



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Inspection Report

Permit Number:	C0070001
Inspection Type:	COMPLETE OVERSITE
Inspection Date:	Wednesday, June 12, 2013
Start Date/Time:	6/12/2013 11:00:00 AM
End Date/Time:	6/12/2013 3:00:00 PM
Last Inspection:	Friday, May 31, 2013

Inspector: Priscilla Burton,

Weather: sun 65 F

InspectionID Report Number: 3510

Accepted by: jhelfric

6/26/2013

Representatives Present During the Inspection:	
OGM	Priscilla Burton
OSM	Flynn Dickinson
OSM	Daniel MacKinnon

Permitee: **LODESTAR ENERGY INC**

Operator:

Site: **WHITE OAK MINE**

Address: ,

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:

Inspected the mine site with members of the OSM Evaluation Team: Dan McKinnon and Flynn Dickinson . We walked the mine site and channel. We observed the loadout as well. Also at the mine site were James Owen and DOGM intern Tom Nickolayson.

Inspector's Signature

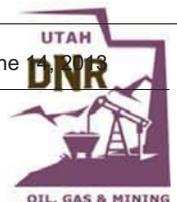
Priscilla Burton,

Inspector ID Number: 37

Digitally signed by Priscilla Burton
DN: cn=Priscilla Burton, o, ou,
email=priscillaburton@utah.gov, c=US
Date: 2013.07.11 12:41:29 -06'00'

Date

Friday, June 14, 2013



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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Signs and Markers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
14. Subsidence Control	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

This prelaw site known as the Belina Mines Complex was first permitted under the interim program in 1984 to Valley Camp of Utah, Inc. The permit was transferred to White Oak Construction (Kentucky) in 1991. The permit was transferred to Lodestar Energy Inc (Kentucky) on July 16, 1999. The August 24, 1999 5 year permit renewal was conditioned upon revising the reclamation plan to eliminate highwalls at the White Oak mine site. (A previous letter dated March 3, 1998 from Daron Haddock to Vicky Bailey, White Oak Mining & Construction describes highwall elimination as an oversight topic.) The permit was reissued on October 26, 2001 to allow a change of mining method from underground mining to contour mining and in so doing reclaim the highwalls. Lodestar filed bankruptcy and the Division forfeited the bond in 2003.

2. Signs and Markers

At the mine site, the gate was locked and no trespass sign was evident. The gate was open at the loadout.

4.a Hydrologic Balance: Diversions

Terraces divert overland flow at the mine site and have successfully prevented erosion of the slopes. Water continues to flow into culvert C-14-42 at the Loadout. The outlet is evidenced by a thicket of willows.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

Ducks were swimming in Loadout pond 001A.

4.c Hydrologic Balance: Other Sediment Control Measures

At the mine site, the terraces were dry and pocks were dry. There is a small amount of water running from seeps in the channel. The channel is catching and holding sediment from the site. Several of the transplanted riparian plants were alive in the channel. All plants were heavily grazed.

4.d Hydrologic Balance: Water Monitoring

Two seeps were emanating from the slope above the Whiskey creek channel in Reach 2. One seep was emanating from beneath a drop structure in Reach 3. The Reach 3 seep was iron rich. A sample of this seep was taken in August 2012. The lab analysis is attached to this inspection report.

7. Coal Mine Waste, Refuse Piles, Impoundments

The RR has placed gravel and road base against the north facing slope of the Vegetation Supporting Material pile at the loadout.

8. Noncoal Waste

No non-coal waste noted at the sites.

9. Protection of Fish, Wildlife and Related Environmental Issues

A herd of hundreds of sheep was grazing the loadout. The sheep were herded to the site today and the herder has set up camp at the loadout.

10. Slides and Other Damage

No damage to the stabilized stream channel was noted.

12. Backfilling And Grading

AMR administered the reclamation work at the White Oak Mine and loadout under contract AMR/007/934. The contractor VCM backfilled, graded and seeded the mine and loadout sites from October to December 2004 and from June - November 2005. AMR also contracted out weed control for a three year period, from 2006 - 2008.

By 2008 the reclaimed channel had severely eroded and two sink holes were observed above the former portals at the reclaimed mine site. In addition, numerous severe gullies had formed on the convex slopes of the site. Inspection report 1760 describes the situation in 2008. Using a portion of the remaining general settlement funds, the Title V program administered State contract AR11035 to backfill the sink holes, stabilize the stream channel and control erosion on the slopes with terraces and organic matter addition to the soil.

A \$40,000 Utah Nonpoint Source Water Quality Hardship Grant was obtained from UDEQ, Division of Water Quality to cover the cost of hauling and applying biosolids to the slopes. Biosolids were applied at a rate of 20 dry MT/ac. Inspection reports # 2443, #2473, # 2491, and # 2563 describe the initial conditions and the work completed from July to November 2010 by Innovative Excavation, Inc. Inspection report #2843 describes the work completed in 2011. The project was summarized for DEQ in the Utah Nonpoint Source Grant Award Payment Request letter dated October 18, 2011 and in the Compliance certification certificate letter dated September 13, 2011 for Stream Alteration Permit #40-09-91-18SA.

13. Revegetation

Vegetation is noticeably vigorous in areas of biosolids and biosol application. A marked contrast is seen between the untreated and treated south east facing slopes and between the treated slopes adjacent to the terraces and the inner slopes where equipment could not reach to distribute biosolids. Musk thistle is a problem on the site and the Division will be contributing towards the July 23 Skyline Cooperative Weed Management Association work day at the site this year. (See email from Daron Haddock to Priscilla Burtonsent to the internal file on 6/14/2013).

14. Subsidence Control

No subsidence noted.

16.a Roads: Construction, Maintenance, Surfacing

The road is used by a logging operation. Logs and wood chips lie in and around the road. Increased erosion on the road out slopes is partly due to logging operations in the watershed above and partly due to failure of the asphalt around the culverts. Many rocks from the road cut have accumulated along the length of the road in the cement gutter on the inside of the road. The rocks are desirable, because they slow the flow of rushing water down the cement gutter. Breaking up the concrete gutter would further diminish speed of flow.

16.b Roads: Drainage Controls

James and Tom walked the access road to the mine site. James is preparing specifications for stabilization of the road.

18. Support Facilities, Utility Installations

A single power pole remains on a cement pad near the north facing bank of Reach 4. Power to the pole has been cut. OSM inspectors suggested that the PCB containers be removed from this pole and properly disposed. This might be done using the logging road which has been cut to within a 100 feet of the pole.

Water right 91-4884 issued to Valley Camp was developed into Well E1691 shown on Plate 7-1 of the MRP. The well is still in existence on the pad near the power pole. A second well E-1058 is shown on Plate 7-1 upstream of the mine site on the right fork of reclaimed Whiskey Creek. This well is associated water right 91-4867 transferred to the Price River Water Improvement District. Research on these water rights was attached to Inspection Report 2179, October 29, 2009.

19. AVS Check

Outstanding violations: OSM-C04-140-116-001, DOGM-FTA CO 3-39-1-1, FTA CO 3-42-1-1, CO 3-42-1-2, FTA CO 3-42-1-3, CO 51-1-1, CO 3-50-2-1, FTA CO 04-39-1-1, CO 3-39-1-1, CO 3-42-1-1, CO 3-42-1-3, NOV 3-46-1-1 and NOV 3-50-1-1. These violations received an "Exclusionary Code" in the AVS on October 21, 2004 as a result of the General Settlement Agreement signed on August 18, 2004. The Rennert parties, Congress Financial, Wexford and the Debtors trustee received the "exclusion" code. Lodestar Energy, Inc. remains accountable in the AVS.

21. Bonding and Insurance

The Division forfeited the bond at the White Oak Mine on May 1, 2003. Chapter 7 was filed by Lodestar Energy, Inc. on July 15, 2003. The Division negotiated with the Bankruptcy Trustee 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 worked from October to December 2003 at the White Oak Mine. Reclamation work at the White Oak loadout was begun by the Mark Wayment group.

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 from the Global Settlement Agreement. This was finalized by the Bankruptcy court on August 18, 2004. The contract with the Frontier contractor, Ledcor, was terminated in June 2004. The monies remaining from that contract were added to the settlement fund monies for use in reclamation of the White Oak mine and loadout.

22. Other

The mine site surface is owned by two landowners: the Milton A. Oman LTD Trust, represented by Darin Caine, email omanranches@hotmail.com; and Hilda and Robert G Hammond (Costa Mesa, CA), email: hamund@aol.com, represented locally by Robert Aycock, email: reaycock@hotmail.com. A portion of the access road to the mine site runs through land owned by the now defunct Blue Ridge Services LLC, represented by John Madison (Ashland, Virginia), email: jmadison.cpa@gmail.com. The Loadout surface is owned by the Koula Marakis Trust and Liodakis Ranch LLC, represented by George Liodakis, email: georgeliodakis@aol.com. The Union Pacific Rail Road tracks run through the loadout and are actively maintained. The contact for the UPRR is Joe Johnson, email: JLJohnst@up.com.



2013. The above image shows the SW facing slope which was reclaimed in 2005. The 2010 reclamation was limited to the right of the side channel.



2013. Showing terraces C, B, A and Reach 2 of the Whiskey Creek stream channel that were stabilized in 2010.

Reach 3 Images



Reach 3 downstream view prior to stabilization work in 2010. The channel was deeply incised and carrying sediment to Eccles Creek.



Reach 3 in 2013. Removal of geotextile fabric, widening of channel, creating a small meander and construction of rock drop structures was completed in 2011. Note riparian plantings on bank.



Reach 4 drop structure 2 on the bottom. Drop structure 3 at the top of rock ladder.

Disturbed area boundary in Reach 4.



2010 before stabilization work.



2013. Drop structure/pool #1 was constructed at the disturbed area boundary.



2013 Sheep grazing at the reclaimed loadout.

COO70001
Internal
OK



OGMCOAL DNR <ogmcoal@utah.gov>

White Oak Water Sample

2 messages

Amanda Daniels <amandadaniels@utah.gov>
To: OGMCOAL DNR <ogmcoal@utah.gov>
Cc: Priscilla Burton <priscillaburton@utah.gov>

Tue, Nov 20, 2012 at 2:19 PM

On October 15, 2012 while at the White Oak reclamation site, a water sample was collected from a small spring located in the site's main drainage channel. The spring displayed a small amount of orange staining and was flowing at less than 1 gpm. Field measurements for temperature and pH were 21.5 C and 6.35 respectively. Two bottles were collected and transported to the Unified State Laboratory for testing. The test results are attached. Of the parameters tested the total iron was reported at 18.6 mg/l and the total aluminum was 0.253 mg/l. Due to the low flowing nature the spring will be observed and considered for future sampling.

--
Amanda Daniels
Utah Division of Oil, Gas and Mining
(801) 538-5262
amandadaniels@utah.gov

11142012.pdf
866K

Priscilla Burton <priscillaburton@utah.gov>
To: OGMCOAL DNR <ogmcoal@utah.gov>

Tue, Nov 20, 2012 at 4:19 PM

----- Forwarded message -----
From: **Amanda Daniels** <amandadaniels@utah.gov>
Date: Tue, Nov 20, 2012 at 2:32 PM
Subject: Re: White Oak Water Sample
To: Priscilla Burton <priscillaburton@utah.gov>

Yes, I had written it down that way when I was comparing it to the some water quality standards and I guess I forgot it wasn't reported that way, its the same number though.

On Tue, Nov 20, 2012 at 2:27 PM, Priscilla Burton <priscillaburton@utah.gov> wrote:

Thanks Amanda! Just for clarification...wasn't the aluminum in micrograms/L?

[Quoted text hidden]

[Quoted text hidden]

C/007/001 Inwsming
CC: Amanda
Priscilla

UTAH STATE DEPARTMENT OF HEALTH
DIVISION OF LABORATORY SERVICES
Environmental Chemistry Analysis Report

K

DEPT OF NATURAL RESOURCES - OGM
ATTN; KEVIN LUNDMARK
1594 W NORTH TEMPLE - STE 1210
SALT LAKE CITY UT 84114-1210

801-538-5352

Lab Number: 201206162 Sample Type: 04 Cost Code: 901B
Description: MAIN CHANNEL SEEP
Collector: AD

Site ID: Source No: 00 Organic Review:
Sample Date: 10/13/2012 Time: 11:50 Inorganic Review: 11/05/2012
Radiochemistry Review:
Microbiology Review:

TEST RESULTS:

Bicarbonate	564 mg/l	CO3 Solids	277 mg/l
Carb. Diox	166 mg/l	Carbonate	0 mg/l
Chloride	490.0 mg/l	Hydroxide	0 mg/l
L-pH *	6.736	Sulfate	259.0 mg/l
T-Aluminum	253 ug/l	T-Iron	18.6 mg/l
T-Mangan	2080.0 ug/l	T.Sus.Sol	62.0 mg/l
TDS @ 180C	1788 mg/l	Tot. Alk.	462 mg/l

QUALIFYING COMMENTS (*) on test results:

L-pH..... pH should be performed as a field test.

Trace levels up to 0.2 ppb metals may be present in bottles

END OF REPORT

RECEIVED
NOV 14 2012
DIV. OF OIL, GAS & MINING



State of Utah
GARY R. HERBERT
Governor
GREGORY S. BELL
Lieutenant Governor

Utah Department of Health
W. David Patton, Ph.D
Executive Director

Division of Disease Control and Prevention
Robyn M. Atkinson, Ph.D
Director, Unified State Laboratories: Public Health

Dear Partner,

Enclosed are reports on samples you recently submitted to our Lab for testing. If you have any questions regarding these reports, please let me know.

My contact information is as follows:

Stephanie Rogers
Bureau of Chemical & Environmental Services
Unified State Laboratories
Utah Department of Health
4431 South 2700 West
Taylorsville, UT 84119

Phone: 801-965-2508
Fax: 801-965-2486
Email: srogers@utah.gov

Thank you.



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