




**MINERALS PROGRAM INSPECTION REPORT**  
**PHONE: (303) 866-3567**

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

<b>MINE NAME:</b> Colony Shale Oil Project	<b>MINE/PROSPECTING ID#:</b> M-1980-047	<b>MINERAL:</b> Oil shale	<b>COUNTY:</b> Garfield
<b>INSPECTION TYPE:</b> Monitoring	<b>INSPECTOR(S):</b> Travis H. Marshall	<b>INSP. DATE:</b> May 23, 2017	<b>INSP. TIME:</b> 10:00
<b>OPERATOR:</b> Exxon Mobil Corporation	<b>OPERATOR REPRESENTATIVE:</b> Paul Caponigro	<b>TYPE OF OPERATION:</b> 112 - Hard Rock Regular Operation	
<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> None	<b>BOND AMOUNT:</b> \$30,000,000.00	
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None	
<b>WEATHER:</b> Clear	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> June 20, 2017	

**GENERAL INSPECTION TOPICS**

This list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each. No problems or possible violations were noted during the inspection. The mine operation was found to be in full compliance with Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials and/or for Hard Rock, Metal and Designated Mining Operations. Any person engaged in any mining operation shall notify the office of any failure or imminent failure, as soon as reasonably practicable after such person has knowledge of such condition or of any impoundment, embankment, or slope that poses a reasonable potential for danger to any persons or property or to the environment; or any environmental protection facility designed to contain or control chemicals or waste which are acid or toxic-forming, as identified in the permit.

(AR) RECORDS----- <u>Y</u>	(FN) FINANCIAL WARRANTY----- <u>Y</u>	(RD) ROADS----- <u>Y</u>
(HB) HYDROLOGIC BALANCE----- <u>Y</u>	(BG) BACKFILL & GRADING----- <u>Y</u>	(EX) EXPLOSIVES----- <u>NA</u>
(PW) PROCESSING WASTE/TAILING---- <u>NA</u>	(SF) PROCESSING FACILITIES----- <u>Y</u>	(TS) TOPSOIL----- <u>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>Y</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(CI) COMPLETE INSP---- <u>Y</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>NA</u>	(SC) EROSION/SEDIMENTATION--- <u>Y</u>	(RS) RECL PLAN/COMP-- <u>Y</u>
(AT) ACID OR TOXIC MATERIALS----- <u>NA</u>	(OD) OFF-SITE DAMAGE----- <u>Y</u>	(ST) STIPULATIONS----- <u>NA</u>

Y = Inspected and found in compliance / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

## **OBSERVATIONS**

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety (DRMS). This was a complete inspection to observe all components of the mining operation. The Colony Shale Oil Project consists of a total permit acreage of 5,712.05 acres with a maximum allowed disturbance of 527 acres. Paul Caponigro and Erin Leftwich representing ExxonMobil were present during the inspection along with two contractors hired to recalculate the reclamation costs associated for final reclamation of the site.

The first area inspected, Area 6B, was the pipe that conveys water that flows through a culvert under the mine bench and then descends down a steep embankment approximately 200 vertical feet. The pipe that is located on the embankment has been slightly bent and it was stated that the pipe may be replaced in the near future.

The next area observed was the Davis Gulch cofferdam / sediment pond (Area 9 on the enclosed map). This area was vegetated and there was minimal evidence of any prior disturbance observed. The dam was never completely constructed but a large amount of material was removed and bedrock was exposed on the slopes where the dam was to be constructed.

Area 10B was then observed which is a large amount of stockpiled material that was to be used to construct the Davis gulch cofferdam. This material is to be moved to Area 17A upon final reclamation.

Area 17A, a coarse ore stockpile area, was observed and was void of any significant vegetation. The area was free of any unnecessary debris.

Area 18A is a flat area that has adequate interim vegetation. A power line was present. The purpose of area 18A was to be used as a switchyard fill area. The powerlines are to be removed upon final reclamation.

Areas 18E, 18F and 18G were observed. These areas were where the process plant and secondary crusher were going to be located. The areas were graded and appeared to be stable due to the primarily flat grade and the adequate volunteer vegetation present. The remaining steep slopes are to be regraded and 12 inches of topsoil replaced upon final reclamation.

Area 16A is located north of a valley that's proposed use was a laydown area. 16A is flat graded and also had adequate interim vegetation. The outslopes and topsoil replacement upon final reclamation is required.

Topsoil areas 12, 14 and 10D were all observed and appeared to have adequate interim vegetation.

No noxious weeds or erosional issues were observed during the inspection.

No problems or possible violations were observed.

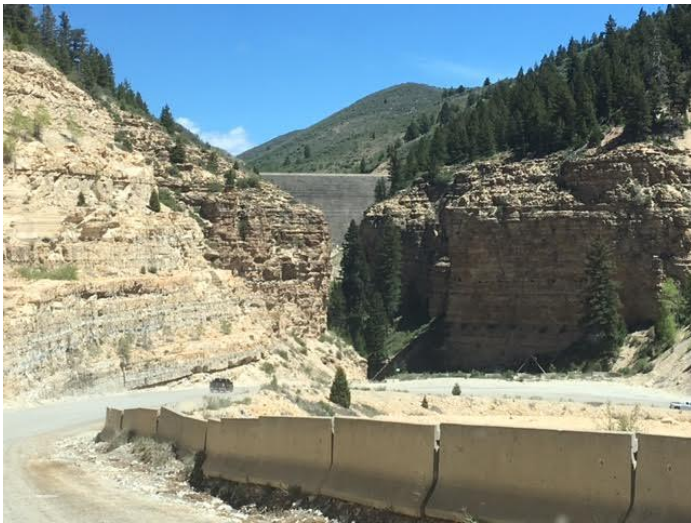
Photos that show the conditions observed are included with this report.

The operator has completed a reclamation cost update and is likely going to submit a surety reduction request sometime during 2017.

Responses to this inspection report should be directed to Travis Marshall at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 South 3<sup>rd</sup> Street, Room 301, Grand Junction, Colorado 81501, phone no. (970) 241-2042.

## PHOTOGRAPHS





**Inspection Contact Address**

Paul Caponigro  
ExxonMobil Global Service Company  
Wellness 3, 2B.481  
22777 Springwoods Village Pkwy  
Spring, Texas 77389