



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

INSPECTION REPORT

*PGZ
by
HO*

Partial: _____ Complete: XXX Exploration: _____
Inspection Date & Time: 06/15/2001 / 1:00p.m.-4:00p.m.
06/20/2001 / 10:00a.m.-3:00p.m.
Date of Last Inspection: 05/15/2001

Mine Name: Horizon Mine County: Carbon Permit Number: C/007100
Permittee and/or Operator's Name: Lodestar Energy, Inc.
Business Address: HC 35 Box 370, Helper, Utah 84526
Type of Mining Activity: Underground XXX Surface _____ Prep. Plant _____ Other _____
Company Official(s): David Miller State Official(s): Bill Malencik Federal Official(s): None
Weather Conditions: Dry Mine Site, Temp in 70's
Existing Acreage: Permitted 711 Disturbed 9 Regraded _____ Seeded _____
Status: Active XXX

REVIEW OF PERMIT, PERFORMANCE STANDARDS & PERMIT CONDITION REQUIREMENTS

- Substantiate the elements on this inspection by checking the appropriate performance standard.
 - For complete inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check N/A.
 - For partial inspections check only the elements evaluated.
- Document any noncompliance situation by referencing the NOV issued at the appropriate performance standard listed below.
- Reference any narratives written in conjunction with this inspection at the appropriate performance standard listed below.
- Provide a brief status report for all pending enforcement actions, permit conditions, Division Orders, and amendments.

	EVALUATED	N/A	COMMENTS	NOV/ENF
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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HYDROLOGIC BALANCE:				
a. DIVERSIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. SEDIMENT PONDS AND IMPOUNDMENTS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
c. OTHER SEDIMENT CONTROL MEASURES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
d. WATER MONITORING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
e. EFFLUENT LIMITATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. EXPLOSIVES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. DISPOSAL OF EXCESS SPOIL/FILLS/BENCHES	<input checked="" type="checkbox"/>	<input 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 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 type="checkbox"/>	<input type="checkbox"/>
11. CONTEMPORANEOUS RECLAMATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. BACKFILLING AND GRADING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. REVEGETATION	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. SUBSIDENCE CONTROL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. DRAINAGE CONTROLS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. OTHER TRANSPORTATION FACILITIES	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. SUPPORT FACILITIES/UTILITY INSTALLATIONS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19. AVS CHECK (4 th Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. OTHER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/020

DATE OF INSPECTION: 06/15&20/2001

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

GENERAL COMMENTS

Did a complete inspection of the Horizon Mine. See numerical items listed below for details of discussion.

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The current DOGM permit covers 305 acres of fee coal and approximately 406 acres of federal coal. There are two conditions. The first is protection of a portion of the topsoil pile. The second is not mining any federal coal until all the permits are in place and the approval is received from the Secretary of Interior. The DOGM permit expires 10/11/2001.

UPDES permit expires 7/13/2003.

Air Quality Order is on file and the modification was approved 11/7/2000 and authorizes 1,200,000 tons of coal per year.

SPCC plan was on file and dated 6/4/1999. The plan must be re-certified every three years.

2. SIGNS AND MARKERS

All permittee identification signs meet the requirements of the coal rules. The perimeter markers were checked. No problems were noted. Horizon is on a stream. They have stream buffer zones below the sediment pond. Topsoil piles have proper signs for identification with the exception of the topsoil that is a deficiency and involved the midterm. The mine has until June 15, 2001 to respond to the deficiency on the topsoil markers. New signs have been placed next to the ditch where cars were parked. This has not been much of a problems with only three men working. However, when the mine starts working, parking in the ditch will be a problem. The signs will take care of that problem or other preventative steps will have to be taken by the permittee.

3. TOPSOIL

The topsoil piles were inspected. The exposed soil is a problem and it is being addressed by Mr. Miller who intends to place mulching and a filter blanket for soil protection.

4A. HYDROLOGIC BALANCE: DIVERSIONS

All diversions are designed. All diversions are in working order. All diversions are designed and have been certified by a P.E.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The sediment pond is designed. The second quarter pond inspection report was inspected and reported on 06/01/2001. The report was certified. The pond was not discharging. The pond bottom was barely covered.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/020

DATE OF INSPECTION: 06/15&20/2001

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

The snow melted and I noticed some coal and black material that needed additional clean-up. The berm that protects Jewkes Creek also needs attention. Suggested they increase the height of the berm. Mr. Miller stated they would correct these problems immediately.

4D. HYDROLOGIC BALANCE: WATER MONITORING

Reviewed the water monitoring records for the first and second quarters. On the first quarter report the record shows: No samples were taken on SP1, 2, 4, 9, GV90, and 2-6W. Also SS-5, 7, 8, 10, 11, and 12; HZ 95-1, 1S, 2, and 3 were not taken. Samples were attempted to be taken on the afore cited stations, but frozen conditions only allowed samples to be taken on SS-3. Samples were taken on 3/18/2001.

The second quarter samples were only taken on HZ-95-1, 1S, 2, and 3. The laboratory results have not been received on the second quarter samples. The mine has not completed the balance of the second quarter samples.

4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS

The UPDES report was submitted for the month of May covering the period 5/1/2001-5/31/2001. Pond 001 did not discharge. The mine water pond 002 was discharging and was reported for the month of May.

9. PROTECTION OF FISH, WILDLIFE, AND RELATED ENVIRONMENTAL VALUES

The macro-invertebrate study was performed since the last inspection by EarthFax. The report showed no significant differences in Gordon Creek above and below the mine. From these results, one can conclude the discharge of mine water and water from the sediment pond was not a problem.

16A. ROADS: CONSTRUCTION/MAINTENANCE/SURFACING

The mine had pulled back the coal piles from the road. The pile is about 30 feet from the road ditch. Deer killed on the Consumer's highway was covered in a memo to the Division of Wildlife. A copy of this memo was included in the year 2000 Annual Report.

The road ditch needs to be regraded.

The matter of distance prohibitions was previously discussed. My understandings are as follows:

- 1) Horizon can not use the county road to load coal. Horizon does not have a permit on the county road. Loading coal from a public road is a hazard.
- 2) The county ditch that drains into the sediment pond must not have coal in it.
- 3) The snow storage area lies immediately adjacent to the road. When it is not being used for snow storage, like during the summer months, the mine can store coal on the area as long as the coal does not get into the county ditch. This rationale is based on understandings made at the past midterm review.

INSPECTION REPORT

(Continuation sheet)

PERMIT NUMBER: C/007/020

DATE OF INSPECTION: 06/15&20/2001

21. BONDING AND INSURANCE

The mine has a reclamation bond with Frontier for \$711,000. Liability insurance is going to expire 8/31/2001. The mine should take steps to get the insurance renewed.

22. OTHER

Mr. Miller advised me that they are planning to make some changes to their disturbed area. This includes moving and enlarging the substation and placing a bathhouse under the belt line. He stated they would be submitting an amendment on both of these items.

Inspector's Signature


Wm. J. Malencik #26

Date: June 27, 2001

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

sd

cc: James Fulton, OSM
David Miller, Lodestar
Price Field office

O:\007020.HZN\Compliance\2001\c_061520.wpd