

HINDRANCE TO ENFORCEMENT VIOLATIONS
INSPECTOR STATEMENT

Company/Mine Lodestar Energy, Inc. / Mountain Operations NOVICO # N03-46-1-1
Permit # C/007/001 Violation # 1 of 1

A. HINDRANCE TO ENFORCEMENT (Answer for hindrance violations only such as violations concerning record keeping, monitoring, plans and certification).

Describe how violation of this regulation actually OR potentially (check one) hindered enforcement by DOGM and/or the public and explain the circumstances.

The permit stipulation was determined on Oct. 26, 2001, relative to a need for the permittee to correct issues in the surface lease agreement, the an issue with an ancillary road to the USFS boundary, and the reclamation of the Belina haul road.

B. DEGREE OF FAULT (Check the statements which apply to the violation and discuss).

() Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: NA

() Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care, explain.

Explanation: NA

() If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: NA

Was the operator in violation of any conditions or stipulations of the approved MRP? Yes.

Explanation: The permittee had from 10/26/2001 until 12/31/2002 to address the issues relative to Permit Condition # 6. The bankruptcy situation has ~~not~~ brought attorney's from both sides into the situation delaying any action for resolving the situation.

() Has DOGM or OSM cited a same or similar violation of this regulation in the past? If so, give the dates and the type of enforcement action taken.

Explanation: NA

C. GOOD FAITH

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give dates) and describe the measures the operator took to comply as rapidly as possible. Upon receiving the violation, Mr. Miller took the situation in hand by contacting the permittee's attorney as well as the attorney representing Milton Oman, LTD. Mr. Miller intends to submit the necessary information without/or with

~~2. Explain whether or not the operator had the necessary resources onsite to achieve compliance.~~

landowner input depending on the timing of that response. The heirs of Milton Oman, LTD. have drug out any type of response to the permittee's numerous attempts to

3. Was the submission of plans prior to physical activity required by this NOV? Yes X No If Yes, explain.

comply.

Peter Hess
Authorized Representative

Peter Hess
Signature

1/13/2003.
Date