

INSPECTION REPORT

Partial Complete XXX Exploration
 Inspection Date: 08/04/2003/ Time: 12:00p.m.-4:00p.m.
 Date of Last Inspection: 07/03/2003

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: Bill Bishop, Lodestar Trustee, 2525 Harrodsburg, Suite 235, Lexington, KY 40504
 Company Official(s): None
 State Official(s): Stephen J. Demczak 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" 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 type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. COAL MINE WASTE/REFUSE PILES/IMPOUNDMENTS	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/001

DATE OF INSPECTION: 08/04/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

Lodestar converted to Chapter 7 bankruptcy on July 15, 2003. At the present time, there is no resident agent in the state of Utah. No paper work could be reviewed during the inspection. There are five outstanding cessation orders.

This is a list of work needing to be performed or was not done by Lodestar Energy Inc.

- 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) Sediment has overtopped the silt fence next to Eccles Creek. Some of the sediment has gone into Eccles Creek.
- d) The permittee has not entered water-monitoring data into the EDS since the second quarter of 2003.
- e) The permittee most likely discontinued conducting sediment pond inspection since the first quarter 2003. This information cannot be verified since there is no permittee representative available.
- f) The permittee discontinued effluent monitoring since the second quarter of 2003.

3. TOPSOIL

The substitute topsoil pile at the railroad loadout was covered with coal and non-coal waste material. This occurred when seven Union Pacific coal cars derailed next to the pile. The Division is in the process of contacting the Union Pacific to clean up the coal and non-coal waste material and possibly requesting some type of payment for damages.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The railroad loadout sediment ponds were not discharging during the inspection. It is doubtful that these ponds will discharge this year. The ponds are nearly dry or contain a small amount of water.

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4D. HYDROLOGIC BALANCE: WATER MONITORING

No information has been made available for review by the permittee.

8. NONCOAL WASTE

The substitute topsoil pile is covered with coal, steel, railroad tracks, and other related materials from railroad cars or train tracks.

Inspector's Signature: _____ Date: August 6, 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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