



Lodestar Energy, Inc.
Mountain Operations
 White Oak Mines, Horizon Mine and Grand Valley Mines
 HC 35 Box 370
 Helper, Utah 84526

Incoming
Act/007/020

October 18, 2000

Ms. Pamela Grubaugh-Littig
 Utah Coal Program
 Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, UT 84114-5801



Subject: Application for the Permit Boundary Extension to Include Part of the
 Federal Coal Lease UTU-74804

Dear Ms. Grubaugh-Littig:

Lodestar Energy, Inc. respectfully submits the attached five (5) copies of a permit application. This is a significant modification in the boundary of the permit area for the Horizon No.1 Mine. The purpose of this application is to extend the permit boundary into the Federal Lease UTU-74804 to the Beaver Creek. The area was selected for speed of approval and contained within the area encompassed by the present CHIA.

This submittal has been setup to be incorporated into the currently approved permit and include the comments in the Administrative Completeness Review.

If you have any questions, please feel free to call me at 435-448-9455.

Sincerely,

David B. Miller
 Business Manager

Attachments: Five (5) copies of Permit Application
 C1 and C2 forms

File:\Mydocuments\DOGM001019pap.doc

File in:
 C:\0070020 2000. *Incoming*
 Refer to:
 Confidential
 Shelf
 Expandable
 Date 10/18/00 For additional information

APPLICATION FOR PERMIT PROCESSING

<input checked="" type="checkbox"/> Permit Change	<input type="checkbox"/> New Permit	<input type="checkbox"/> Renewal	<input type="checkbox"/> Transfer	<input type="checkbox"/> Exploration	<input type="checkbox"/> Bond Release	Permit Number: ACT/007/020
Title of Proposal: Permit Boundary Extension to Include Part of Federal Coal Lease UTU-74804						Mine: HORIZON No.1 Mine
						Permittee: Lodestar Energy, Inc.

Description, include reason for application and timing required to implement: Approval needed by January 15, 2001 (Critical)

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	1. Change in the size of the Permit Area? <u>393</u> acres Disturbed Area? _____ acres <input checked="" type="checkbox"/> increase <input type="checkbox"/> decrease.
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	2. Is the application submitted as a result of a Division Order? DO # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	4. Does application include operations in hydrologic basins other than as currently approved?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	6. Does the application require or include public notice/publication?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	7. Does the application require or include ownership, control, right-of-entry, or compliance information?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	9. Is the application submitted as a result of a Violation? NOV # _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	10. Is the application submitted as a result of other laws or regulations or policies? Explain: _____
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	11. Does the application affect the surface landowner or change the post mining land use?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	13. Does the application require or include collection and reporting of any baseline information?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	15. Does application require or include soil removal, storage or placement?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	17. Does the application require or include construction, modification, or removal of surface facilities?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	18. Does the application require or include water monitoring, sediment or drainage control measures?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	19. Does the application require or include certified designs, maps, or calculations?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	20. Does the application require or include subsidence control or monitoring?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	21. Have reclamation costs for bonding been provided for?
<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?
<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	23. Does the application affect permits issued by other agencies or permits issued to other entities?

Attach 5 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein.

John C. Pappas - BUSINESS MGR 10/17/00
Signed - Name - Position - Date

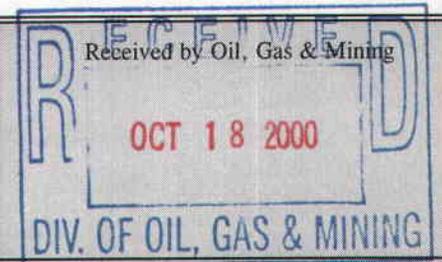
Subscribed and sworn to before me this 17 day of OCTOBER, 2000.

John C. Pappas
Notary Public



Notary Public
JOHN C. PAPPAS
1648 East Castle Circle
Price, Utah 84501
My Commission Expires
March 7, 2002
State of Utah

My Commission Expires: MARCH 7, 2002
Attest: STATE OF UTAH
COUNTY OF CARBON



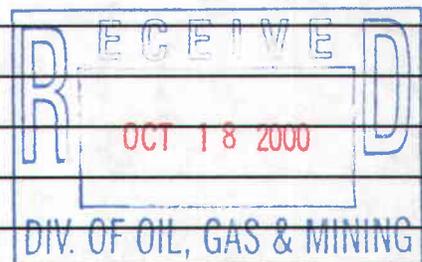
ASSIGNED TRACKING NUMBER

Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application: Permit Boundary Extension to Include Part of Federal Coal Lease UTU-74804	Permit Number: ACT/007/020 <hr/> Mine: HORIZON No.1 MINE <hr/> Permittee: LODESTAR ENERGY, INC.
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Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. **Include page, section and drawing numbers as part of the description.**

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Chapter 1 text and replace Plate 1-1 Permit Boundary
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Chapter 2 text
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add Updated Hidden Splendor Lease to Appendix 2-1
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add Proposed public notice Appendix 2-2
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add Updated Federal lease Status letter Appendix 2-3
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add corporate structure diagram to Appendix 2-4
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Corporate Entity File with Updated pages
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add Updated violation pages from September 2000 back to December 1998
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Chapter 3 text , replace Figures 3-1 and 3-2 with Plates 3-9 Old Workings Castlegate A Seam and 3-10 Old Workings Hiawatha Seam , replace Plate 3-3 Mine Plan and Subsidence Monitoring Points.
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Water Rights with Updated Water Rights in Appendix 3-5
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add Assignment letter of Water Rights to Lodestar Energy in Appendix 3-5
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add update UPDES Permit in Appendix 3-6
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Chapter 4 text, replace Plate 4-1 Land Use, replace Figure 4-1 with Plate 4-2 Surface Ownership, replace Figure 4-2 with Plate 4-3 Coal Ownership.
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Plate 6-1Geology revised to include expanded permit boundary.
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Replace Page 7-10 with Updated Water-level Data for Monitoring Wells, Revised Plate 7-1 Water Monitoring Locations and 7-3 Water Rights.
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Add Additional Baseline water data for the Beaver Creek Tract Lease and a location map of points JC-2 to JC-20
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Revised Plate 8-2 Area Soils
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Revised Plate 9-1 Vegetation
<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Results and map of the 2000 Raptor Survey
<input type="checkbox"/> ADD	<input checked="" type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	Revised Plate 10-1 Wildlife
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	
<input type="checkbox"/> ADD	<input type="checkbox"/> REPLACE	<input type="checkbox"/> REMOVE	



Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

Redline / strikeouts of all the replacement text is included. The index references will be corrected after review and removal of the redline / knockout references. Clean copies will be provided prior to final approval.