



UTAH NATURAL RESOURCES Oil, Gas & Mining

3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

NO. C 04-39-1-1

cessation order

To the following Permittee or Operator:

Name Lodestar Energy, Inc. (William Bishop, Bankruptcy Trustee)

Mine Whiskey Creek [X] Surface [] Underground [X] Other

County Carbon State Utah Telephone (859) 223-7959

Mailing Address 2525 Harrodsburg Road, Suite 235, Lexington, KY 40504

State Permit No. C/007/001

Ownership Category [] State [] Federal [] Fee [X] Mixed

Date of inspection March 12, 2004, 19

Time of inspection 10:30 [X] a.m. [] p.m. to 1:00 [] a.m. [X] p.m.

Operator Name (other than Permittee)

Mailing Address

Under authority of the Utah Coal Mining & Reclamation Act, Section 40-10-1 et seq., Utah Code Annotated, 1953, the undersigned authorized representative of the Division of Oil, Gas & Mining has conducted an inspection of above mine on above date and has found that a Cessation Order must be issued with respect to each of the conditions, practices or violations listed in the attachment(s). This order constitutes a separate Cessation Order for each condition, practice or violation listed.

In accordance with Section 40-10-22, Utah Code Annotated, you are ordered to cease immediately the operations described in the attachment(s) and to perform the affirmative obligations described in the attachment(s) within the designated time for abatement. Reclamation operations not directly the subject of this order shall continue while this order is in effect. You are responsible for doing all work in a safe and workmanlike manner.

The undersigned representative finds that this order does [] does not [X] require cessation of mining expressly or in practical effect. For this purpose, "mining" means extracting coal from the earth or a waste pile, and transporting it within or from the mine site.

This order shall remain in effect until it expires as provided on reverse side of this form, or is modified, terminated or vacated by written notice of an authorized representative of the Division of Oil, Gas & Mining.

Certified Return Receipt #7001 0320 0005 4591 8029

Date of service/mailing March 16, 2004 Time of service/mailing 3:00 [] a.m. [X] p.m.

William Bishop Permittee/Operator representative

Bankruptcy Trustee Title

Mailed from DOGM Price Office Signature

Stephen J. Demczak Division of Oil, Gas & Mining representative

Environmental Scientist III Title

Stephen J. Demczak Signature

#39 Identification Number

SEE REVERSE SIDE

WHITE-DOGM YELLOW-OSM PINK-PERMITTEE/OPERATOR GOLDENROD-NOV FILE

IMPORTANT — READ CAREFULLY

1. PENALTIES.

a. **Proposed assessment.** The Board of Oil, Gas & Mining assesses fines based upon a proposed assessment recommended by an assessment officer. You may submit written information pertaining to violation(s) covered by this order within 15 days of the date this notice or order is served on you or your agent. Information will be used by the assessment officer in determining facts surrounding the violation(s) and amount of penalty. A representative of the Division of Oil, Gas & Mining will serve the proposed assessment on you or your agent within 30 days of issuance of notice or order.

b. **Assessment.** The penalty will be finalized unless you or your agent file a written request within 15 days of receipt of proposed assessment for an informal hearing before the assessment officer.

For each violation included in this notice, a penalty of up to \$5,000 may be assessed for each separate day the violation continues.

If you fail to abate any violations within the time set for abatement or for meeting any interim step, you will be assessed a minimum penalty of \$750 for each day of continuing violation beyond the time set for abatement. You will be issued a Cessation Order requiring you to cease surface coal mining operations or the portion of the operations relevant to the violation.

2. INFORMAL PUBLIC HEARING.

An informal public hearing may be held at or near the mine site if this notice requires cessation of mining, expressly or in practical effect. On the reverse of this page, the authorized representative has made a finding as to whether or not this notice

requires cessation of mining. Please review this finding and inform the authorized representative if you disagree with it. (See UMC/SMC 843.15(9))

If this notice requires cessation of mining, it will expire within 30 days from date you are notified unless an informal public hearing is held or waived, or the condition, practice or violation is abated within the 30-day period. You will be notified of date, time and location of hearing.

3. FORMAL REVIEW AND TEMPORARY RELIEF.

You may apply for review of this notice or assessment before the Board of Oil, Gas & Mining by submitting an application for hearing within 30 days of receipt of notice or assessment by you or your agent. Apply to:

Secretary
Board of Oil, Gas & Mining
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203.

If applying for a formal board hearing, you may submit with your petition for review a request for temporary relief from this notice. Procedures for obtaining a formal board hearing are contained in the board's Rules of Practice and Procedure and in UMC 845.19 of the board's regulations.

4. EFFECT ON PERMIT.

The permit may be suspended or revoked if it is determined that a pattern of violations of the act, regulations or permit conditions exists, and that the violations were caused by an unwarranted or willful failure to comply.

For further information, consult Section 40-10-20, 21, 22 and 23, *Utah Code Annotated*, UMC/SMC Parts 843, 845, 900 or contact the Division of Oil, Gas & Mining at (801) 538-5340.

R645-400-350
et seq

R645-401-800

R645-400-300 et seq
R645-401 et seq



CESSATION ORDER NO. C 04-39-1-1

Violation No. 1 of 1

Nature of condition, practice or violation

Failure to abate Notice of Violation N04-39-2-1.

Provisions of act, regulations or permit violated

R645-400-314

R645-400-325

Check appropriate box

- Condition, practice or violation is creating an imminent danger to health or safety of the public.
- Permittee/Operator is/has been conducting mining activities without a permit.
- Condition, practice or violation is causing or can reasonably be expected to cause significant, imminent environmental harm to land, air or water resources.
- Permittee or Operator has failed to abate Violation(s) No. 1 of 1 included in Notice of Violation No. N 04-39-2-1 within time for abatement originally fixed or subsequently extended.

Operation(s) to be ceased immediately

This FTA/CO does not involve ceasing any mining activities. The permittee must clean out culvert C-40-42 and provide adequate drainage for this portion of the mine site.

Affirmative obligation(s) and abatement time (if applicable)

Immediately uncover the inlet to culvert C-40-42 and provide drainage for this portion of the mine site.