



**U. S. DEPT. OF THE INTERIOR**  
**OFFICE OF SURFACE MINING**  
**RECEIVED**  
**Mine Site Evaluation**  
**State Program**



*of 007/001 Incoming*

0001

JUN 09 2008

<p>1. Permittee/Person  <b>WHITE OAK MINING &amp; CONSTRUCTION CO., INC</b></p> <p>2. Address  <b>2525 HARRODSBURG ROAD, SUITE 235</b></p> <p>3. City  <b>Lexington</b></p> <p>4. State  <b>KY</b></p> <p>5. Zip Code  <b>40504</b></p> <p>6. Phone Number  <b>(859) 223-7959</b></p> <p>7. Operator Name, if Different than Permittee  <b>LEDCOR INDUSTRIES (USA) INC.</b></p> <p>8. Mine Name  <b>WHITE OAK MINE 1 &amp; 2</b></p>	<p>9. Permit Number <b>DIV OF OIL GAS &amp; MINING</b>  <b>UT-007-001</b></p> <p>10. Permit Type  <b>NP</b></p> <p>11. Field Visit Date  <b>05/21/2008</b>  <small>mm - dd - yyyy</small></p> <p>12. Purpose  <b>O</b></p> <p>13. SRA Present  <b>Y</b></p> <p>14. Permit Status  <b>AB</b></p> <p>15. Site Status  <b>FR</b></p> <p>16. Facility Type  <b>ABF</b></p> <p>17. OSM Office #  <b>140</b></p> <p>18. CCID #  </p> <p>19. Land Code  <b>SF</b></p> <p>20. M.S.H.A ID #  <b>42-01279</b></p> <p>21. State Abrev.  <b>UT</b></p> <p>22. County Name  <b>CARBON</b></p> <p>23. AVS Permittee Entity ID Number  <b>144419</b></p> <p>24. State Office  </p>
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<p>25. Hours</p> <p><input type="checkbox"/> 0.0 a. Permit Review</p> <p><input type="checkbox"/> 1.0 b. Site Visit Time</p> <p><input type="checkbox"/> 3.0 c. Travel Time</p> <p><input type="checkbox"/> 2.0 d. Report Writing</p>	<p>26. Signature Block</p> <p align="center"><i>Henry Austin</i>  Signature: <b>5/29/08</b></p> <p align="center"><b>HENRY AUSTIN ID # 116</b></p> <p>Printed Name:</p> <p>Date: <b>05/29/2008</b></p>	<p>27. Reviewing Official:</p> <p align="center"><i>James Fela</i>  Signature:</p> <p>Review Date: <b>5/30/2008</b>  <small>mm - dd - yyyy</small></p> <p>Is Supplemental MSE Page Used Y/N <b>Y</b></p>
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**Permit Type — Item 10** IP = Interim Program, PP = Permanent Program, NP = No Permit

**Purpose Type Codes Item 12**

Oxx.... Oversight	RFx.... Reclamation Fees	CCR.... Citizen Complaint Referral (non site visit)
Axx.... Assistance	Fxx.... Federal Actions	CC..... Citizen Complaint (initial site visit)
		CCF.... Citizen Complaint Follow-up

**Joint Inspection — Item 13** A joint inspection is when a state inspector accompanies an OSM inspector any time during the review of the mine site.

**Permit Status — Item 14**

<p>A.... Active: Coal mining and reclamation activities occurring or permitted but not yet disturbed.</p> <p>IN.... Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit) Coal mining completed and reclamation activities initiated.</p> <p>BR.... Bond Release: Reclamation completed and State Regulatory Authority (RA) has released all of the bond (Phase III Release.)</p>	<p>AB.... Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g)</p> <p>AB1... Bond Forfeiture: Bond forfeiture officially in process or completed, and, reclamation in progress or not yet commenced.</p> <p>AB2... Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.</p> <p>AB3... Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.</p> <p>NA.... Not Applicable: When site is unpermitted.</p>
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**Site Status Codes — Item 15**

<p>ND... No Disturbance: No coal mining and reclamation operations have been started.</p> <p>EX... Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.</p> <p>AP... Active Coal Producing: Coal surface mining activities are occurring.</p> <p>AN... Active Non-Producing: Active non-producing facility such as tipple or preparation plant.</p> <p>NM... No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.</p>	<p>MC... Mining Complete: No mining activity on site, site regraded and awaiting phase bond release.</p> <p>TC... Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817.131(b).</p> <p>P1... Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.</p> <p>P2... Phase II Release: At least Phase II bond release for the entire permitted area.</p> <p>P3... Phase III Release: Reclamation completed and the RA has released all bond.</p>	<p>NS... Non-Site Visit: Status of site not determined.</p> <p>FP... Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.</p> <p>FR... Forfeited and Reclaimed: Forfeiture reclamation completed.</p> <p>FO... Abandoned Site: Abandoned site that is permitted but there is no bond.</p> <p>WC... Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.</p>
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**Facility Type Codes — Item 16**

<p>A... Surface</p> <p>B... Underground</p> <p>C... Preparation Plant</p>	<p>D... Ancillary (Haulroad, Conveyor, and/or Rails)</p> <p>E... Refuse and/or Impoundment</p> <p>F... Loading Facility and/or Tipple</p> <p>G... Stockpiles</p>	<p>H... Exploration Permits</p> <p>I... Notice of Intent to Explore</p> <p>J... Exempt 16 and 2/3</p> <p>K... Government Financed Construction Exemption</p> <p>L... Remaining site permitted under 30 CFR 785.25</p>
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**Small Business Regulatory Enforcement Fairness Act (SBREFA)**  
**Your Comments Are Important**

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

# U. S. DEPT. OF THE INTERIOR OFFICE OF SURFACE MINING

## Mine Site Evaluation

State Program

Permittee/ Person WHITE OAK MINING &

Permit Number UT-007-001

Field Visit Date 05/21/2008

Continuation Page

### 28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited

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| <p><b>A. Administrative</b></p> <ol style="list-style-type: none"> <li>1. ___ Mining within Valid Permit</li> <li>2. ___ Mining within Bonded Area</li> <li>3. ___ Terms &amp; Conditions of Permit</li> <li>4. ___ Liability Insurance</li> <li>5. ___ Ownership and Control</li> <li>6. ___ Temporary Cessation</li> <li>7. ___ AML Rec. Fees -- Non-Respondent</li> <li>8. ___ AML Rec. Fees -- Failure to Pay</li> </ol> <p><b>B. Hydrologic Balance</b></p> <ol style="list-style-type: none"> <li>1. ___ Drainage Control</li> <li>2. ___ Inspections &amp; Certifications</li> <li>3. ___ Siltation Structures</li> <li>4. ___ Discharge Structures</li> <li>5. ___ Diversions</li> <li>6. ___ Effluent Limits</li> <li>7. ___ Ground Water Monitoring</li> <li>8. ___ Surface Water Monitoring</li> <li>9. ___ Drainage -- Acid-Toxic Materials</li> <li>10. ___ Impoundments</li> <li>11. ___ Stream Buffer Zones</li> </ol> <p><b>C. Topsoil &amp; Subsoil</b></p> <ol style="list-style-type: none"> <li>1. ___ Removal</li> <li>2. ___ Substitute Materials</li> <li>3. ___ Storage and Protection</li> <li>4. ___ Redistribution</li> </ol> | <p><b>D. Backfilling &amp; Grading</b></p> <ol style="list-style-type: none"> <li>1. ___ Exposed Openings</li> <li>2. ___ Contemporaneous Reclamation</li> <li>3. ___ Approximate Original Contour</li> <li>4. ___ Highwall Elimination</li> <li>5. ___ Steep Slopes (includes downslope)</li> <li>6. ___ Handling of Acid &amp; Toxic Materials</li> <li>7. ___ Stabilization (rills and gullies)</li> </ol> <p><b>E. Excess Spoil Disposal</b></p> <ol style="list-style-type: none"> <li>1. ___ Placement</li> <li>2. ___ Drainage Control</li> <li>3. ___ Surface Stabilization</li> <li>4. ___ Inspections &amp; Certifications</li> </ol> <p><b>F. Coal Mine Waste (Refuse Piles/Impoundments)</b></p> <ol style="list-style-type: none"> <li>1. ___ Drainage Control</li> <li>2. ___ Surface Stabilization</li> <li>3. ___ Placement</li> <li>4. ___ Inspections and Certifications</li> <li>5. ___ Impounding Structures</li> </ol> <p><b>G. Use Of Explosives</b></p> <ol style="list-style-type: none"> <li>1. ___ Blaster Certification</li> <li>2. ___ Distance Prohibitions</li> <li>3. ___ Blast Survey/Schedule</li> <li>4. ___ Warnings &amp; Records</li> <li>5. ___ Control of Adverse Effects</li> </ol> | <p><b>H. ___ Subsidence Control Plan</b></p> <p><b>I. Roads</b></p> <ol style="list-style-type: none"> <li>1. ___ Road Construction</li> <li>2. ___ Certification</li> <li>3. ___ Drainage</li> <li>4. ___ Surfacing and Maintenance</li> <li>5. ___ Reclamation</li> </ol> <p><b>J. Signs &amp; Markers</b></p> <ol style="list-style-type: none"> <li>1. ___ Signs</li> <li>2. ___ Markers</li> </ol> <p><b>K. ___ Distance Prohibitions</b></p> <p><b>L. Revegetation</b></p> <ol style="list-style-type: none"> <li>1. ___ Vegetative Cover</li> <li>2. ___ Timing</li> </ol> <p><b>M. ___ Postmining Land Use</b></p> <p><b>N. Other</b></p> <table border="0" style="width: 100%;"> <tr> <td style="text-align: right;">General</td> <td style="width: 20px;"></td> </tr> <tr> <td style="text-align: right;">Performance</td> <td style="width: 20px;"></td> </tr> <tr> <td style="text-align: right;">Category</td> <td style="width: 20px;"></td> </tr> <tr> <td style="text-align: right;">A</td> <td style="width: 20px;"></td> </tr> <tr> <td></td> <td style="width: 20px;"></td> </tr> <tr> <td></td> <td style="width: 20px;"></td> </tr> <tr> <td></td> <td style="width: 20px;"></td> </tr> </table> | General |  |  |  |  |  | Performance |  |  |  |  |  | Category |  |  |  |  |  | A |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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#### Performance Standard Categories 30 CFR Counterpart

<p><b>A. Administrative.....(816/817.71-74)</b></p> <ol style="list-style-type: none"> <li>1. Valid Permit.....773.11</li> <li>2. Mining within Bonded Area.....773.11</li> <li>3. Terms &amp; Conditions of Permit.....773.17</li> <li>4. Liability Insurance.....800.60</li> <li>5. Ownership and Control.....778.13</li> <li>6. Temporary Cessation.....842.11(e) &amp; 816/817.131</li> <li>7. AML Rec. Fees -- Non-Respondant.....870.15(b)</li> <li>8. AML Rec. Fees -- Failure to Pay.....870.15(a)</li> </ol> <p><b>B. Hydrologic Balance.....(816/817.41-57)</b></p> <ol style="list-style-type: none"> <li>1. Drainage Control.....45</li> <li>2. Inspections &amp; Certifications.....49(a)(10)</li> <li>3. Siltation Structures.....46</li> <li>4. Discharge Structures.....47</li> <li>5. Diversions.....43</li> <li>6. Effluent Limits.....42</li> <li>7. Ground Water Monitoring.....41(c)</li> <li>8. Surface Water Monitoring.....41(e)</li> <li>9. Drainage--Acid - Toxic Materials.....41(f)</li> <li>10. Impoundments.....49</li> <li>11. Stream Buffer Zones.....57</li> </ol> <p><b>C. Topsoil &amp; Subsoil.....(816/817.22)</b></p> <ol style="list-style-type: none"> <li>1. Removal.....22(a)</li> <li>2. Substitute Materials.....22(c)</li> <li>3. Storage and Protection.....22(c)</li> <li>4. Redistribution.....22(d)</li> </ol> <p><b>D. Backfilling &amp; Grading.....(816/817.95-107)</b></p> <ol style="list-style-type: none"> <li>1. Exposed Openings.....816/817.13, 14, 15, &amp; 823.11 &amp; 21</li> <li>2. Contemporaneous Reclamation.....100</li> <li>3. Approximate Original Contour.....102(a)(1)</li> <li>4. Highwall Elimination.....102(a)(2)</li> <li>5. Steep Slopes (includes downslope).....107</li> <li>6. Handling of Acid &amp; Toxic Materials.....102(c)</li> <li>7. Stabilization (rills and gullies).....95(b)</li> </ol>	<p><b>E. Excess Spoil Disposal.....(816/817.71-74)</b></p> <ol style="list-style-type: none"> <li>1. Placement.....71(e)</li> <li>2. Drainage Control.....71(f)</li> <li>3. Surface Stabilization.....71(g)</li> <li>4. Inspections &amp; Certifications.....71(h)</li> </ol> <p><b>F. Coal Mine Waste (Refuse Piles/Impoundments) ....(816/817.81-84)</b></p> <ol style="list-style-type: none"> <li>1. Drainage Control.....83(a)</li> <li>2. Surface Stabilization.....83(b)</li> <li>3. Placement.....83(c)</li> <li>4. Inspections and Certifications.....83(d)</li> <li>5. Impounding Structures.....84</li> </ol> <p><b>G. Use of Explosives.....(816/817.61-68)</b></p> <ol style="list-style-type: none"> <li>1. Blaster Certification.....61(c)</li> <li>2. Distance Prohibitions.....61(d)</li> <li>3. Blast Survey/Schedule.....62-64</li> <li>4. Warnings &amp; Records.....66 &amp; 68</li> <li>5. Control of Adverse Effects.....67</li> </ol> <p><b>H. Subsidence Control Plan.....(817.121-122)</b></p> <p><b>I. Roads.....(816/817.150-151)</b></p> <ol style="list-style-type: none"> <li>1. Road Construction.....150(c)</li> <li>2. Certification.....151(a)</li> <li>3. Drainage.....150(b)-151(d)</li> <li>4. Surfacing and Maintenance.....150(e)-151(d)</li> <li>5. Reclamation.....150(f)</li> </ol> <p><b>J. Signs &amp; Markers .....(816/817.11)</b></p> <ol style="list-style-type: none"> <li>1. Signs.....11(a),(b),&amp;(c)</li> <li>2. Markers.....11(a),(b),(d),(e),&amp;(f)</li> </ol> <p><b>K. Distance Prohibitions.....(761.11)</b></p> <p><b>L. Revegetation.....(816/817.111-116)</b></p> <ol style="list-style-type: none"> <li>1. Vegetative Cover.....111 &amp; 116</li> <li>2. Timing.....113</li> </ol> <p><b>M. Postmining Land Use.....(816/817.133)</b></p>
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May 28, 2008

Lodestar Energy, Inc., Bankruptcy Estate  
Mr. William D. Bishop, Trustee  
2525 Harrodsburg Road, Suite 235  
Lexington, KY 40504

White Oak Mine Complex, Utah Permit UT-007-001  
(Title V bond forfeiture & permit revocation site)  
Whiskey Creek surface mine and coal loadout facility  
Complete inspection, May 21, 2008

Participants:

Steve Demczak, Utah Division of Oil, Gas & Mining (OGM)  
Henry Austin, Office of Surface Mining (OSM)

We conducted a complete inspection at this site on May 21, 2008. I discussed the site reclamation with Steve Demczak of OGM. Weather conditions were blowing snow and, ground conditions were completely saturated due to snow melt and partial snow cover. The Whiskey Creek channel was flowing but we could not walk the reclaimed areas due to blowing snow and saturated ground conditions. This mine was selected for a complete, oversight inspection during 2008 by OSM, and scheduled with OGM staff.

See italicized text below from the OSM complete inspection I conducted on June 6, 2006. *Reclamation completed here included backfilling, grading and highwall elimination at the Whiskey Creek Mine and the associated coal loadout facility just east of Eccles Creek and across the highway from the Clear Creek / Alpine School District Outdoor Education Lab. A small 5 foot escarpment remains at the top of the southern most highwall. Imminent harm dangers to the health and safety of the public existing on this site associated with the highwalls have been eliminated by the completed backfilling and grading. This was previously noted through photos of the completed reclamation provided to OSM by OGM, and resulted in the February 2006 termination of an outstanding OSM Cessation Order at this site.*

*Overall topography and reclaimed slopes here appear stable, and slopes were well blended into the surrounding undisturbed topography under the circumstances. There are some long slopes down to the reconstructed Whiskey Creek drainage, but the surface has been heavily imprinted. This surface imprinting appears successful for the majority of the site. There are a few erosion gullies that have formed recently after snow melt runoff this year that reach the Whiskey Creek channel. Some of the gouging (land imprinting of the soil replacement material on the final reclamation surface) north and adjacent to Whiskey Creek was still filled with water.*

*It was difficult to document obvious offsite impacts (sediment deltas, riparian vegetation damaged from sediment, channel degradation from sediment deposition, etc.) other than to note some sediment from the reclaimed areas has obviously left the former permit area. I think this is minor as the erosion gullies noted above are minimal compared to the total reclaimed area. I did not walk all the way to Eccles Creek.*

*This is the beginning of the first growing season after the initial fall 2005 seeding here, so of course signs of vegetation establishment were minimal.*

*Mr. Demczak discussed a sink hole the OGM staff observed today while they were on site possibly associated with a buried culvert. This sink hole will be repaired according to Mr. Demczak. I also inspected the reclaimed coal loadout area and it has been backfilled and graded to eliminate all depressions and fall hazards; and the Utah No. 2 mine portal has been sealed and backfilled. Imminent harm dangers to the health and safety of the public existing on the loadout have been eliminated by the completed backfilling and grading. Land imprinting here appears successful, and erosion throughout the reclaimed area and out slopes is minimal. Slopes are also well blended into surrounding undisturbed areas. Silt fencing here at the bottoms (west facing) of the reclaimed outslopes appears to have been effective over the winter, but is completely full in a few areas. This concluded the inspection.*

The haulroad gate was locked. Since the June 7, 2006 inspection above, the Whiskey Creek reclamation site and haulroad has deteriorated. The haulroad shoulders (out slopes towards Eccles Creek) have deteriorated / eroded to being unsafely maneuverable in 2 separate areas; with numerable other areas of the asphalt road base crumbling and soon to be unstable along the haulroad., and particularly the north shoulder.

The erosion noted above (June 2006) has accelerated, and large erosion gullies exist in other steep slope locations as well, eroding the full length of the reclaimed slopes in areas down to the Whiskey Creek channel. (Gully erosion on both the north and south facing slopes). The Whiskey Creek reconstructed channel is unstable, and the rip rap used here is becoming mobile as runoff volumes exceed the armoring capability of the rip rap protection. Sedimentation from the reclaimed area is leaving the (former) permit area and entering Eccles Creek (We could not photo document this runoff. We were unable to access the reclaimed areas; nor the riparian areas downstream along Whiskey Creek to Eccles Creek due to saturated ground conditions, and blowing snow).

Mr. Demczak and I discussed offsite impacts from the land damage (land stability), erosion of the reclaimed areas and the Whiskey Creek channel; and the resultant sedimentation off the permit area and into Eccles Creek. This site is a Title V bond forfeiture reclamation project, and the forfeiture funds collected were not enough to complete the reclamation adequate to stabilize the steep slopes here.

We will propose to the OGM / OSM Evaluation Team that two offsite impacts have occurred and are continuing here; one minor and one moderate offsite impact (One moderate impact for erosion resulting in land instability on the Whiskey Creek reclaimed areas; and one minor offsite impact for sedimentation off the permit area. The reclamation instability and resultant sedimentation off the permit area will be discussed by the evaluation team for purposes of reporting offsite impacts in accordance with Table 4 of OSM's / REG-8 Directive during Evaluation Year 2008).

We inspected the reclaimed coal loadout are. Land imprinting / pocking here is more successful than the reclaimed areas at Whiskey Creek primarily due to slope steepness and slope lengths. Erosion throughout the reclaimed area and out slopes is minimal. Slopes are also well blended into surrounding undisturbed areas; and vegetation establishing. This concluded the inspection.

Please address any questions regarding this inspection to Henry Austin, Senior Reclamation Specialist, at [haustin@osmre.gov](mailto:haustin@osmre.gov) or to (303) 293-5019.