



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Handwritten initials/signature

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INSPECTION REPORT

Partial _____ Complete XXX Exploration _____
Inspection Date: 08/12,13/2002 / Time: 10:40 AM-12:20 PM
Date of Last Inspection: 07/09/2002

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
Company Official(s): Mr. Kit Pappas, Engineering Dept.
State Official(s): Peter Hess Federal Official(s): None
Weather Conditions: Sunny, clear; 80's Fahrenheit
Type of Mining Activity: Underground XXX Surface Prep Plant Other
Existing Acreage: Permitted 711 Disturbed 9 Regraded _____ Seeded _____
Status: Active

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 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 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 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 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 checked="" 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 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 type="checkbox"/>	<input checked="" 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 checked="" 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 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 type="checkbox"/>	<input type="checkbox"/>

INSPECTION REPORT
(Continuation Sheet)

PERMIT NUMBER: C/007/020

DATE OF INSPECTION: 08/12,13/2002

(COMMENTS ARE NUMBERED TO CORRESPOND WITH TOPICS LISTED ABOVE)

1. PERMITS, CHANGE, TRANSFER, RENEWAL, SALE

Although coal production has ceased at the Horizon Mine, ventilation and de-watering are continuing. Negotiations between the permittee and Andalex Resources, Inc. are continuing.

The permittee is hopeful that the aforementioned negotiations will be successful. If that is not the case, a notification of temporary cessation status will be submitted to the Division.

4B. HYDROLOGIC BALANCE: SEDIMENT PONDS AND IMPOUNDMENTS

The permittee conducted the third quarter impoundment inspection for the third quarter of 2002 during today's inspection. There were no hazardous conditions or signs of instability noted during the field inspection of this incised structure. The pond is completely dry; cracks have developed in the bottom of same due to drought conditions.

4C. HYDROLOGIC BALANCE: OTHER SEDIMENT CONTROL MEASURES

ASCA #1, which is the roughened topsoil storage area located SSE of the mine site sediment pond, has straw bales placed about its perimeter on the southern and western boundaries. Wildlife in the area frequently scatters some of the bales as forage. The permittee had spotted several new bales to replace those that had been scattered, but as of today's inspection, had not inserted them in the dike. Mr. Pappas indicated that he would follow up on this.

4D. HYDROLOGIC BALANCE: WATER MONITORING

The permittee submitted the second quarter 2002 water monitoring information for the Horizon permit area on June 12, 2002. The following ground water sites had reportable chemistries: SP-9, GV-70, 2-6-W. The following surface water sites reported chemistries: SS-3, SS-5, SS-7, SS-8, SS-11, SS-12. All sites reporting chemistries had cation/anion balances within the acceptable error range.

Discharge monitoring reports were reviewed for the months of May, June, and July 2002. The only outfall discharging is the mine water discharge point UPDES point 002A. The reported flows vary from 352 GPM to 400 GPM when pumping occurs, which is approximately 50 % of the time. No parameter exceedances were reported during the three-month period. All reports were submitted to the respective government agencies in a timely manner.

As observed this day, Jewkes Creek above the mine site is dry. The mine water being discharged appears to be of very high quality.

8. NONCOAL WASTE

Two 12-volt automotive storage batteries were observed sitting on the ground adjacent to the material storage area by the coal stacking tube. Mr. Pappas did not know the condition of the batteries (i.e., good or junk) but indicated that whatever the condition, same would be properly stored or properly disposed of.

Two petroleum based soil discolorations were observed NE of the office trailer / bathhouse trailer. Mr. Pappas agreed to clean up the contaminated soil, and dispose of it with other noncoal waste.

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

The site's substation is located only one-hundred fifty feet up-slope of the neck of Portal Canyon; therefore, the Utah Power and Light high voltage transmission lines only feed a short distance inside the mine site disturbed area before they terminate at the substation.

An evaluation of the incoming high voltage lines indicates that some of the structures appear to be raptor safe while others do not. Photographs of the support structures from the southern permit boundary to the substation can be viewed at "O", 007020 / Images / 08132002.

Mr. Chris Colt of the Utah Division of Wildlife, Price Office, has been contacted relative to any records that they might have concerning raptor mortality in the Horizon Mine area.

It needs to be noted that if the mine does enter into temporary cessation status, it would not be possible to de-energize the incoming high voltage lines, as the mine would quickly flood.

21. **BONDING AND INSURANCE**

The permittee's current general liability insurance is in effect until August 31, 2002.

Inspector's Signature: _____


Peter Hess #46

Date: August 13, 2002

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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