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

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January 7, 2002

David Miller, Resident Agent
Lodestar Energy, Inc.
HC 35, Box 370
Helper, Utah 84526

RE: Approval of Revised Surface Facilities Map, Plate 3-1, Lodestar Energy, Inc., Horizon Mine, C/007/020-AM01C, Outgoing File

Dear Mr. Miller:

The above-referenced amendment is approved effective January 7, 2002. A stamped incorporated copy is enclosed for your copy of the Mining and Reclamation Plan.

If you have any questions, please feel free to call me at (801) 538-5268 or Peter Hess at (435) 613-5622.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Pamela Grubaugh-Littig".

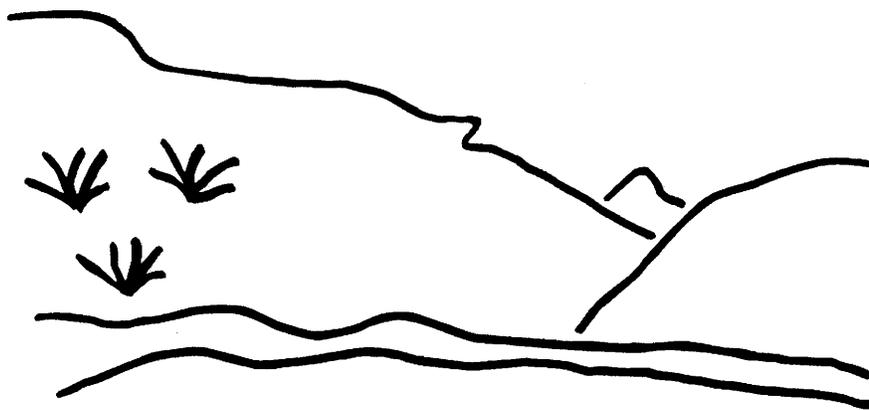
Pamela Grubaugh-Littig
Permit Supervisor

Phh/sd
Enclosure

cc Joe Wilcox, OSM
Richard Manus, BLM
Mark Page, Water Rights, w/o
Dave Ariotti, DEQ, w/o
Derris Jones, DWR, w/o
Price Field Office

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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Horizon Mine
Surface Facilities Update
C/007/020-01C
Technical Analysis
January 2, 2002

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TECHNICAL ANALYSIS

INTRODUCTION

The permittee initiated coal production at the Horizon Mine on November 5, 2001. Prior to that start up, it was necessary to implement several changes in the surface facilities to ready the mine for production. This included the addition of a new electrical transformer, (C/007/020-AM01A), and the addition of an office and bathhouse trailer. Also, it was necessary to move a fuel tank to provide space for the trailers. The permittee has submitted a new surface facilities map to address these changes.

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INTRODUCTION

OPERATION PLAN

OPERATION PLAN

MINING OPERATIONS AND FACILITIES

Regulatory Reference: 30 CFR 784.2, 784.11; R645-301-231, -301-526, -301-528.

Minimum Regulatory Requirements:

The objectives of this section is to ensure that the Division is provided with comprehensive and reliable information on proposed underground mining activities, and to ensure that those activities are allowed to be conducted only in compliance with the regulatory program.

Provide a general description of the mining operations proposed to be conducted during the life of the mine within the proposed permit area, including, at a minimum, the following: a narrative description of the type and method of coal mining procedures and proposed engineering techniques, anticipated annual and total production of coal, by tonnage, and the major equipment to be used for all aspects of those operations; and, a narrative explaining the construction, modification, use, maintenance, and removal of the following facilities (unless retention of such facility is necessary for postmining land use is specified.) The following facilities must be described: dams, embankments, and other impoundments; overburden and topsoil handling and storage areas and structures; coal removal, handling, storage, cleaning, and transportation areas and structures; spoil, coal processing waste, mine development waste, and noncoal waste removal, handling, storage, transportation, and disposal areas and structures; mine facilities; and, water pollution control facilities.

Analysis:

Facilities and Structures

The permittee has provided a revised Plate 3-1, Surface Facilities map to update the mining and reclamation plan to address the installation of the new facilities described above. These include the addition of an electrical transformer (C/007/020-AM01A) adjacent to the run-of-mine belt, and the addition of an office trailer and bathhouse trailer.

The compact area of the Portal Canyon area requires moving previously located apparatus in order to accommodate new structures. An example is the moving of the diesel fuel tank to provide space for the two new facility trailers. As indicated on the submitted Plate 3-1, the fuel tank will eventually be moved to a final location in the storage area located between the northern leg of the truck loading loop and Jewkes Creek.

The submitted Plate 3-1 was field checked for accuracy on December 13, 2001, and the inaccuracies noted were documented in that inspection report. As the result of the field check, the permittee submitted a revised Plate 3-1 on December 20, 2001. The revised drawing included several power poles as well as a security gate. Plate 3-1 is certified by Mr. Dave Miller, Utah registered professional engineer.

The Plate 3-1 submitted on December 20, 2001 meets the requirements of R645-301-512.120, (521.124, 521.164, and 521.167), as well as R645-301-521.165, 521.161 521.162, and 521.163. The requirements of R645-301-526.111 and 528.100 have also been addressed.

Findings:

AM01C adequately addresses the requirements of the R645 coal rules as they relate to surface facilities maps. This amendment should be approved as received on December 20, 2001.

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