



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 21, 1999

David Miller, Mine Manager
Lodestar Energy, Inc.
HC 35 Box 370
Helper, Utah 84526

Re: Response to Division Order 99B, Received June 18, 1999, Lodestar Energy Inc., Horizon Mine, ACT/007/020-DO99B, Folder # 2, Carbon County, Utah

Dear Mr. Miller:

You should be aware that the transfer of the Horizon Mine permit to Lodestar Energy Inc., carried with it some obligations that still need to be completed. One of those obligations was in the form of Division Order 99B which involved providing updated maps and text for insertion to the Mining and Reclamation Plan (A copy of the Order is enclosed for your information). The Division of Oil, Gas and Mining had received, on June 18, 1999, a response to this Order from the previous permittee. However, upon our review, we have determined that this material is deficient and does not satisfy the requirements of the Order. We have enclosed a Technical Review which details the problems with the June 18th submittal.

Frankly, the submittal contained inadequate responses to the Division Order as well as unnecessary items and extraneous materials not germane to the order, including information on the federal lease, underground mine sequence changes, a proposed portal entry, and information about violation #N99-26-2-1. Changes to the Probable Hydrologic Consequence in Chapter 7 were submitted without any redline strikeouts indicating the changes. Therefore, the June 18th submittal will be returned by the assigned mine inspector, Bill Malencik, for your further attention.

The requirements of the Division Order are still in effect and must be complied with. Please resubmit the requisite information needed to meet the terms of the DO99B by August 23, 1999.

We realize that you are going to be very busy, having just acquired the Horizon mine. We are very interested in helping you achieve compliance with the requirements of the Utah Coal Regulatory program and hope you have a smooth transition. We would welcome a meeting with

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you and your staff in the near future to allow us to become better acquainted and to help answer any questions you may have. In the mean time please don't hesitate to call. If you have any questions about Division Order 99B, please call me at (801) 538-5325, Bill Malencik at (435) 613-5330, or Sharon Falvey at (801) 538-5260.

Sincerely,



Daron R. Haddock
Permit Supervisor

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Enclosure: Technical Analysis
cc: Vicky Miller (Earthfax)
Price Field Office
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