

INSPECTION REPORT

Partial XXX Complete Exploration
 Inspection Date: 07/03/2003 Time: 2:00pm-4:30pm
 Date of Last Inspection: 06/11/2003

Mine Name: White Oak Complex/Whiskey Creek 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
 Company Official(s): None
 State Official(s): Stephen J. Demczak, Karl Housekeeper Federal Official(s): None
 Weather Conditions: Sunny, 80's
 Type of Mining Activity: Underground Surface XXX Prep Plant Other
 Existing Acreage: Permitted 3906 Disturbed 151.1 Regraded Seeded
 Status: Active

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. 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.
 - b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/001

DATE OF INSPECTION: 07/03/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee has one amendment to submit to the Division. This is LF02D (Legal and Financial). Since Lodestar is in bankruptcy, the information, the permittee said, is changing all the time which makes it difficult to address. This will most likely not be addressed by Lodestar.

The following are violations and are in the June 11, and July 3, 2003 inspections. The Division has issued several Cessation Orders to Lodestar pertaining to public safety.

- a) The topsoil pile next to the sediment pond at the Whiskey Creek mine is to be protected by silt fences. Several sections of the silt fence have fallen down and will not contain the topsoil. A section of the topsoil is not protected at all and the material could go down the road.
- b) The main concrete diversion leading to the mine site has rocks and sediment within the diversion. This could cause water to flow on to the primary road.
- c) The permittee did not conduct the first quarter 2003 inspection for the sediment ponds.
- d) Sediment has overtopped the silt fence next to Eccles Creek. Some of the sediment has gone into Eccles Creek.
- e) The permittee did not take water monitoring for the first quarter of 2003.
- f) The permittee did not take water monitoring for the second quarter of 2003.
- g) The permittee did not conduct the second quarter 2003 inspection for the sediment ponds.
- h) The permittee discontinued effluent monitoring for second quarter.

4A. HYDROLOGIC BALANCE: DIVERSIONS

The diversions at the coal loadout were functioning and no environmental harm has occurred.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The coal loadout sediment ponds were not discharging during the inspection. No hazardous conditions were noticed.

4D. HYDROLOGIC BALANCE: WATER MONITORING

It appears to me that Lodestar has discontinued water monitoring.

INSPECTION REPORT
(Continuation Sheet)

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4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

It appears to me that Lodestar has discontinued water monitoring.

8. NONCOAL WASTE

The coal loadout was nearly clear of non-coal waste material.

15. CESSATION OF OPERATIONS

The gates are locked-up with DOGM locks.

Inspector's Signature: _____ Date: July 7, 2003
Stephen J. Demczak #39

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
Bill Bishop, Lodestar Trustee
Price Field office
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