

INSPECTION REPORT

Partial XXX Complete Exploration
 Inspection Date: 09/02/2003 Time: 10:00am-3:00pm
 Date of Last Inspection: 08/04/2003

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, 70'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 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 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 type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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: 09/02/2003

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

Lodestar Energy, Inc. filed 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.

This is a list of work needing to be performed since Lodestar Energy, Inc left the mine site.

- 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.

The Division is currently locked out of the loadout facilities. It appears that the landowner has put his own lock on the gate. Division management has been notified about this situation.

3. TOPSOIL

The topsoil pile at the railroad loadout is still covered with coal and gravel. This was caused by a rail car derailment. The Railroad has stated that it will be cleaned up. At the present time, the Railroad and the Division are locked out of the loadout.

4A. HYDROLOGIC BALANCE: DIVERSIONS

Several storms occurred during August at White Oak. The diversions in several areas need maintenance but functioned during the storm events.

INSPECTION REPORT
(Continuation Sheet)

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4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

No hazardous conditions were noticed during the inspection.

8. NONCOAL WASTE

There is a small amount of non-coal waste at the mine site. Trash and oil cans are near the truck loadout building.

15. CESSATION OF OPERATIONS

The mine is shut down. Mining ceased on September 27, 2002.

Inspector's Signature: _____ Date: September 5, 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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