

October 30, 2003

Bill Bishop, Lodestar Trustee
Lodestar Energy, Inc.
2525 Harrodsburg Road, Suite 235
Lexington, Kentucky 40504

Re: Assessments of Civil Penalties, White Oak Mine, Lodestar Energy, Inc., C/007/0001,
Outgoing File

Dear Mr. Bishop:

This letter is to confirm the amount of civil penalties accrued for the White Oak Mine which include four Failure to Abate Cessation Orders:

C03-50-2-1 (initial violation issued for violating the permit by going beyond the allowable spoil limit).

C03-42-2-1 (imminent harm CO issued for hazardous conditions to the health and safety of the public by permittee's failure to construct permanent seals of three underground openings).

C03-42-2-2 (imminent harm CO issued for hazardous conditions to the health and safety of the public by permittee's failure to eliminate highwalls).

C03-42-2-3 (imminent harm CO issued for hazardous conditions to the health and safety of the public at the White Oak loadout).

The penalty for failure to abate cessation orders is \$750 per day. All four failure to abate cessation orders capped at the 30-day maximum penalty period. The penalty at a rate of \$750 per day x 30 = \$22,500. The four FTA/CO's equal: 4 x \$22,500 = \$90,000.

Additional civil penalties still outstanding are:

N03-46-1-1,	\$ 160.00
N03-46-3-1,	200.00
N03-50-1-1,	720.00
C03-42-1-1,	3,560.00
C03-42-1-2,	3,160.00
C03-42-1-3,	3,560.00
C03-51-1-1,	<u>1,800.00</u>
	\$13,160.00

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The total amount currently due is $\$90,000 + \$13,160 = \$103,160$, due immediately. If you have any questions, please call me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

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cc: Price Field Office
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