

# Lodestar Project

## Progress Report

Report Period 11-11-04 to 12-10-04



# Lodestar Project Progress Report

## Report Period 11/11/04 to 12-10-04

**Section 1**      Project Summary Report

**Section 2**      Project Task Progress Report

**Section 3**      Funds Transfer Report

**Section 4**      Still Photos of Current Reclamation Sites

**Section 5**      Activity Log ReCap

**Inserts:**      "Before" Video of Ivey Creek, Joe's Creek and Robinson Creek

DVD – Movie Format for play on DVD Player or Personal Computer

DVD – Raw Data Format (.AVI) for use on Personal Computer  
Acrobat "PDF" file version of complete 12-10-04 Report

# Project Summary

<i>Project Permit</i>	<i>Description</i>	<i>Project Status</i>	<i>Schedule B Estimate</i>	<i>Project Comments</i>	<i>Estimated Completion</i>	<i>Paid Costs to Date</i>	<i>Estimated Cost to Complete</i>	<i>Potential +/-</i>
<b>Amy Branch</b>								
<b>836-5352</b>	Reclaimed deep mine that needs a pond removed and trees planted	<b>Completed</b>	<b>\$12,000.00</b>	Work 100% complete. Inspected and approved by DSMRE	<b>Done</b>		\$0 (included in Spradlin)	\$0.00
<b>Cedar Grove</b>								
<b>836-5047</b>	Deep mine highwall elimination and pond removal	<b>In Progress</b>	<b>\$254,223.00</b>	Currently negotiating with Miller Brothers Coal Company for potential overlap of entire site. Negotiations ongoing as of 12/10/04	<b>Not Yet Known</b>		\$200,000.00	<b>(\$54,000.00)</b>
<b>Edro</b>								
854-0135	West KY surface operation that has been reclaimed	Not Started	\$52,000.00		Not Yet Known		Not Yet Known	
<b>Edro (Lamb)</b>								
854-0142	Reclaimed surface operation	Not Started	\$55,000.00		Not Yet Known		Not Yet Known	
<b>Edro (Osborne)</b>								
854-0136	Reclaimed surface operation	Not Started	\$7,000.00		Not Yet Known	\$0.00	Not Yet Known	
<b>Hollybush</b>								
860-0369	Surface permit that only had the road and a pond put in and the Hollowfill timbered.	Not Started	\$61,000.00		Not Yet Known	\$0.00	Not Yet Known	

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<b>Ivy Creek 836-0216</b>	Large surface mining operation with shovel to be removed.	<b>In Progress</b>	<b>\$235,604.00</b>	Salvage equipment has been sold. Sales contract provided to bankrupt estate. Salvage operator has 90 days to remove from property and reseed immediate area.  Remainder of project not started yet.	<b>Not Yet Known</b>	<b>\$0.00</b>	Not Yet Known	
Jet Coal 898-5816	Reclamation of the deep mine face up to 4 ft. above the coal seam and remove the pond.	Not Started	\$46,725.00		Not Yet Known	\$0.00	Not Yet Known	
<b><u>Joe's Creek</u> 898-5060</b>	Deep mine with Highwall to be eliminated	<b>Completed</b>	<b>\$47,925.00</b>	Transfer to Mc Coy Elkhorn Coal Co. has been issued by Kentucky Department of Surface Mining Division of Permits. Completed week of December 1.	<b>Done</b>		\$0.00	<b>(\$47,925.00)</b>
Lick Fork 898-5093	Deep mine face up elimination and reclamation. Note that there is a 3 inch gas line crossing the permit that will have to be moved before work can be done.	Not Started	\$95,383.00		Not Yet Known	\$0.00	Not Yet Known	
Miller Creek 898-5535	This Project is not currently a part of this effort. The final handling of the project is still pending.	Not Started	\$0.00	As per Larry Adams, this permit is no longer under consideration from this project. It will be dropped in subsequent reports.	NA	\$0.00	NA	NA

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Pace 498-5149	Old deep mine with 2 portals to be eliminated	Not Started	\$152,282.00		Not Yet Known	\$0.00	Not Yet Known	
<b>Pyro Prep Plant</b> <b>913-5003</b>	Major prep, deep and refuse disposal operation	<b>In Progress</b>	<b>\$5,332,922.00</b>	Engineering Contract let to CBC. Expect work to begin March '05. Currently negotiating with Kentucky Department of Fish and Wildlife for transfer of property.	<b>Not Yet Known</b>	<b>\$1,606.05</b>	Not Yet Known	
Pyro Slurry 517-8008	West Kentucky slurry storage	Not Started	\$409,382.00		Not Yet Known	\$0.00	Not Yet Known	
River Venture 854-0137	Reclaimed surface operation	Not Started	\$0.00		NA	\$0.00	NA	
<b>Robinson Creek</b> <b>898-0324</b>	This is a very large area that has had a Phase I bond release	<b>In Progress</b>	<b>\$583,655.00</b>	Contract approved 11/30/04 and let, NewBridge Services is the contractor Reclamation work started 12/06/04.	<b>Not Yet Known</b>	<b>\$0.00</b>	Not to Exceed \$419,721 for portion bid	Not Yet Known
<b>Spradlin Branch</b> <b>836-0261</b>	Golf course site near Prestonsburg	<b>Completed</b>	<b>\$172,532.00</b>	100% Complete, Inspected and approved by DSMRE. The contractor was NewBridge Services. The work was completed for \$39,837.63 less than the adjusted " Not To Exceed" bid price approved.	<b>Done</b>	<b>\$199,368.37</b>	\$0.00	\$14,836.37 including Amy Branch

<i>Project Permit</i>	<i>Description</i>	<i>Project Status</i>	<i>Schedule B Estimate</i>	<i>Project Comments</i>	<i>Estimated Completion</i>	<i>Paid Costs to Date</i>	<i>Estimated Cost to Complete</i>	<i>Potential +/-</i>
<b>Spurlock 836-0231</b>	Large surface operation	In Progress	\$237,500.00	Bid Package Complete. Waiting on Corps of Engineers prior to setting bid date.	Not Yet Known	\$7,296.15	Not Yet Known	
<b>Stonecoal Tipple 498-8024</b>	Tipple site adjacent to US 23 and CSX railroad.	In Progress	\$300,000.00	Currently negotiating with Appalachian Fuels and others for succession of permit. Have spoken with landowners for details of takeover and have negotiated for transfer of equipment. Appalachian Fuels and DSMRE have agreed to transfer of permit.	1/30/05	\$0.00	\$50,000	(\$250,000.00)
Tram #4 836-5052	This is a reclaimed deep mine that needs a slip along the road fixed and a pond removed.	Not Started	\$10,000.00		Not Yet Known	\$0.00	Not Yet Known	
<b>Totals:</b>			\$8,065,133.00			\$208,270.57	\$669,721.00	(\$337,088.63)
<b>NewBridge Services Oversight Fees</b>						\$50,618.81		



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**Project Status In Progress**

*Project Name: Cedar Grove*

*Permit Number 836-5047*

*Original Schedule B Estimate: \$254,223*

Task # 1 Potential Overlap/Successor

Task Bid: \$0.00

Start Date: 10/21/2004 Expected Completion Date: Actual Completion Date:

Task Progress Currently negotiating with Miller Brothers Coal Company for potential overlap of entire site.  
Negotiations ongoing as of 12/10/04

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**Project Name: Ivy Creek**

**Permit Number 836-0216**

**Original Schedule B Estimate: \$235,604**

Task # 1 Eliminate 4 embankment structures

Task Bid:

Start Date:

Expected Completion Date:

Actual Completion Date:

Task Progress

Task # 2 Eliminate 1 on bench sediment structure

Task Bid: \$0.00

Start Date:

Expected Completion Date:

Actual Completion Date:

Task Progress

Task # 3 Revegetate 30 acres

Task Bid: \$0.00

Start Date:

Expected Completion Date:

Actual Completion Date:

Task Progress

Task # 4 Remove an abandoned shovel

Task Bid: \$0.00

Start Date:

10/15/2004

Expected Completion Date:

Actual Completion Date:

Task Progress

Salvage equipment has been sold. Sales contract provided to bankrupt estate. Salvage operator has 90 days to remove from property and reseed immediate area.

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**Project Name: Pyro Prep Plant**

**Permit Number 913-5003**

**Original Schedule B Estimate: \$5,332,922**

Task # 1 Specific tasks to be added on receipt of reclamation plan from CBC.

Task Bid: \$0.00

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress

Task # 2 Engineering Survey and Specs.

Task Bid: \$45,000.00 Includes Pyro Slurry

Start Date: 10/20/2004 Expected Completion Date: 2/1/2005 Actual Completion Date:

Task Progress Contract let to CBC Engineers Plans Due 01/17/05 , bid invitations due 02/07/05, bid date 02/18/05.

CBC Schedule follows:

1. Frankfort record review - October 20 or 21
2. Initial site visit - October 28 or 29
3. Sampling and testing of refuse materials - Week of November 8 -12
4. Aerial flight to generate topographic map - Week of November 8-12
5. Depending on timing for topographic map begin work on reclamation plan - December 6
6. Complete draft reclamation plan and review with NewBridge - Week of January 3
7. Finalize reclamation plan and develop bid package - Week of January 10-14
8. Finalize bid packages (as many as 3 or 4 separate packages) - January 17 - 28
9. NewBridge solicits bids - February 7-18
10. NewBridge awards contract(s) to successful bidder(s) - March 4
11. Contractor(s) begin work on project and CBC & NewBridge inspect work until completion.

Task # 3 Transformers and Transformer Oil

Task Bid: \$0.00

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress Expediting removal of transformers and barrels of transformer oil. State currently considering party of responsibility. Ricky Phipps attempting to obtain inventory of material and CBC is contacting contractors for removal.

Task # 4 Transfer of Property

Task Bid: \$0.00

Start Date: 10/26/2004 Expected Completion Date: Actual Completion Date:

Task Progress Currently negotiating with Kentucky Department of Fish and Wildlife for transfer of property.

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**Project Name: Robinson Creek**

**Permit Number 898-0324**

**Original Schedule B Estimate: \$583,655**

Task # 1 Remove 3 embankment structures, rip rap drains and vegetate

Task Bid: \$0.00

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress This task is not included in the current portion bid.

Task # 2 Remove 4 on-bench sediment structures, grade for drainage and vegetate

Task Bid: \$419,721.00 Estimate includes tasks 4,5,and 6

Start Date: 12/6/2004 Expected Completion Date: Actual Completion Date:

Task Progress Work begins early December

Task # 3 Eliminate highwall throughout the permit

Task Bid: \$0.00

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress This task currently eliminated from project

Task # 4 Repair backfill blowout on Robinson Creek side of permit

Task Bid: \$0.00 Included in task2

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress Work begins early December

Task # 5 Regrade/track bare areas throughout the permit

Task Bid: \$0.00 Included in task2

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress Work begins early December

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Task # 6 Revegetate 300 acres

Task Bid: \$0.00 Included in task2

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress Work begins early December

**Project Name: *Spurlock***

**Permit Number 836-0231**

**Original Schedule B Estimate: \$237,500**

Task # 1 Individual tasks to be set up when CBC reclamation plan received.

Task Bid:

Start Date: 12/3/2004 Expected Completion Date: 3/1/2005 Actual Completion Date:

Task Progress

Task # 7 Engineering Services for active slide at this site.

Task Bid: \$16,600.00

Start Date: 10/20/2004 Expected Completion Date: 11/5/2004 Actual Completion Date:

Task Progress Contract let to CBC Engineers. Bid Package Complete. Waiting on Corps of Engineers prior to setting bid date.

CBC's original schedule follows:

1. Complete reclamation plan and review with NewBridge - October 29
2. Complete draft bid package and review with NewBridge - November 5
3. NewBridge solicits bids from several contractors - November 8 - November 12
4. NewBridge secures bids and awards contracts - December 3
5. Depending on weather, contractor will need 4-6 weeks to complete job
6. Inspect site weekly during construction or more often as needed

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**Project Name: Stonecoal Tipple**

**Permit Number 498-8024**

**Original Schedule B Estimate: \$300,000**

Task # 1 Potential Successor

Task Bid: \$0.00

Start Date: 10/4/2004 Expected Completion Date: Actual Completion Date:

Task Progress Currently negotiating with Appalachian Fuels and other for succession of permit. Have spoken with landowners for details of takeover and have negotiated with Lodestar for transfer of equipment. Appalachian Fuels and DSMRE have agreed to the transfer of the permit.

Task # 2 Remove 3 silt structures, grade for drainage and vegetate

Task Bid: \$0.00

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress

Task # 3 Cover 12.5 acre site with 1 ft. of fill/topsoil

Task Bid: \$0.00

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress

Task # 4 Revegetate 12.5 acres

Task Bid: \$0.00

Start Date: Expected Completion Date: Actual Completion Date:

Task Progress

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**Project Status Not Started**

<i>Project Name</i>	<i>PermitNumber</i>	<i>Description</i>	<i>Original Schedule B Estimate</i>
Edro	854-0135	West KY surface operation that has been reclaimed	\$52,000.00
Edro (Lamb)	854-0142	Reclaimed surface operation	\$55,000.00
Edro (Osborne)	854-0136	Reclaimed surface operation	\$7,000.00
Hollybush	860-0369	Surface permit that only had the road and a pond put in and the Hollowfill timbered.	\$61,000.00
Jet Coal	898-5816	Reclamation of the deep mine face up to 4 ft. above the coal seam and remove the pond.	\$46,725.00
Lick Fork	898-5093	Deep mine face up elimination and reclamation. Note that there is a 3 inch gas line crossing the permit that will have to be moved before work can be done.	\$95,383.00
Miller Creek	898-5535	This Project is not currently a part of this effort. The final handling of the project is still pending.	\$0.00
Pace	498-5149	Old deep mine with 2 portals to be eliminated	\$152,282.00
Pyro Slurry	517-8008	West Kentucky slurry storage	\$409,382.00
River Venture	854-0137	Reclaimed surface operation	\$0.00
Tram #4	836-5052	This is a reclaimed deep mine that needs a slip along the road fixed and a pond removed.	\$10,000.00

## ***Funds Transfer Report for Period From 11/11/2004 Thru 12/10/2004***

<i><b>Project:</b></i>	<i><b>Date Funds Requested</b></i>	<i><b>Invoice Amount</b></i>	<i><b>Date Funds Received</b></i>	<i><b>Task</b></i>	<i><b>Contractor Name</b></i>	<i><b>Contractor Paid</b></i>	<i><b>Payment Amount</b></i>
<i><b>GRM Oversight Fee</b></i>							
	11/23/2004	\$12,625.00	11/30/2004	# 1 GRM Fee	Newbridge Services, Inc.	12/6/2004	\$12,625.00
<i>Summary for GRM Oversight Fee (1 item)</i>							
	<i>Funds Requested</i>	\$12,625.00				<i>Payments to Contractor</i>	\$12,625.00
<i><b>Pyro Prep Plant</b></i>							
	11/23/2004	\$1,606.05	11/30/2004	# 2 Engineering	CBC Engineers & Affiliates, LLC	12/6/2004	\$1,606.05
<i>Summary for Pyro Prep Plant (1 item)</i>							
	<i>Funds Requested</i>	\$1,606.05				<i>Payments to Contractor</i>	\$1,606.05
<i><b>Spradlin Branch</b></i>							
	11/23/2004	\$199,368.37	11/30/2004	# 1 Single Project Bid	Newbridge Services, Inc.	12/9/2004	\$199,368.37
<i>Summary for Spradlin Branch (1 item)</i>							
	<i>Funds Requested</i>	\$199,368.37				<i>Payments to Contractor</i>	\$199,368.37
<i><b>Spurlock</b></i>							
	11/23/2004	\$4,867.25	11/30/2004	# 7 Engineering	CBC Engineers & Affiliates, LLC	12/6/2004	\$4,867.25
<i>Summary for Spurlock (1 item)</i>							
	<i>Funds Requested</i>	\$4,867.25				<i>Payments to Contractor</i>	\$4,867.25
<i><b>Totals for this Report Period:</b></i>		\$218,466.67					\$218,466.67

<i>Project:</i>	<i>Date Funds Requested</i>	<i>Invoice Amount</i>	<i>Date Funds Received</i>	<i>Task</i>	<i>Contractor Name</i>	<i>Contractor Paid</i>	<i>Payment Amount</i>
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*Prior Reporting Periods*

## *Funds Report for Periods Prior to: 11/11/2004*

*GRM Oversight Fee*

<i>Funds Requested</i>	\$37,993.81	<i>Payments to Contractor</i>	\$37,993.81
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*Spurlock*

<i>Funds Requested</i>	\$2,428.90	<i>Payments to Contractor</i>	\$2,428.90
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<b><i>Totals for prior Report Periods:</i></b>	\$40,422.71		\$40,422.71
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***Total Payments for project to date:***

<b><i>Invoices:</i></b>	\$258,889.38	<b><i>Payments:</i></b>	\$258,889.38
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Slide Area



Slide Area

Spradlin Branch - 836-0261 - 11/15/04



On Bench Pond #16 - Complete



Pond #20 - Below Slide 2 - Complete



Pond #61



Diversion Ditch between Ponds 61 & 62



Pond #67



Pond #66

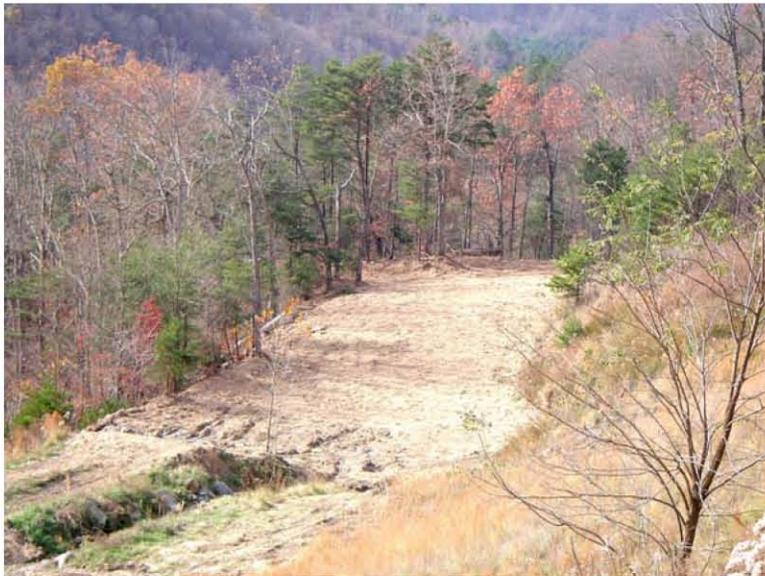
Spradlin Branch – 836-0261 – 11/15/04



Pond #20



Slide Area above Pond #20



Pond #4

**Spradlin Branch – 836-0261 – 11/15/04**



Re-graded Road Slump



Close up of Re-graded Road Slump



Pond Removal

**Amy Branch – 836-5352 – 11/15/04**



High Wall (Not to be removed)



Slide at beginning of job



Miscellaneous Bare Areas



More Bare Areas

**Robinson Creek – 898-0324 – 7/14/04**



Slumps



More miscellaneous slumps

## Robinson Creek – 898-0324 – 7/14/04



1 of 3 impoundments (deferred)

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# Activity Log..... by Project

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## No Specific Project

**Activity Date** Monday, November 22, 2004

**NewBridge Personnel** Bill Adams

Spoke with Larry Adams Director of Division of Permit on Cedar Grove-they had a conversation with Miller Bros. They want 200,000 to overlap the Cedar Grove permit. Mr. Adams with take to Commisioner Bush. We discussed the Stone Coal tipple and App. Fuels' desire to take the site over. I am to deliver the final draft of Spurlock's bid this afternoon.

**Activity Date** Wednesday, November 24, 2004

**NewBridge Personnel** Bill Adams

Delivered to Keith Smith, DSMRE billing for month of November. It included,CBC Engineering and Spradlin Branch reclamation work. I told them we needed for it to be paid before end of November

**Activity Date** Tuesday, November 30, 2004

**NewBridge Personnel** Bill Adams

Picked up check from Jack Diamond at Farmers on Latest billing of aprox \$218,000

**Activity Date** Tuesday, November 30, 2004

**NewBridge Personnel** Bill Adams

Met with Larry Adams,Keith Smith and Ricky Phipps on Lodestar in Frankfort. The subjects were the ownership of the land at Pyro, the possible transfer of the Stone Coal tipple to App.Fuels and the bids on Robinson Creek.

**Activity Date** Friday, December 03, 2004

**NewBridge Personnel** Bill Adams

A meeting was held with Larry Adams, DSMRE. Discussed Pyro and Spurlock. He will call after talking to Corp of Engineers and then release us to bid the Spurlock reclamation.

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## **Pyro Prep Plant**

**Activity Date** Friday, November 12, 2004

**NewBridge Personnel** Bill Adams

Commisioner Bush, Commissioner Bennett, Larry Adams, Director of Fish & Wildlife and Bill Adams met in Frankfort at KDFW to discuss the potential for F&W taking ownership of the Pyro property. The Director of F&W will call next week to review property.

**Activity Date** Tuesday, November 16, 2004

**NewBridge Personnel** Bill Adams

Met with Susan Bush and went over state concerns on Pyro and transfer of property to State.

**Activity Date** Tuesday, November 30, 2004

**NewBridge Personnel** Bill Adams

Met with George Seay on the ownership of the Lodestar Pyro property. He is trying to locate Bob Brown for clarification. He should call this afternoon.

**Activity Date** Thursday, December 02, 2004

**NewBridge Personnel** Bill Adams

Spoke to Rick Phipps. He had received a call from Tim Smith and Mr. Smith had expressed an interest in taking over Pyro in exchange for the \$5.3 in money. Mr. Phipps referred him to me.

**Activity Date** Thursday, December 09, 2004

**NewBridge Personnel** Bill Adams

Took Rick Phipps and Fish and Wildlife Personel to Pyro. They are to let us know next week of their interest in ownership of the property.

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## **Robinson Creek**

**Activity Date** Tuesday, November 16, 2004

**NewBridge Personnel** Bill Adams

Discussed Robinson Creek Bid. Will turn in our bid this afternoon

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## **Spradlin Branch**

**Activity Date** Tuesday, November 16, 2004

**NewBridge Personnel** Bill Adams

Met with Keith Smith on Monthly report and submitted first and final invoice for Spradlin.

## Spurlock

**Activity Date** Tuesday, November 23, 2004

**NewBridge Personnel** Bill Adams

Delivered to Larry Adams final Bid package on Spurlock. He will call with comments

**Activity Date** Monday, November 29, 2004

**NewBridge Personnel** Bill Adams

Spoke to Dirk Smith of CBC Engineering on corrections needed on Spurlock reclamation plan. He said he spoke to Larry Adams last week and expects to have corrections today or tommorrow

