

WATER QUALITY MEMORANDUM

Utah Coal Regulatory Program

March 20, 2008

TO: Internal File

THRU: James D. Smith, Permit Supervisor *DS 03/11/08*

FROM: David Darby, Senior Reclamation Specialist III *[Signature]*

RE: 2007, 3rd Quarter Water Monitoring, Lodestar Energy, Inc., Horizon Mine, C/007/0020-WQ07-3, Task ID #2608

The Horizon Mining operation is operating and mining coal. This report is based on data compiled in file; O:\007020.hzn\Water Quality\datacheck 2007(1-3).xls.

The water monitoring plan is outlined in Chapter 7 of the MRP. Surface and groundwater monitoring is required for the Horizon Mine under the operation plan. Kit Pappas is the contact for water monitoring issues.

1. Was data submitted for all of the MRP required sites? YES [X] NO []

Identify sites not monitored and reason why, if known:

Springs During the operational and reclamation phases the springs will be monitored once each calendar quarter when the spring are accessible. SP-1, SP-2, SP-4, SP-9 (Jewkes Sp.), 2-6-W (Homestead Sp.) And GV-70. Ground water quality parameters to be checked are outlined in Table 2 of the MRP.

Streams Stations SS-3, SS-5, SS-7, SS-8, SS-10 and SS-11 will be monitored once each quarter (as access conditions permit). Surface water quality parameters are outlined in Table 7-5 of the MRP.

Wells Water level data will be collected during the operational and reclamation phases from the HZ wells once each quarter when accessible.

UPDES Monthly monitoring of flows from mine discharge and sedimentation pond. The mine discharge runs about 350 gpm. The pond discharges continuously because of the mine discharge.

2. **Were all required parameters reported for each site?** YES NO
Comments, including identity of monitoring site:

Kit Pappas was informed on August 7, 2007 that the 5 year baseline water monitoring sampling will need to be conducted during the third quarter of 2007.

3. **Were irregularities found in the data?**

Springs YES NO

Streams YES NO

Wells YES NO

UPDES YES NO

4. **On what date does the MRP require a five-year resampling of baseline water data.**

Re-sampling due date is September 2007.

5. **Based on your review, what further actions, if any, do you recommend?**

None

Does the Mine Operator need to submit more information to fulfill this quarter's monitoring requirements? Yes No

6. **Follow-up from last quarter, if necessary.**
Did the Mine Operator submit all the missing and/or irregular data (datum)?

None needed.