

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

CERTIFIED MAIL  
7099 3400 0016 8895 5798

STATE OF UTAH  
NOTICE OF POTENTIAL LIABILITY FOR AN INDIVIDUAL CIVIL PENALTY  
ASSESSMENT UNDER THE UTAH COAL MINING AND RECLAMATION  
ACT (UTAH CODE §§40-10 ET SEQ.(2003))

Name of Corporate Official:	Title of Corporate Official:
John A. Binko	Vice President, The Renco Group, Inc.
Name of Corporate Permittee:	Permit Number:
Lodestar Energy, Inc.	C/007/0001

The Utah Division of Oil, Gas, and Mining (UDOGM), pursuant to Utah Code §40-10-20 (2003) and Rules at §§R645-402, Utah Administrative Code (2003) may assess an Individual Civil Penalty against a director, officer, or agent of a corporate permittee which has violated a condition of its permit or fails or refuses to comply with a cessation order. Rule R645-402-200, in pertinent part, provides that:

[A] n assessment officer may assess an individual civil penalty against any corporate director, officer, or agent of a corporate permittee who knowingly and willfully authorized, ordered, or carried out such violation, failure or refusal...

As Vice President of The Renco Group, Inc., of the above-referenced corporate permittee, you are hereby notified that the corporation was issued imminent harm cessation order C03-42-1-3 on June 20, 2003 at the loadout of the White Oak Mine (as well as failure to abate cessation order C03-42-2-2) (see attached copy). You will be subject to assessment of an Individual Civil Penalty if you willfully and knowingly fail or refuse to take all reasonable steps within your legal authority to bring about abatement of these cessation orders.

In the event that any violation cited in the cessation order is not abated, you may provide for UDOGM consideration, written documentation that demonstrates that you took all reasonable steps within your authority to bring about abatement. Assessment of an Individual Civil Penalty does not affect UDOGM's authority to assess civil penalties or take other enforcement action against the corporate permittee or other directors, officer, or agents as well.

This notice does not constitute an assessment, but rather advises you that you are potentially liable for an Individual Civil Penalty. Because a Notice of Potential Liability for an Individual Civil Penalty Assessment is neither a notice of violation nor a cessation order under Utah Code §§40-10- 19 through 23, nor a modification, vacation or termination of such notice or order, no administrative review by the Board of Oil, Gas, and Mining is provided for under the provisions of Utah Administrative Code (2003) R645-402. However, in the event that a Notice of Proposed Assessment for an Individual Civil Penalty is issued, you may then appeal under the provisions of R645-402.

If you have any questions concerning this matter, you may contact:

_____	(801) 538-5306	_____
Mary Ann Wright	Telephone Number	Date
Associate Director, Mining		

Attachment(s)

cc: Earl Bandy, AVSO (via email)  
John Austin (via email)

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[A] n assessment officer may assess an individual civil penalty against any corporate director, officer, or agent of a corporate permittee who knowingly and willfully authorized, ordered, or carried out such violation, failure or refusal...

As Vice President of The Renco Group, Inc., of the above-referenced corporate permittee, you are hereby notified that the corporation was issued imminent harm cessation order C03-42-1-2 on June 20, 2003 for incomplete elimination of highwalls at the White Oak Mine (as well as failure to abate cessation order C03-42-2-2) (see attached copy). You will be subject to assessment of an Individual Civil Penalty if you willfully and knowingly fail or refuse to take all reasonable steps within your legal authority to bring about abatement of these cessation orders.

In the event that any violation cited in the cessation order is not abated, you may provide for UDOGM consideration, written documentation that demonstrates that you took all reasonable steps within your authority to bring about abatement. Assessment of an Individual Civil Penalty does not affect UDOGM's authority to assess civil penalties or take other enforcement action against the corporate permittee or other directors, officer, or agents as well.

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