




## COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY COAL PROGRAM INSPECTION REPORT



### PERMIT INFORMATION

<b>Permit Number:</b> C-1981-012 <b>Mine Name:</b> New Elk Mine <b>Operator:</b> New Elk Coal Company, LLC <b>Operator Address:</b> Mr Ron Thompson 12250 Highway 12 Weston, CO 81091	<b>County:</b> Las Animas <b>Operation Type:</b> Underground <b>Permit Status:</b> Temporary Cessation <b>Ownership:</b> Private
<b>Operator Representative Present:</b>	
<b>Operator Representative Signature:</b> (Field Issuance Only)	

### INSPECTION INFORMATION

<b>Inspection Start Date:</b> December 18, 2013 <b>Inspection Start Time:</b> 11:00 <b>Inspection End Date:</b> December 18, 2013 <b>Inspection End Time:</b> 11:30	<b>Inspection Type:</b> Aerial Inspection <b>Inspection Reason:</b> Normal I&E Program <b>Weather:</b> Cloudy
<b>Joint Inspection Agency:</b>  None	<b>Joint Inspection Contacts:</b>
<b>Post Inspection Agency:</b>  None	<b>Post Inspection Contacts:</b>
<b>Inspector(s):</b>  Leigh D. Simmons  Harry B. Ranney	<b>Inspector's Signature:</b>  <b>Signature Date:</b>  December 24, 2013

**Inspection Topic Summary**

NOTE: Y=Inspected N=Not Inspected R=Comments Noted V=Violation Issued NA=Not Applicable

N - Air Resource Protection	N - Roads
N - Availability of Records	N - Reclamation Success
N - Backfill & Grading	N - Revegetation
R - Excess Spoil and Dev. Waste	N - Subsidence
N - Explosives	N - Slides and Other Damage
N - Fish & Wildlife	N - Support Facilities On-site
R - Hydrologic Balance	N - Signs and Markers
R - Gen. Compliance With Mine Plan	N - Support Facilities Not On-site
N - Other	N - Special Categories Of Mining
R - Processing Waste	N - Topsoil

**COMMENTS**

This was an aerial inspection. Pictures were taken by Harry Ranney of Colorado Division of Reclamation, Mining and Safety (the Division) during a flight on December 18, 2013. Conditions were overcast, but the air was clear. A little snow was on the ground on shaded northerly aspects.

Several permitting actions are in progress, these are detailed under the heading GENERAL MINE PLAN COMPLIANCE.

Two recent enforcement actions have been abated and terminated; a third has since been issued. Details are given under the heading ENFORCEMENT ACTIONS.

The New Elk Mine continues in Temporary Cessation whilst NECC searches for investors and coal customers.

On November 26, 2013, Cline Mining announced that they had received the 90-day notice of resignation of Mark Haywood as President, CEO and director. Doug Blackburn has been hired by Cline Mining to act as General Manager of New Elk Coal Company (NECC). Mr Blackburn is employed as a contractor, rather than a permanent employee of either company.

**EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09**

Placement; Drainage Control; Surface Stabilization:

The Development Waste Pile (DWDA 1) appears well vegetated when viewed from above. There were no signs of erosion or instability.

The Development Waste Disposal Area (DWDA 2) was stable however, it was clear that the east end of the pile had not yet been re-shaped following the repairs to the adjacent ditch. **The pile should be restored to match the design specifications.**

Additional development waste has been stored in the soil storage area. It appeared that the piles had been partially re-shaped. An orange fence was used to segregate different types of material.

**HYDROLOGIC BALANCE - Rule 4.05**

Drainage Control 4.05.1, 4.05.2, 4.05.3; Siltation Structures 4.05.5, 4.05.6; Discharge Structures 4.05.7, 4.05.10;

Number of Partial Inspection this Fiscal Year: 4

Number of Complete Inspections this Fiscal Year: 2

Diversions 4.05.4; Effluent Limits 4.05.2; Ground Water Monitoring 4.05.13; Surface Water Monitoring 4.05.13; Drainage – Acid and Toxic Materials 4.05.8; Impoundments 4.05.6, 4.05.9; Stream Buffer Zones 4.05.18:

There was no indication that any work had taken place to restore the upland diversion ditch above the RDA. This ditch is the subject of NOV CV 2013-009.

#### GENERAL MINE PLAN COMPLIANCE:

TR68 was reviewed for adequacy by the Division in a letter dated November 27, 2013. The Division awaits NECC's response. The proposed decision due date is December 31, 2013.

**TR64** and PR4 were withdrawn.

It was previously stated, incorrectly, that TR67 had been withdrawn. In fact that is not the case, although the Division suggests that NECC consider withdrawing the revision since it is unlikely that the proposed work would be completed in the near future.

The proposed decision due date for MR120 was extended to December 31, 2013. Currently the Division is waiting on a response to the last adequacy letter.

An application for permit renewal (RN6) was received in good time and found complete. It is not feasible to approve the application until such time as the response to the last mid-term review is completed (MT6 and TR68).

#### PROCESSING WASTE/COAL MINE WASTE PILES – Rule 4.10 and 4.11

Drainage Control; Surface Stabilization; Placement:

Pictures of the RDA showed no signs of instability or erosion. There was no indication that any waste had been deposited recently.

#### DOCUMENTS RECEIVED

N/A

#### OTHER (SPECIFY)

N/A

Number of Partial Inspection this Fiscal Year: 4

Number of Complete Inspections this Fiscal Year: 2

**ENFORCEMENT ACTIONS/COMPLIANCE****Infraction Number:** CV2013007

Inspection Date: July 23, 2013

Date Issued: August 22, 2013

Primary Topic: Hydrologic Balance

Description: Failure to treat surface drainage from a disturbed area before leaving the permit area, in violation of Rule 4.05.2(1)

The violation has been terminated. Payment of the fixed penalty was received on December 16, 2013.

**Infraction Number:** CV2013008

Inspection Date: July 23, 2013

Date Issued: August 22, 2013

Primary Topic: Hydrologic Balance

Description: Failure to maintain ditches, culverts and berms in compliance with the approved design, in violation of Rule 2.07.7(7).

The violation has been terminated. Payment of the fixed penalty was received on November 26, 2013.

**Infraction Number:** CV2013009

Inspection Date:

Date Issued: November 25, 2013

Primary Topic: Hydrologic Balance

Secondary Topic: Processing Waste

Description:

Abatement #: 1

Abatement Due Date: 1/24/2014

Abatement Description: Construct the RDA upland diversion ditch so that is in compliance with the approved design

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**PHOTOGRAPHS**



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