



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

February 26, 2001

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

Dear Pam:

Lodestar Energy, Inc. respectfully submits the January 2001 - Discharge Monitoring Reports (DMRs) associated with the Horizon Mine UPDES Permit UTG040019. The sample was taken underground at the tank location where the water is pumped to the outside on February 13th. The delay was caused due to miscommunication about a frozen valve. The surface valve to gather the sample was frozen and the sampler did not think a sample needed to be taken because of the problem. This issue was not communicated to me. I discovered the problem when I called the lab for the January data and they informed me that they had not received a sample. I contacted the sampler and found out about the valve. We set up to take the sample underground the next day.

To avoid this problem in the future, a sampling checklist has been established for each site. The list is checked for completion by at least two people the second and third week of each month to verify sample completion prior to the end of the month.

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

Sincerely,

David B. Miller
Business Manager

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OIL, GAS AND MINING