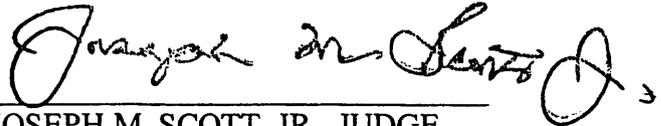
FINDS, CONCLUDES AND ORDERS¹ that:

1. The Court has subject matter jurisdiction to enter this Order and venue is proper in this Court.
2. Notice of the hearing on the Motion, and of the opportunity to consider the Division Stipulation, was adequate and proper in all regards under the circumstances.
3. The Division Stipulation represents a fair and reasonable compromise of disputed issues, satisfies the requirements of Rule 9019, F.R.B.P., and is in the best interests of the Debtors, their creditors and their estates.
4. The Division Stipulation is APPROVED IN ALL RESPECTS.
5. Any objections to the Motion filed or expressed by the parties to the Division Stipulation are WITHDRAWN.
6. The Reclamation Fund, as defined in the Division Stipulation, shall not be considered to be an asset of the Debtors or their respective estates, and shall be distributed either to the Division or to Blue Ridge in accordance with the terms of the Division Stipulation.
7. The parties shall be, and hereby are, authorized and directed, forthwith, to implement the Division Stipulation in accordance with its terms, and to negotiate, prepare,

¹ Any terms used in this Order that are not defined in this Order shall have the same meanings as such terms are used or defined in the Division Stipulation.

execute and deliver any and all other and further documents and instruments as may be reasonable or necessary in connection therewith, without further order of this Court.

Entered: _____ MAR 19 2003



HON. JOSEPH M. SCOTT, JR., JUDGE
UNITED STATES BANKRUPTCY COURT

TENDERED BY:

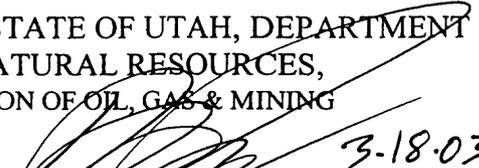
L. Edwin Paulson, Esq.,
209 East High Street
Lexington, Kentucky 40507
Telephone: 859-253-3333
Facsimile: 859-254-9925

COUNSEL FOR BLUE RIDGE SERVICES, LLC

Pursuant to Local Rule 9022-1(c), L. Edwin Paulson shall cause a copy of this Order to be served on each of the parties designated to receive this Order pursuant to Local Rule 9022-1(a) and shall file with the court a certificate of service of the Order upon such parties within (10) days hereof.

THE STATE OF UTAH, DEPARTMENT
OF NATURAL RESOURCES,
DIVISION OF OIL, GAS & MINING

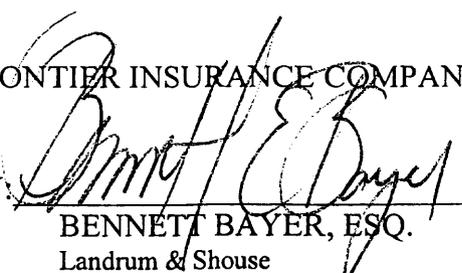
BLUE RIDGE SERVICES, LLC

BY:  3-18-03 BY:

MATTHEW B. BUNCH, ESQ.
Bunch & Brock, Attorneys
P. O. Box 2086
Lexington, KY 40588
(859) 254-5522


DENISE A. DRAGOO, ESQ.
DAVID E. LETA, ESQ.
L. EDWIN PAULSON, ESQ., Atty.
209 East High Street
Lexington, KY 40507
(859) 253-3333

FRONTIER INSURANCE COMPANY IN REHABILITATION

BY: 

BENNETT BAYER, ESQ.
Landrum & Shouse
106 West Vine Street, Suite 800
Lexington, KY 40507
(859) 255-2424

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF KENTUCKY
(LEXINGTON DIVISION)

In re: : Chapter 11 Proceeding
: :
LODESTAR ENERGY INC., : Case No. 01-50969
LODESTAR HOLDINGS, INC., : Case No. 01-50972
INDUSTRIAL FUELS MINERALS, CO. : Case No. 03-70015

Debtors. : (Jointly Administered)

**STIPULATION TO TERMINATE CESSATION ORDER ISSUED BY THE STATE OF
UTAH AGAINST BLUE RIDGE SERVICES, LLC**

AND

**STIPULATION TO PARTIALLY TERMINATE CESSATION ORDER ISSUED BY THE
STATE OF UTAH AGAINST THE DEBTOR/LODESTAR ENERGY, INC.**

EASTERN DISTRICT OF KENTUCKY

FILED

AT _____ O'CLOCK & _____ MIN _____ M

MAR 19 2009

AT LEXINGTON

U.S. BANKRUPTCY COURT

By agreement of the parties hereto, the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining (“**Division**”), Blue Ridge Services, LLC (“**Blue Ridge**”) and Frontier Insurance Company in Rehabilitation (“**Frontier**”) as set forth below, by and through their respective Counsel, hereby stipulate and agree to the following so that certain cessation orders issued by the Division may be terminated and/or partially terminated, *i.e.*, modified or altered, so that Blue Ridge may act as a contractor for the Debtor at Whiskey Creek Mine in Carbon County, Utah, under the Debtor’s Permit No. C/007/001, for the limited purpose of removing; hauling and transporting coal from the stockpile and pit area therein onto trains and/or trucks, as the case may be, and for Blue Ridge to establish a reclamation fund (defined below) therefore (this entire document being described as the “**Division Stipulation**”), as follows:

BACKGROUND

1. On February 13, 2003, the Court-Appointed Trustee, being Bill Bishop, and Blue Ridge entered into a STIPULATION AND AGREEMENT FOR SALE OF CERTAIN OF DEBTORS’ UTAH PROPERTY FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES TO BLUE RIDGE SERVICES, LLC (the “**Trustee Stipulation**”).

2. On February 24, 2003, Blue Ridge filed a MOTION PURSUANT TO §§ 105A, 363, 365, 503 AND 507 OF THE BANKRUPTCY CODE FOR ORDER APPROVING STIPULATION AND AUTHORIZING SALE TO BLUE RIDGE SERVICES, LLC, OF CERTAIN OF DEBTORS’ UTAH PROPERTIES FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES WITH ALL VALID LIENS, CLAIMS AND ENCUMBRANCES TO ATTACH TO THE PROCEEDS OF THE SALE. A hearing before the Court on this Motion has been set for 9:00 a.m. on Thursday, March 13, 2003. The Division Stipulation shall be specifically contingent upon the

entry of an order approving the Trustee Stipulation; however, the Division Stipulation shall be effective upon March 18, 2003.

3. Pursuant to the terms of the Trustee Stipulation, the Trustee granted Blue Ridge the authority to perform several functions, including, but not limited to: access to Debtor's Whiskey Creek Mine; the right to operate and use certain equipment; and the authority to load, haul, remove and receive all of the sale proceeds from stockpiled and pit coal as necessary to fulfill Debtor's obligations under a Purchase Order with Mt. Poso Cogeneration Co. dated September 20, 2002 ("**Purchase Order**"). Blue Ridge agreed to operate as a contractor under Debtor's coal mine permit for the Whiskey Creek Mine, Permit No. C/007/001, in the Trustee Stipulation's paragraphs 8 and 12.

4. On March 11, 2003, the Division issued Cessation Order No. C-03-39-1-1 ("**Blue Ridge CO**") to Blue Ridge for conducting surface coal mining and reclamation operations without a permit from the Division at the Whiskey Creek Mine. To abate the Blue Ridge CO, Blue Ridge is required to cease extracting coal from the earth (pit) and transporting it from the pit area and to obtain a permit or to obtain a designation as an operator under Debtor's existing permit. A copy of the Blue Ridge CO attached hereto as Exhibit 1.

5. On March 12, 2003, the Division issued Cessation Order No. C-03-51-1-1 to Debtor ("**Debtor CO**"), regarding underground operations at the White Oak Mine and surface operations at the Whiskey Creek Mine, both of which operations are governed by Permit No. C/007/001. To abate the Debtor CO, the Debtor is required to cease coal extraction and transporting coal within or from

the White Oak/Whiskey Creek mine site and immediately post an adequate bond or to complete reclamation in accordance with the approved mining and reclamation plan. A copy of the Debtor CO is attached hereto as Exhibit 2.

AGREED TERMS OF THE DIVISION STIPULATION

6. At the request of Blue Ridge to load, haul and transport the above-described coal, the Division has agreed to terminate the Blue Ridge CO and to partially terminate, *i.e.*, modify or alter, the Debtor CO, in exchange for Blue Ridge establishing a Fund, as follows:

(a) The Division Stipulation shall be specifically contingent upon the entry of an order approving the Trustee Stipulation; however, the Division Stipulation shall be effective upon March 18, 2003. Blue Ridge's authority to operate as the Debtor's contractor under Permit No. C/007/001 shall terminate on June 1, 2003. After June 1, 2003, Blue Ridge shall not have authorization under Permit No. C/007/001 to load, haul or transport any coal as described above, except as expressly authorized in writing by the Division, which authorization may be withheld at its sole discretion.

(b) Blue Ridge shall establish an interest-bearing escrow account ("**Account**") at Zions Bank (the "**Bank**") within the State of Utah and shall immediately provide the Division with the Account number, which the Division hereby is granted irrevocable access only to monitor all deposits to the Account and may use this document as Blue Ridge's authorization to gain such access to the Account. Blue Ridge shall deposit funds to the Account at the rate of \$3.00 per ton for all coal removed from the pit by Blue Ridge at the Whiskey Creek Mine or removed from the inventory stockpile at the ValCam Loadout facility (aka Loadstar loadout facility) by Blue Ridge from February 13, 2003, through June 1, 2003. Blue Ridge shall, in lieu of the \$3.00 per ton as mentioned above, deposit funds to the Account at the rate of \$1.00 per ton of coal relating only to the

approximately 13,500 tons of coal that have been represented by Blue Ridge as having been “moved aside” from the load out facility due to inadequate BTU quality, including other similar poor quality coal demonstrated by Blue Ridge to the Division to be of similar poor quality. (All funds with any accrued interest that have been deposited into the Account shall be referred to as the “**Reclamation Fund**”). Blue Ridge shall not be authorized to withdraw any funds from said Account without the express written consent of the Division, and a written restriction of same shall be delivered to the Bank. Blue Ridge shall deposit all such funds as described in this paragraph into said Account within five (5) business days after any such coal is loaded onto the above-described trains or trucks. All deposits as described herein shall not be deemed to be any cash payments to the Division until such funds are actually delivered to the Division in accordance with paragraph no. 6(f) below.

(c) During the term of this Division Stipulation, Blue Ridge agrees to follow the terms and conditions of the mining and reclamation permit for the Whiskey Creek Mine, Permit No. C/007/001, with respect to Blue Ridge’s operations. Blue Ridge shall specifically satisfy all regulations governing blasting, drainage control, dust control, cleaning and re-grading of the pit area in accordance with the terms of Permit No. C/007/001. Blue Ridge’s obligations herein shall not include backfilling or elimination of existing high walls. Blue Ridge shall not disturb any other undisturbed areas not specifically described in this Division Stipulation. ✓

(d) Blue Ridge agrees to survey the pit coal and provide the Division with a certified map of Blue Ridge’s activity as of March 18, 2003 and upon completion of activities, which shall be no later than June 1, 2003.

(e) Said Reclamation Fund with accrued interest shall then and only then be payable to Blue Ridge upon the satisfaction of the following: (i) a written agreement between Frontier or any other party who agrees to complete reclamation and who is qualified to perform such reclamation under all administrative provisions, statutes and regulations of the State of Utah and the Division, regarding the Whiskey Creek Mine; or (ii) replacement of the reclamation bond for Permit No. C/007/001 by a successor operator, which is acceptable to the Division, under all administrative provisions, statutes and regulations of the State of Utah and the Division.

(f) The Reclamation Fund with accrued interest shall be payable to the Division if either of the events set forth at paragraph 6(e) above do not occur within two (2) years from the date of this Agreement. Upon the expiration of the two (2) year period and thirty (30) days prior notice thereafter to Blue Ridge, the Division shall be authorized to deliver a copy of this Division Stipulation to the Bank, together with an affidavit of a Division representative substantiating the fact that neither of the events described in paragraph no. 6(e) above have occurred, and, upon receipt of the same, the Bank shall be authorized to deliver the Reclamation Fund, with all accrued interest thereon, to the Division without any liability to any party hereto, unless, prior to the expiration of the thirty (30) day period, a Court of competent jurisdiction has entered an order preventing such delivery.

(g) The Division shall immediately terminate the Blue Ridge CO upon the date signed below and shall modify the Debtor CO to remove and exclude Blue Ridge's surface activities at the Whiskey Creek Mine so as to permit Blue Ridge to perform under the Trustee Stipulation and this Division Stipulation. The Debtor CO shall remain in full force and effect except as specifically set forth herein.

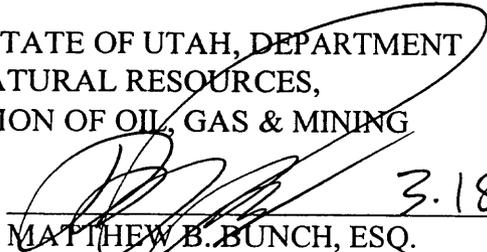
(h) Frontier agrees that the terms and conditions of this Division Stipulation shall not affect, change or be deemed to be in violation of any term or condition set forth in Frontier's reclamation bonds regarding the Debtor's mining operations in the State of Utah. Blue Ridge agrees to indemnify and hold Frontier harmless from any loss it may suffer as a result of the activities by Blue Ridge.

SO STIPULATED AND AGREED TO on this 18th day of March, 2003.

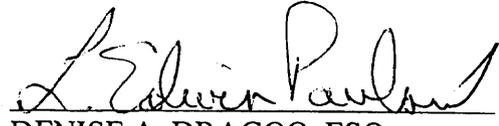
THE STATE OF UTAH, DEPARTMENT
OF NATURAL RESOURCES,
DIVISION OF OIL, GAS & MINING

BLUE RIDGE SERVICES, LLC

BY:

 3.18.03
MATTHEW B. BUNCH, ESQ.
Bunch & Brock, Attorneys
271 West Short Street
805 Security Trust Building
P. O. Box 2086
Lexington, KY 40588-2086
Telephone: (859) 254-5522
Email: Matt@BunchLaw.com

BY:


DENISE A. DRAGOO, ESQ.
DAVID E. LETA, ESQ.
Snell & Wilmer, LLP, Attorneys
Salt Lake City, Utah and
L. EDWIN PAULSON, ESQ., Atty.
209 East High Street
Lexington, Kentucky 40507
(859) 253-3333
Email: paulsonjrlaw@aol.com

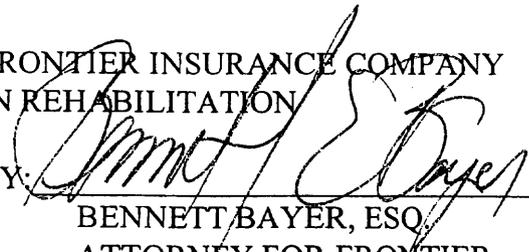
AUTHORIZED AGENT FOR DIVISION

AUTHORIZED AGENT FOR
BLUE RIDGE SERVICES

FRONTIER INSURANCE COMPANY
IN REHABILITATION

FRONTIER INSURANCE COMPANY
IN REHABILITATION

BY:


BENNETT BAYER, ESQ.
ATTORNEY FOR FRONTIER
Landrum & Shouse
106 West Vine Street
Suite 800
Lexington, Kentucky 40507
(859) 255-2424
Email: bbayer@landrumshouse.com

BY:

ITS: _____

AUTHORIZED AGENT FOR FRONTIER
INSURANCE COMPANY IN
REHABILITATION

Email: Matt@BunchLaw.com

(859) 253-3333

Email: paulsonjrlaw@aol.com

AUTHORIZED AGENT FOR DIVISION

AUTHORIZED AGENT FOR
BLUE RIDGE SERVICES

FRONTIER INSURANCE COMPANY
IN REHABILITATION

FRONTIER INSURANCE COMPANY
IN REHABILITATION

BY: _____

BY: 

BENNETT BAYER, ESQ.
ATTORNEY FOR FRONTIER
Landrum & Shouse
106 West Vine Street
Suite 800
Lexington, Kentucky 40507
(859) 255-2424
Email: bbayer@landrumshouse.com

ITS: ADMINISTRATOR

AUTHORIZED AGENT FOR FRONTIER
INSURANCE COMPANY IN
REHABILITATION

EXHIBIT 1



3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

Page 1 of 2

NO. C 03-39-1-1

cessation order

To the following Permittee or Operator:

Name Blue Ridge Services, LLC, Scott Kiscaden, Donald Kiscaden ^{Todd Kiscaden}

Mine Whiskey Creek Mine Surface Underground Other

County Carbon State Utah Telephone _____

Mailing Address P.O. Box 1916 Mechanicsville, Va 23116

State Permit No. C/007/001 (Lodestar Energy Inc. Permit)

Ownership Category State Federal Fee Mixed

Date of inspection March 10, 2003, 19__

Time of inspection 10:30 a.m. p.m. to 1:30 a.m. p.m.

Operator Name (other than Permittee) _____

Mailing Address _____

Under authority of the Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated, 1963, the undersigned authorized representative of the Division of Oil, Gas & Mining has conducted an inspection of above mine on above date and has found that a Cessation Order must be issued with respect to each of the conditions, practices or violations listed in the attachment(s). This order constitutes a separate Cessation Order for each condition, practice or violation listed.

In accordance with Section 40-10-22, Utah Code Annotated, you are ordered to cease immediately the operations described in the attachment(s) and to perform the affirmative obligations described in the attachment(s) within the designated time for abatement. Reclamation operations not directly the subject of this order shall continue while this order is in effect. You are responsible for doing all work in a safe and workmanlike manner.

The undersigned representative finds that this order does does not require cessation of mining expressly or in practical effect. For this purpose, "mining" means extracting coal from the earth or a waste pile, and transporting it within or from the mine site.

This order shall remain in effect until it expires as provided on reverse side of this form, or is modified, terminated or vacated by written notice of an authorized representative of the Division of Oil, Gas & Mining.

Date of service/ mailing March 11, 2003

Time of service/ mailing 1:22 PM a.m. p.m.

Donald Todd Kiscaden
Permittee/Operator/representative

OWNER
Title

[Signature]
Signature

Stephen J Demczak
Division of Oil, Gas & Mining representative

Reclamation Specialist
Title

[Signature]
Signature

39
Identification Number

SEE REVERSE SIDE

WHITE-DOG M YELLOW-GSM PINK-PERMITTEE/OPERATOR GOLDENROD-NOV FILE



CESSATION ORDER NO. C 03-39-1-1

Violation No. 1 of 1

Nature of condition, practice or violation

Conducting coal mining and reclamation operations without a permit from the Division.

Provisions of act, regulations or permit violated

UCA 40-10-9

RCYS-300-112-400

RCYS-301-100

Check appropriate box

- Condition, practice or violation is creating an imminent danger to health or safety of the public.
- Permittee/Operator is/has been conducting mining activities without a permit.
- Condition, practice or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air or water resources.
- Permittee or Operator has failed to abate Violation(s) No. _____ included in Notice of Violation No. N _____ within time for abatement originally fixed or subsequently extended.

Operation(s) to be ceased immediately

Extracting coal from the earth (pit) and transporting it from the pit area.

Affirmative obligation(s) and abatement time (if applicable)

Obtain a permit to conduct coal mining and reclamation operations, or obtain designation as low operator under existing permit.

WHITE-DOG M YELLOW-OSM PINK-PERMITTEE/OPERATOR GOLDENROD-NOV FILE

EXHIBIT 2

MAR-12-2003 WED 02:00 PM OIL, GAS & MINING

FAX NO. 801 359 3940

P. 02



STATE OF UTAH
NATURAL RESOURCES
Division of Oil, Gas & Mining

3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

Page 1 of 2

NO. CD3-51-1-1

cessation order

To the following Permittee or Operator:

Name Lodestar Energy, Inc.

Mine White Oak / Whisky Creek Surface Underground Other

County Carbon State Utah Telephone (435) 448-9420

Mailing Address HC 35 Box 370, Helper, Utah 84526

State Permit No. C/007/001

Ownership Category State Federal Fee Mixed

Date of inspection _____ 19____

Time of inspection _____ a.m. p.m. to _____ a.m. p.m.

Operator Name (other than Permittee) _____

Mailing Address _____

Under authority of the Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., *Utah Code Annotated*, 1953, the undersigned authorized representative of the Division of Oil, Gas & Mining has conducted an inspection of above mine on above date and has found that a Cessation Order must be issued with respect to each of the conditions, practices or violations listed in the attachment(s). This order constitutes a separate Cessation Order for each condition, practice or violation listed.

In accordance with Section 40-10-22, *Utah Code Annotated*, you are ordered to cease immediately the operations described in the attachment(s) and to perform the affirmative obligations described in the attachment(s) within the designated time for abatement. Reclamation operations not directly the subject of this order shall continue while this order is in effect. You are responsible for doing all work in a safe and workmanlike manner.

The undersigned representative finds that this order does does not require cessation of mining expressly or in practical effect. For this purpose, "mining" means extracting coal from the earth or a waste pile, and transporting it within or from the mine site.

This order shall remain in effect until it expires as provided on reverse side of this form, or is modified, terminated or vacated by written notice of an authorized representative of the Division of Oil, Gas & Mining.

Date of service/ mailing March 12, 2003 Time of service/ mailing _____ a.m. p.m.

Mark Wayment
Permittee/Operator representative

Title

Mailed
Signature

Mary Ann Wright
Division of Oil, Gas & Mining representative

Associate Director of Mining
Title

Mary Ann Wright
Signature

#51
Identification Number

SEE REVERSE SIDE

WHITE-DOG M YELLOW-OPERATOR PINK-OGM GOLDENROD-NOV FILE

CC: Bill Bishop, Lodestar Trustee
DOGWC0-1

an equal opportunity employer

Rev. 5/92



CESSATION ORDER NO. C03-51-1-1

Violation No. 1 of 1

Nature of condition, practice or violation

Conducting coal mining and reclamation operations without an adequate bond.

Provisions of act, regulations or permit violated

U.C.A. 40-10-15
R 645-301-840.520

Check appropriate box

- Condition, practice or violation is creating an imminent danger to health or safety of the public.
- Permittee/Operator is/has been conducting mining activities without a permit.
- Condition, practice or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air or water resources.
- Permittee or Operator has failed to abate Violation(s) No. _____ Included In Notice of Violation No. N. _____ within time for abatement originally fixed or subsequently extended.

Operation(s) to be ceased immediately

Cease coal extraction and transporting coal within or from the White Oak/Whisky Creek mine site

Affirmative obligation(s) and abatement time (if applicable)

Immediately post adequate bond
or
complete reclamation according to the approved mining and reclamation plan

WHITE-DOG M YELLOW-OSM PINK-PERMITTEE/OPERATOR GOLDENROD-NOV FILE

MAR-12-2003 WED 02:00 PM OIL, GAS & MINING

FAX NO. 801 359 3940

P. 03

IMPORTANT — READ CAREFULLY**1. PENALTIES.**

a. **Proposed assessment.** The Board of Oil, Gas & Mining assesses fines based upon a proposed assessment recommended by an assessment officer. You may submit written information pertaining to violation(s) covered by this order within 15 days of the date this notice or order is served on you or your agent. Information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. A representative of the Division of Oil, Gas & Mining will serve the proposed assessment on you or your agent within 30 days of issuance of notice or order.

b. **Assessment.** The penalty will be finalized unless you or your agent file a written request within 15 days of receipt of proposed assessment for an informal hearing before the assessment officer.

For each violation included in this notice, a penalty of up to \$5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violations within the time set for abatement or for meeting any interim step, you will be assessed a minimum penalty of \$750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring you to cease surface coal mining operations or the portion of the operations relevant to the violation.

requires cessation of mining. Please review this finding and inform the authorized representative if you disagree with it. (See Utah Admin. R. 645-400-350 et seq.)

If this notice requires cessation of mining, it will expire within 30 days from date you are notified unless an informal public hearing is held or waived, or the condition, practice or violation is abated within the 30-day period. You will be notified of date, time and location of hearing.

3. FORMAL REVIEW AND TEMPORARY RELIEF.

You may apply for review of this notice or assessment before the Board of Oil, Gas & Mining by submitting an application for hearing within 30 days of receipt of notice or assessment by you or your agent. Apply to:

Secretary
Board of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

If applying for a formal board hearing, you may submit with your petition for review a request for temporary relief from this notice. Procedures for obtaining a formal board hearing are contained in the board's Rules of Practice and Procedure and in Utah Admin. R. 645-401-800 et seq.

4. EFFECT ON PERMIT.

The permit may be suspended or revoked if it is determined that a pattern of violations of the act