

0011

*Internal*  
*C/007/0001*  
*B*

**From:** Priscilla Burton  
**To:** OGMCOAL  
**CC:** Steab, Suzanne  
**Date:** 5/19/2009 10:25 AM  
**Subject:** White Oak 007/0001 Internal File  
**Place:** OGMCOAL  
**Attachments:** Insp Rpt 1999\_20090519101636.pdf; Insp Rpt 1929\_20090519102638.pdf; Insp Rpt 1963\_20090519102550.pdf; Insp Rpt 1984\_20090519102358.pdf

Inspection Reports for the months of February, March, April and May are attached.

Priscilla Burton, CPSSc  
Division Oil Gas & Mining  
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State of Utah office hours are Mon. through Thurs.,  
7 a.m. to 6 p.m.



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

Table with 1 row: Representatives Present During the Inspection: OGM Priscilla Burton Environmental Scientist III

Inspection Report

Table with 2 columns: Permit Number, Inspection Type, Inspection Date, Start Date/Time, End Date/Time, Last Inspection

Inspector: Priscilla Burton, Environmental Scientist III
Weather: sun 65 F
InspectionID Report Number: 1999

Accepted by: jhelfric
5/14/2009

Permitee: LODESTAR ENERGY INC
Operator: WILLIAM BISHOP, TRUSTEE
Site: WHITE OAK MINE
Address: 2525 HARRODSBURG RD STE 235, LEXINGTON KY 40504-1628
County: CARBON
Permit Type: PERMANENT COAL PROGRAM
Permit Status: RECLAIMED

Current Acreages

Table with 2 columns: Current Acreages, Total Permitted, Total Disturbed, Phase I, Phase II, Phase III

Mineral Ownership

- Checked boxes for Federal, State, County, Fee; Unchecked for Other

Types of Operations

- Checked boxes for Underground, Surface, Loadout; Unchecked for Processing, Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Loadout site: Gate appears locked, but chain is attached to the gate at one end with wire. Did not disturb lock set up. Walked around gate to check all culverts, noted one culvert partially blocked. Standing water in pond. Several piles of debris within railroad right of way. Photos in database.

Mine site: Walked the north rim, observed water flowing down 12 gullies to reach stream channel. South rim snow covered. Channel snow covered. Water flowing swiftly beneath snow cover. Channel banks soft with moisture. Channel banks sloughing in steepest gradient. Water carrying a lot of sediment that is reaching Eccles Creek. Photos in database.

Inspector's Signature:

Handwritten signature of Priscilla Burton

Date

Wednesday, May 13, 2009

Priscilla Burton, Environmental Scientist III
Inspector ID Number: 37

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## **1. Permits, Change, Transfer, Renewal, Sale**

Chapter 7 was filed by Lodestar Energy, Inc. on July 15, 2003. The Division negotiated with the Bankruptcy Trustee, Bill Bishop, and Frontier Insurance to stabilize this site. The amount of \$999,000 was escrowed from Frontier Insurance Company on October 3, 2003. Ledcor (the Frontier contractor) started work at the White Oak Mine on October 13, 2003. Ledcor (the contractor for Frontier) left the site for the winter on December 17, 2003. The contract with the Frontier contractor, Ledcor, was terminated in June 2004, monies remaining were set aside for reclamation work by the Division's Abandoned Mine Reclamation program.

On June 18, 2004, Lodestar trustee Bill Bishop filed the master settlement between various parties (including Renco and Wexford Capital) for reclamation in a "General Settlement Fund" outside of the Lodestar bankruptcy estate. Utah received \$1.217 million dollars - this was finalized by the Bankruptcy Court on August 18, 2004.

AMR programs administered the reclamation work at the White Oak Mine (AMR/007934) and at the loadout using the \$1.217 million was received from the Global Settlement Agreement and funds left over from the Frontier contract. The contractor VCM was awarded the contract to continue reclamation at the White Oak Mine. Mark Wayment was awarded the reclamation work at the White Oak Loadout. Mark Wayment began work at the Loadout on October 3, 2004 and ended in December 2004. Work at the mine began in June 2005 and was completed on November 1, 2005. Work additional work was completed at the loadout on November 4, 2005. Weed control was conducted by AMR during the summer of 2006.

### **4.a Hydrologic Balance: Diversions**

Loadout: All culverts checked. Culvert C-4-42 (owned and maintained by the RR) is ripped where it is exposed at the surface, but is functioning (White Oak MRP Dwg R645-301-527, Sheet 1). Culvert C-14-42 is receiving a constant supply of water from an underground pipe. This culvert carries water to Mudd Creek (Dwg R645-301-527 Sheet 2).

### **4.b Hydrologic Balance: Sediment Ponds and Impoundments**

Loadout: Sediment Pond 001A contains water (Dwg R645-301-527, Sheet 1).

### **4.c Hydrologic Balance: Other Sediment Control Measures**

Loadout: gouges are still effective.

Mine site: Gouges have not been sufficient sediment control on the steep slopes of this site. Other measures need to be employed. There are 12 rills carrying running water all the way from the upper slopes to the channel. The water in the channel is sediment laden.

**8. Noncoal Waste**

Loadout: several piles of debris have been stacked within the railroad right of way. A rusty, 15 ft length of metal culvert lies on the ground just inside the locked gate.

Mine site: blocks of cement, roof bolts, culvert downspouts, and metal debris were noted at the mine site and along the access road. The cement may be useful when filling the void above the portal.

**9. Protection of Fish, Wildlife and Related Environmental Issues**

Loadout: no comment.

Mine site: Water leaving site is sediment laden. Confluence of Whiskey Creek and Eccles Creek provides a striking contrast (see photos in database).

**12. Backfilling And Grading**

Loadout: A 30 ft x 7 ft X 5 ft "Vegetation Supporting Material" pile remains along the railroad tracks, above the sediment pond.

Mine Site: Soil is dry and hard on the southeast facing slope between gullies. 12 gullies run through the site affecting vegetation establishment and bringing sediment to the channel. Cave-in above portals is mostly snow covered with standing water at the base.

**16.b Roads: Drainage Controls**

Loadout: The inlet to culvert C-7-24 beneath RR access road is partially plugged (Dwg R645-301-527 Sheet 2).

Mine site: Culverts along access road are all clear. Only culvert C-25-36 in the area known as "the bowl" was collecting water (from road snowmelt), all others were dry (White Oak Plate R645-301-742.310). Flexible plastic tubing (downspouts) are no longer attached to any culverts.

**19. AVS Check**

An evaluation of Lodestar Energy, Inc. in the Applicant Violator System (AVS) database lists a total of 197 violations against this company in CO, KY, UT and WV. A Settlement Agreement dated 8/18/2004 excluded all the owners, officers and directors of Lodestar Energy Inc. from being blocked by the AVS system.



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Lieutenant Governor

Representatives Present During the Inspection:
OGM Priscilla Burton Environmental Scientist III

Inspection Report

Table with 2 columns: Field (Permit Number, Inspection Type, etc.) and Value (C0070001, PARTIAL, etc.)

Inspector: Priscilla Burton, Environmental Scientist III
Weather: sun 35
InspectionID Report Number: 1929

Accepted by: jhelfric
3/11/2009

Permitee: LODESTAR ENERGY INC
Operator: WILLIAM BISHOP, TRUSTEE
Site: WHITE OAK MINE
Address: 2525 HARRODSBURG RD STE 235, LEXINGTON KY 40504-1628
County: CARBON
Permit Type: PERMANENT COAL PROGRAM
Permit Status: RECLAIMED

Current Acreages

Table with 2 columns: Acreage and Category (Total Permitted, Total Disturbed, Phase I, Phase II, Phase III)

Mineral Ownership

- Checked boxes for Federal, State, County, Fee, and Other

Types of Operations

- Checked boxes for Underground, Surface, and Loadout; unchecked for Processing and Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Entrance to the Belina Mine facilities is blocked by snow. A locked gate will prevent access when the snow melts. Surface ownership was researched so that the land owner could be contacted and the gate opened when the snow melts. Current plat maps were down loaded from the Carbon County web site and placed in the MRP in front of the outdated Surface Ownership Map R645-301-112.500.

Inspector's Signature:

Handwritten signature of Priscilla Burton

Date Saturday, February 28, 2009

Priscilla Burton, Environmental Scientist III

Inspector ID Number: 37

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Permit Number: C0070001  
Inspection Type: PARTIAL  
Inspection Date: Saturday, February 28, 2009

**1. Permits, Change, Transfer, Renewal, Sale**

A locked gate will prevent access when the snow melts. Surface ownership was researched so that the land owner could be contacted and the gate opened when the snow melts. Current plat maps were down loaded from the Carbon County web site and placed in the MRP in front of the outdated Surface Ownership Map R645-301-112.500.





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Governor

GARY R. HERBERT  
Lieutenant Governor

Representatives Present During the Inspection:  
OGM Priscilla Burton Environmental Scientist III

# Inspection Report

Permit Number:	C0070001
Inspection Type:	COMPLETE
Inspection Date:	Tuesday, March 31, 2009
Start Date/Time:	3/31/2009
End Date/Time:	4/2/2009
Last Inspection:	Saturday, February 28, 2009

Inspector: Priscilla Burton, Environmental Scientist III

Weather: cold, windy

InspectionID Report Number: 1963

Accepted by: jhelfric  
5/5/2009

Permitee: **LODESTAR ENERGY INC**  
 Operator: **WILLIAM BISHOP, TRUSTEE**  
 Site: **WHITE OAK MINE**  
 Address: **2525 HARRODSBURG RD STE 235, LEXINGTON KY 40504-1628**  
 County: **CARBON**  
 Permit Type: **PERMANENT COAL PROGRAM**  
 Permit Status: **RECLAIMED**

### Current Acreages

3,906.00	Total Permitted
151.10	Total Disturbed
	Phase I
	Phase II
	Phase III

### Mineral Ownership

- Federal
- State
- County
- Fee
- Other

### Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The site remains inaccessible. Division staff met on April 2, 2009 to discuss options for supplemental reclamation treatments at the White Oak Mine. Three areas of concern were identified: the subsidence hole above the portals, the stream erosion in the lower, steep, reaches, and the erosion off the convex west slopes. A powerpoint of the reclamation progress was created for this team discussion.

Inspector's Signature:

Priscilla Burton, Environmental Scientist III

Inspector ID Number: 37

Date

Monday, April 06, 2009

**Note:** This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

Permit Number: C0070001  
 Inspection Type: COMPLETE  
 Inspection Date: Tuesday, March 31, 2009

**Inspection Continuation Sheet**

**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. *Substantiate the elements on this inspection by checking the appropriate performance standard.*
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	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Permit Number: C0070001  
Inspection Type: COMPLETE  
Inspection Date: Tuesday, March 31, 2009

**3. Topsoil**

MRP Vol. 3, Chap 9 provides 1997 pond analyses that indicate the pond sediments had 27 ppm B and pH 8.3. If the pond sediments were not cleaned out and placed underground as described in 1997, then AMR directed that the pond sediments be placed in AMR areas 10 and 11 (shown on either side of the channel on Plate D-2 of the AMR specifications) and covered with three feet of fill. Since the pond was the last area to be graded, it is likely that these sediments were placed at the base of the slopes on either side of the stream channel.

## **12. Backfilling And Grading**

Division staff met on April 2, 2009 to discuss options for supplemental reclamation treatments at the White Oak Mine. Four areas of concern were identified: deterioration of the haul road, the subsidence hole above the portals, the stream erosion in the lower, steep, reaches, and the erosion off the convex west slopes. The following information is pertinent to reclamation treatments along the stream channel.

The MRP Vol. 3 Stream Restoration Plan (dated 2001) includes a survey of the pre-existing stream in representative sections to document the cross section, profile, stream bottom size fractions could be reapplied to similar grades during reclamation. It has photos of what the undisturbed creek looked like. The original mining plan did not include mining through the lower section of Whiskey Creek, as evidenced by the 404 permit in Appendix R-2.

The Appendix R-2 Stream Channel Alteration permit approves the channel reconstruction based upon the following designs that were provided by Lodestar Energy:

"...More drop structures will be installed [on steep grades] than in the original stream. The drops would consist of 1 to 2 large drop structures that resemble bedrock drops over a series of steps. In addition to these structures, there will be a series of 1 foot [ladder] drop structures with pools to be incorporated in the steeper reaches.....The base of the channel will be constructed of compacted material and/or the use of fabric material....fabric will not be used extensively..." (p. 2, Stream Restoration Plan in App. R-2)

Maps included Appendix R-2 provide designs and proposed locations for the drop structures, ladders, pools and revetment structures.

The 2001 stream channel alteration permit approved reconstruction that would be similar to the natural stream where steep gradients had less sinuosity, a meander length around 3 to 4 ft. with much less of a radius of curvature and "natural drops consisting of rocks and large amounts of woody debris are every 3 feet, and anywhere from 3 inches to 3 feet high with an average of about 1 foot high. Variability is preferred. Large amounts of woody debris are required to slow velocities provide cover and forage for aquatic wildlife, and to form the functionality of the step-pools and meanders."

Restoration of the Whiskey Creek channel is also described in the MRP Volume 3, Stream Reclamation Plan. The flow rate of the lower section was estimated to be 32.2 cfs with a depth of 0.5 ft., requiring riprap with D50 of 1.5 ft. (pg. R-23 of 37).

Riparian zones were to be planted along the channel with willow slips and clumps in a 5 - 10 ft. width (p. R-27 of 37). A riparian seed mixture is also described (p. R-27-37). The Stream Channel Alteration permit application in Appendix R2 provides suggested riparian species to be seeded and transplanted. Interestingly, the Stream Channel Alteration permit specifies that Kentucky bluegrass is not an approved species for riparian zones. (It was a component of the AMR mixture.)

When Lodestar Energy forfeited the bond, these designs were superceded by the Lodestar Energy Whiskey Creek Mine Reclamation Plan (part of the October 2003 Lodestar Energy Reclamation Agreement between Frontier Insurance co. and the Division). The 2003 Reclamation Plan described the details of stream channel reconstruction such as clay liner, riprap sizing and placement, drop structures in the upper reaches (less than 1% grade) and riprap keyed into the subgrade, three feet below the designed rip rap depth in the steep reaches (greater than 2% grade). The keying in was to begin 20 feet upstream from the steep reach and extended for 50 feet below the point where the stream channel grade decreased. The Plan describes a cascading chute at the lower end of the disturbed area where the channel flows from the main pad to the boulder field at the toe of the [former] sedimentation pond embankment, since it was not possible to develop any ladder or drop structures in the horizontal distance available. This steeper grade is the area of severe erosion observed and photographed on August 2008 (Inspection Report # 1739).

The Division should discuss the stream reclamation designs with the U.S. Army Corps, because the Stream Alteration Permit expired in 2003, and the 14th condition of the expired permit requires Army Corps inspection within 30 days of completion of the project and states, "Failure to provide such notification would invalidate U.S. Army Corps of Engineers General Permit 040, thereby placing the applicant in violation of Section 404 of the Clean Water Act."

AMR construction designs superceded the 2003 Reclamation Plan and are found in the White Oak Mine Project Contract Specifications AMR/007/934. Section 300 O. indicates that rip rap was not keyed in as described above. The riprap channel constructed was designed to be 10 feet wide and depth of three feet. Drawing D5 shows that the geotextile was placed on top of rip rap (depth unspecified) and then covered with an 18 inch layer of rip rap (D50 = 6 in., Dmax = 12 in.)

With regard to the deteriorating condition of the White Oak haul road: MRP vol. 3, p. R-21 of 37 mentions the two road culverts (C-25-36 and C-28-24) in channel crossings that were to be replaced during final reclamation with an "erosion resistant channel." The first reclamation channel (RC 4) collects drainage from 140 acres (the Bowl) and the second reclamation channel (RC 5) collects drainage from 35 acres. Riprap designs for these reclamation channels are described in Appendix R1. Cross section details are on Map 527 Sheets 12 through 16.

Other road channels were to be reclaimed using erosion control matting and tree planting in the channel as described on Page R-22 of 37.

This information should be useful to the Division when designing supplemental reclamation treatments at White Oak.



State of Utah

Department of Natural Resources

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA  
Division Director

JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

Representatives Present During the Inspection:  
OGM Priscilla Burton Environmental Scientist III

# Inspection Report

Permit Number:	C0070001
Inspection Type:	PARTIAL
Inspection Date:	Tuesday, April 28, 2009
Start Date/Time:	4/28/2009 10:30:00 AM
End Date/Time:	4/28/2009 12:30:00 PM
Last Inspection:	Tuesday, March 31, 2009

Inspector: Priscilla Burton, Environmental Scientist III

Weather: sun 55 F

InspectionID Report Number: 1984

Accepted by: jhelfric  
5/13/2009

Permitee: **LODESTAR ENERGY INC**  
 Operator: **WILLIAM BISHOP, TRUSTEE**  
 Site: **WHITE OAK MINE**  
 Address: **2525 HARRODSBURG RD STE 235, LEXINGTON KY 40504-1628**  
 County: **CARBON**  
 Permit Type: **PERMANENT COAL PROGRAM.**  
 Permit Status: **RECLAIMED**

### Current Acreages

3,906.00	Total Permitted
151.10	Total Disturbed
	Phase I
	Phase II
	Phase III

### Mineral Ownership

- Federal
- State
- County
- Fee
- Other

### Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

### Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

Loadout gate was open. Snow has melted at loadout. Mine site road gate was open. Access to mine site was blocked by logging operation. Mine access road has one foot of snow on unplowed sections. Whiskey Creek channel is snow covered. Photos from this inspection are in the database.

Inspector's Signature:

Priscilla Burton, Environmental Scientist III

Inspector ID Number: 37

Date Wednesday, April 29, 2009

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

**REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS**

1. Substantiate the elements on this inspection by checking the appropriate performance standard.
  - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
  - b. For PARTIAL inspections check only the elements evaluated.
2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
3. Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

	Evaluated	Not Applicable	Comment	Enforcement
1. Permits, Change, Transfer, Renewal, Sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Topsoil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.a Hydrologic Balance: Diversions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: Effluent Limitations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Explosives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Disposal of Excess Spoil, Fills, Benches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Noncoal Waste	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Protection of Fish, Wildlife and Related Environmental Issues	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Slides and Other Damage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Contemporaneous Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Backfilling And Grading	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.b Roads: Drainage Controls	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other Transportation Facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Support Facilities, Utility Installations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Air Quality Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. Bonding and Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**9. Protection of Fish, Wildlife and Related Environmental Issues**

The confluence of Whiskey Creek and Eccles Creek was photographed. The confluence is under several feet of snow and a backwash is created at the mouth of Whiskey Creek. The water in the backwash contains visibly more sediment than the main channel of Eccles Creek. The Skyline Mine monitors Eccles Creek at its confluence with South Fork (site VC-6) and at the former USGS stream gage below Whiskey Creek (site CS-6). The locations of these sites are shown on Skyline MRP Plate 2.3.6-1. On February 28, 2009, a flow of 4,206 gpm and TSS of 6 mg/L was recorded at VC-6. Also on February 28, 2009, a flow of 5,200 gpm and TSS of <5.0 mg/L was recorded at CS-6. This information was found on the web on the coal water quality data base at the following link <http://168.179.220.114/coal/edi/wqdb.htm>

**16.a Roads: Construction, Maintenance, Surfacing**

The Loadout gate was open. I closed it, but did not lock the gate (having no key to work the locks). Snow has melted from the loadout slopes. Plenty of water in puddles around the site. Vegetation is not actively growing yet. Gouges still quite evident on slopes.

The gate to the mine site was open, although road access was blocked by a logging operation. A skid, dozer and backhoe as well as felled trees were on the road. The road had been plowed for the first 1,000 feet to the loggers equipment. Beyond that there was still approximately 8 inches of snow on the road.

**22. Other**

Jeremiah Boger, E B & Sons Logging is logging the slopes above and below the access road in T 13 S, R 7 E, Section 19 with the permission of Daren Caine who represents the Milton Oman Trust.