



The State of Utah
 Department of
 Natural Resources
 Division of
 Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

Representatives Present During the Inspection:		
Company	Kit Pappas	Environmental Coordinator
OGM	Dave Darby	Environmental Scientist III
OGM	Joe Helfrich	Environmental Scientist III

Inspection Report

Permit Number:	C0070020
Inspection Type:	COMPLETE
Inspection Date:	Wednesday, December 17, 2003
Start Date/Time:	12/17/2003 9:00:00 AM
End Date/Time:	12/17/2003 1:00:00 PM
Last Inspection:	Wednesday, November 19, 2003

Inspector: Joe Helfrich, Environmental Scientist III

Weather: sunny 30

InspectionID Report Number: 137

Accepted by: dhaddock
 12/23/2003

Permittee: **LODESTAR ENERGY INC**
 Operator: **LODESTAR ENERGY INC**
 Site: **HORIZON MINE**
 Address: **HC 35 BOX 370, HELPER UT 84526**
 County: **CARBON**
 Permit Type: **PERMANENT COAL PROGRAM**
 Permit Status: **ACTIVE**

Current Acreages

1,998.99	Total Permitted
9.50	Total Disturbed
	Phase I
	Phase II
	Phase III

Mineral Ownership

- Federal
- State
- County
- Fee
- Other

Types of Operations

- Underground
- Surface
- Loadout
- Processing
- Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The purpose of this site visit was to conduct a complete joint inspector, hydrologist inspection of the horizon mine.

Inspector's Signature: _____

Date Tuesday, December 23, 2003

Joe Helfrich, Environmental Scientist III

Inspector ID Number: 1

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

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENT

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 Not Applicable.*
 - b. *For PARTIAL inspections check only the elements evaluated.*
2. *Document any noncompliance situation by reference 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, Divison Orders, and amendments.*

	Evaluated	Not Applicable	Comment	Enforcement
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.a Hydrologic Balance: Diversions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.b Hydrologic Balance: Sediment Ponds and Impoundments	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.c Hydrologic Balance: Other Sediment Control Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.d Hydrologic Balance: Water Monitoring	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4.e Hydrologic Balance: 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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Coal Mine Waste, Refuse Piles, Impoundments	<input checked="" type="checkbox"/>	<input 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 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 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 type="checkbox"/>	<input type="checkbox"/>
15. Cessation of Operations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16.a Roads: Construction, Maintenance, Surfacing	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16.b Roads: 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 checked="" type="checkbox"/>	<input type="checkbox"/>
19. AVS Check	<input type="checkbox"/>	<input checked="" 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 and Insurance	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
22. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

1. Permits, Change, Transfer, Renewal, Sale

The Horizon Mining Permit has been transferred to Hidden Splendor Resources, Inc as of July 1, 2003. The permit will expire on October 11, 2006. There are two conditions set forth in the Mining and Reclamation Permit. These are a) Hidden Splendor Resources, Inc will submit water quality data by using the Electronic Data Input System, and b) to update the permit transfer information in the Mining and Reclamation Plan by August 1, 2003. Water quality data is being submitted electronically which satisfies the first condition. Regarding the second condition, the Division sent a deficiency letter to the permittee on 12/22/2003 requesting additional permit transfer information. The response is due January 26, 2004.

No permitting actions have been submitted to the Division by the new permittee. However, the permittee is in the process of updating the transfer information in the Mining and Reclamation Plan.

The SPPC Plan was last reviewed in September 2003.

2. Signs and Markers

New identification information has been installed as it pertains to Hidden Splendor Resources.

3. Topsoil

The additional berm around the lower topsoil area was constructed prior to the November inspection and was functioning adequately.

4.a Hydrologic Balance: Diversions

Diversions and ditches were partially filled with snow and functioning adequately.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The sediment pond was inspected on October 7, 2003, indicating no signs of weakness or structural hazards.

4.d Hydrologic Balance: Water Monitoring

Hard copies of the monitoring were available for review. Sampling for the fourth quarter was completed on 10/16/2003.

4.e Hydrologic Balance: Effluent Limitations

Hard copies of the DMR's were current through November 2003 showing no discharge.

8. Noncoal Waste

The property was clear of non-coal waste material.

15. Cessation of Operations

The mine is currently producing coal.

18. Support Facilities, Utility Installations

The permittee has finished the redesigned beltline.

21. Bonding and Insurance

I inspected the insurance accord form. This document meets the minimum requirements of the R645 Coal Rules. The policy will expire on July 1, 2004. The company supplying the insurance is Lexington Insurance Company. The policy is #2916445. The bond is a letter of credit in the amount of \$342,000.00.