



STATE OF
COLORADO

Simmons - DNR, Leigh <leigh.simmons@state.co.us>

OSMRE concurrence: West Elk SL-09

Medlin, Thomas <tmedlin@osmre.gov>

Wed, Jan 4, 2017 at 4:32 PM

To: "Boulay - DNR, Mike" <mike.boulay@state.co.us>

Cc: "Simmons - DNR, Leigh" <leigh.simmons@state.co.us>

Gentlemen,

Attached, please find OSMRE's evaluation report and letter of concurrence pertaining to the Division's West Elk SL-09 Phase III bond release proposed decision. Happy New Year.

Sincerely,

--

Tom Medlin

Denver Field Branch

[303/293-5083](tel:3032935083)

2 attachments



West Elk SL-09 Concurrence_signed.pdf

544K



West Elk Phase III_SL-09 Evaluation Report.pdf

125K



United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



January 4, 2017

Mike Boulay
Coal Program Supervisor
Colorado Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Re: Phase III Bond Release Application SL-09, West Elk Mine, C-1980-007

Dear Mr. Boulay,

This letter acknowledges the Office of Surface Mining Reclamation and Enforcement (OSMRE), Denver Field Branch's (DFB) receipt and review of the subject Phase III bond release proposed decision prepared by the Division of Reclamation, Mining and Safety (DRMS) and issued December 5, 2016. DFB agrees with the proposed decision and hereby provides OSMRE's concurrence in accordance with 30 CFR 740.15 (d) (3) and 30 CFR 906.30, Article IX, Section 24 of the State-Federal Cooperative Agreement.

DFB participated in the bond release field evaluation at the West Elk Mine June 20 – 22, 2016. The surface and mineral estates associated with this bond release are/were both federally owned. Accordingly, the Bureau of Land Management (BLM) notified DFB of its concurrence with the Division's proposed decision by email dated December 7, 2016. DFB received the United States Forest Service's (USFS) concurrence with the Division's proposed decision by letter dated December 13, 2016. We interpret these letters of satisfaction to mean that Mountain Coal Company, LLC (MCC) is in compliance with all applicable BLM and USFS stipulations.

The Division's proposed decision notes the applicant's compliance with the Colorado approved regulatory program at Rule 3.03.1(2)(c) and recommends authorizing the Phase III bond release of the subject reclaimed parcels. The total bond release recommended by the Division is 22.1 acres at MCC's West Elk Mine.

DFB finds that MCC has met or exceeded the requirements for Phase III bond release on the parcels described above. DRMS currently holds a performance bond in the amount of \$15,000,000.00 for the West Elk Mine. This amount covers the entire minesite, including the aforementioned acreage. DRMS proposes to release a total of \$38,462.00 from Phase III bond liability under this action. DFB concurs with DRMS's proposed decision and recommends release for the requested areas at the West Elk Mine.

Thank you and your staff for coordinating this federal mine bond release action through the Denver Field Branch. Please direct any questions to Tom Medlin, Environmental Protection Specialist, at tmedlin@osmre.gov or 303/293-5083.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeff Fleischman', with a long horizontal line extending to the right.

Jeff Fleischman, Chief
Denver Field Division

attachment

c: Mountain Coal Company, LLC

Denver Field Branch Bond Release Evaluation Report

Company:	Mountain Coal Company, LLC
Mine:	West Elk Mine
Permit No:	C-1980-007
Date of Inspection:	June 20 - 22, 2016
Weather:	Hot and sunny with dry ground
Company Officials:	Jessica Loveland and Weston Norris
State Officials:	Leigh Simmons and Jim Stark
BLM Official:	None present
USFS Official:	Dan Gray
OSMRE Official:	Tom Medlin (#562)
NGO:	Alyssa Clarida, Dave Noe, and Morgan Rubanow (Western Slope Conservation Center)

Background

This was a Phase III bond release evaluation at the West Elk Mine in Somerset, Colorado. Mountain Coal Company, LLC (MCC) proposes Phase III release on 22.1 acres of reclamation that has been completed in accordance with the terms of its approved permit. The Colorado Division of Reclamation, Mining and Safety (DRMS) found MCC's SL-09 bond release application administratively complete on December 29, 2015. MCC currently posts reclamation surety bonds with Arch Insurance Company and Bond Safeguard Insurance Company totaling \$15,000,000.00. The West Elk Mine's permit area is 17,154.90 acres with 402.25 acres approved for disturbance. The post-mining land use (PMLU) includes wildlife habitat and rangeland.

The subject parcels—associated with 18 mine vent borehole (MVB) drill pads, seven road spurs, and four road segments—are generally described as: portions of Sections 26, 27, 35, and 36; Township 13 South; Range 90 West of the 6th PM, and portions of Sections 1 and 2; Township 14 South; Range 90 West of the 6th PM, Colorado. Reclamation was initiated in 2002 and 2004 and Phase II release was granted in 2012. Notification of the proposed bond release was posted in the Delta County Independent for four consecutive weeks beginning November 25, 2015 and ending December 16, 2016. Under its SL-09 application, MCC requests release of the maximum amount for Phase III which equals the remaining 15% of the bond on the reclaimed parcels.

Vegetation sampling was conducted by Savage & Savage Environmental in 2014 and 2015. The data from those surveys were included in the SL-09 bond release application and indicate that vegetative cover, herbaceous production, and species composition standards were met or exceeded during both sampling years.

Colorado outlines requirements for bond release at Rule 3.03.1 of the Regulations for the Colorado Mined Land Reclamation Board. For Phase III, Rule 3.03.1(2)(c) states the operator must complete all surface coal mining reclamation operations in accordance with the approved reclamation plan including drainage control and revegetation in support of the PMLU.

The OSMRE and DRMS Team met with operator representatives Kathy Welt, Jessica Loveland, and Weston Norris; representatives from the Western Slope Conservation Center; and Dan Gray of the U.S. Forest Service prior to the field evaluation to review the requirements for Phase III bond release, reclamation histories of the subject parcels, and methods of evaluation to be used by the Team.

The Team hiked to each of the 22 parcels below in order to evaluate the entire 22.1 reclaimed acres for which Phase III bond release is requested under SL-09 and generally confirm the findings of Savage & Savage Environmental:

WEST POINT ROAD			
14-09	0.2	2002	0.9
15-08 and Road	0.3	2002	1.4
15-09	1.1	2002	5.0
Area Total Acreage		1.6	7.3
Reclaimed Sites Total		22.1	100.0

Overall, the reclamation observed was excellent. With few exceptions, noted below, the parcels evaluated demonstrated earthwork that blended well with surrounding topography, surface stability (no erosion noted or sedimentation structures in place), and dense and diverse vegetative cover. The vegetative cover was mainly composed of grasses and forbs including Western Wheatgrass, Thickspike Wheatgrass, Yarrow, Rocky Mountain Penstemon, and Mountain Brome. The West Elk Mine does not include a woody species revegetation standard, however, Gambel's Oak, Serviceberry, Snowberry, and Big Sagebrush were observed.

During the field evaluation limited, minor, noxious-species infestations were identified. In these instances, Mr. Gray of the USFS performed mechanical treatment, to the satisfaction of the Team. In two instances these infestations were more widespread than could be treated in a timely manner, and these make up the only issues of significance observed during the SL-09 field evaluation. Reclaimed drill pads 15-01 and 16-01 within the Long Draw mining area were found to contain Canada thistle in an abundance that precluded on-the-spot treatment. The Team provided the operator representative the option of either excluding these parcels from the acreage for which Phase III release was applied, or delaying the Division's findings and proposed decision to allow for professional treatment of the parcels and field reevaluation at a later time. MCC opted for the latter, contracting with Pestaway to treat the two pads once in July and again in September. Mr. Simmons of DRMS later confirmed the effectiveness of the work in July and October of 2016.

Conclusion

The backfilling, regrading, drainage control, and revegetation work observed during this evaluation are in accordance with the West Elk Mine's approved reclamation plan. Contour work blends reasonably well with surrounding topography, no sediment control structures remain in place, and revegetation is such that surface stability, hydrologic balance, and cover, production, and species diversity meet the standards required under the approved Colorado coal program and support the post mine land use of wildlife habitat and rangeland. Phase III bond release is recommended for all 22.1 acres on which it was proposed.

Please address any questions concerning this report to Tom Medlin, Environmental Protection Specialist, at tmedlin@osmre.gov or 303/293-5083.