



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

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**INSPECTION REPORT**

*PAL  
 by  
 JD*

Partial: \_\_\_\_\_ Complete: XXX Exploration: \_\_\_\_\_  
 Inspection Date & Time: 12/13/2001 / 8:30-11 AM  
 Date of Last Inspection: 11/16/2001

Mine Name: Horizon Mine County: Carbon Permit Number: C/007/020  
 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): Mr. Kit Pappas, Engineering Dept.  
 State Official(s): Peter Hess Federal Official(s): None  
 Weather Conditions: Clear/cold; teens Fahrenheit  
 Existing Acreage: Permitted 711 Disturbed 9 Regraded \_\_\_\_\_ Seeded \_\_\_\_\_  
 Status: Active XXX

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 N/A.
  - b. For partial inspections check only the elements evaluated.
2. Document any noncompliance situation by referencing 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, Division Orders, and amendments.

	<u>EVALUATED</u>	<u>N/A</u>	<u>COMMENTS</u>	<u>NOV/ENF</u>
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 type="checkbox"/>	<input type="checkbox"/>
3. TOPSOIL	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>
10. SLIDES AND OTHER DAMAGE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input 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 type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>
15. CESSATION OF OPERATIONS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. ROADS:				
a. CONSTRUCTION/MAINTENANCE/SURFACING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 <sup>th</sup> Quarter- April, May, June)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. AIR QUALITY PERMIT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
21. BONDING & INSURANCE	<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: 12/13/2001

( COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE )

### 1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

The permittee submitted a revised surface facilities map for the Mine on December 5. The amendment will be tracked under C/007/020-AM01C. Changes include the addition of two trailers to add office and bath house facilities. The submitted Plate 3-1 was ground-truthed during today's complete inspection.

The submitted Plate 3-1 showed the following discrepancies:

- 1) The belt drive for the stacker belt (run-of-mine belt) is depicted in the wrong location. The "as-built" location of the drive is just NE of the newly installed office trailer.
- 2) The permittee has just installed three utility poles on the north side of the facilities access road in order to establish power for the "proposed" fuel tank location. It appears that the permittee will complete the relocation of the diesel fuel tank in a very short time. It was suggested to Mr. Miller that this relocation be shown as completed on the next submittal of Plate 3-1.
- 3) The permittee has installed pipe standards along the main facilities access (120 feet down gradient of the new bath house trailer installation) in order to erect a security gate. The gates are constructed but need to be mounted. The security gate is well inside the disturbed area perimeter, and approximately 270 feet from Carbon County Road 290.

The permittee recently updated the SPCC plan (September 2001) for the Mine site at the request of this inspector. The majority of the changes required updating the responsible individuals within the Company, including their names and phone numbers. A recent review of the Horizon mining and reclamation plan revealed that the SPCC plan is also included within that document. **The permittee should submit an amendment to include the updated version of this EPA requirement within the MRP.**

The permittee completed a new water monitoring well for outside the Horizon permit area (HZ-01-06-1) during November. This will establish baseline information for the extraction of future leases.

### 4A. HYDROLOGIC BALANCE: DIVERSIONS

Most of the diversions were under snow this day.

Snow removal was discussed with Mr. Pappas. The permittee has a designated snow storage area NNW of the Mine site sediment pond, UPDES discharge point #001. Although the dumping of snow in drainage diversions was not observed during today's inspection, it was discussed. It was suggested that the permittee discuss this issue with the surface crew in order that **they understand the necessity to not place collected snow accumulations in diversions.**

**INSPECTION REPORT**  
(Continuation sheet)

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**4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS**

The permittee conducted the fourth quarter 2001 impoundment inspection for the Mine site sediment pond on October 24. Mr. Pappas conducted that inspection. There were no hazardous conditions or signs of instability reported for this incised pond. Mr. Dave Miller provided a P.E. certification for the inspection report on October 29.

As observed this day, what water exists in the pond is frozen; the inslopes are snow covered. The elevation of the ice is well below the primary and secondary discharge elevations.

During the snow removal process, a mixture of frozen snow and dirt was inadvertently placed in the pond inlet diversion located on the NW corner of the sediment pond. Mr. Pappas agreed to have the material removed, such that the diversion would be capable of functioning as designed.

**4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES**

The site's alternate sediment control areas are snow covered. The controls which are in place appear to be capable of functioning as designed upon initiation of the thaw cycle.

**4D. HYDROLOGIC BALANCE: WATER MONITORING**

The permittee's water monitoring specialist completed the fourth quarter water monitoring requirements for the Horizon site on October 14. To date, the permittee has not received any analyses for the collected samples.

Fourth quarter well monitoring data was reviewed. The wells which had data reported included HZ-95-1, HZ-95-1S, HZ-95-2, HZ-95-3, and HZ-01-06-1. HZ-01-06-1 is the water monitoring well that was just completed in November of this year. As such, it is not depicted on Plate 7-1, Water Monitoring Locations (which was last updated in 1997).

Third quarter 2001 analyses were reviewed for the following samples, which were collected on August 19; SS-11, SS-10, SS-8, SS-7, SS-5, SS-3, GV-70, SP-9, SP-4, 2-6-W AND SS-1. There were no usual values noted for any of the required parameters; all of the reported cation/anion balances were within the acceptable error range of +/-5 %.

**4E. HYDROLOGIC BALANCE: EFFLUENT LIMITATIONS**

A review of the discharge monitoring reports for the two UPDES discharge points (001, sediment pond and 002, mine water discharge) for the months of September and October was performed. There were no exceedances noted for the 002 outfall during the two month period. Sediment Pond 001 did not discharge. As noted from the DMR's and confirmed by Mr. Pappas, the quantity of water discharged from the Mine to Jewkes Creek has diminished from approximately 800 GPM to 350 GPM, when being pumped. Mr. Pappas attributed this to the use of water in-Mine for dust suppression purposes.

The reports, which are signed by Mr. Dave Miller, were submitted in a timely fashion.

**5. EXPLOSIVES**

The permittee has not conducted any surface blasting.

INSPECTION REPORT  
(Continuation sheet)

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**14. SUBSIDENCE CONTROL**

A review of the year 2000 subsidence monitoring report indicated the following:

- 1) The permittee monitors five subsidence points, three of which have not been undermined.
- 2) The other two monitoring points (Sub1 and Sub2) exist on surface which has not been subjected to secondary extraction.
- 3) No mining occurred at the Horizon site during 2000.
- 4) There has not been any deflection noted at Sub1 or Sub2 for the last three years.
- 5) The submitted subsidence map is P.E. certified by Mr. Dave Miller.

**19. AVS CHECK**

The permittee is currently undergoing changes within the Corporate level. Mr. Miller has previously agreed to update the Chapter 1, Legal and Financial information as soon as the changes are official.

**20. AIR QUALITY PERMIT**

The permittee should consider installing fugitive dust control doors on the run-of-mine coal stacking tube. This is usually a requirement in an air quality approval order.

Mr. Pappas indicated this day that it is the permittee's intent to enclose the stacker belt. It is assumed that the purpose of this is to keep snow accumulations off the conveyor and reduce the volume of air borne coal fines.

**21. BONDING AND INSURANCE**

As noted in the November inspection report, the permittee has until January 7, 2002 to replace the surety for the Horizon permit area. According to Mr. Dave Miller, Business Manager for Lodestar Energy, Mountain Operations, a similar issue must come to resolve in the Commonwealth of Kentucky prior to the replacement of the surety for the Utah operations.

The site's permit was renewed on October 11, 2001 by the UDNR/OGM, with a condition that the surety (Frontier Insurance Company) be replaced by February 9, 2002. Frontier has been declared insolvent by the Supreme Court of the State of New York.

Inspector's Signature: \_\_\_\_\_

  
Peter Hess #46

Date: December 14, 2001

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

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

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