0022

WATER QUALITY MEMORANDUM
Utah Coal Regulatory Program

March 27, 2008

TO: Internal File

THRU: James D. Smith, Permit Supervisor DS 05/07/09

FROM: David Darby, Senior Reclamation Specialist III

RE: 2007, 4th Quarter Water Monitoring, Lodestar Energy, Inc., Horizon Mine, C/007/0020-WQ07-4, Task ID #3202

The Horizon Mining operation is operating and mining coal. This report is based on data complied in file; O:\007020.hzn\Water Quality\datacheck2006-2007(4).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.

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

3. Were irregularities found in the data?

Springs YES [ ] NO [X]

Streams YES [ ] NO [X]

Wells YES [ ] NO [X]

UPDES YES [ ] NO [X]

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

Re-sampling due date is September 2012.

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 [X] No

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

None needed.