




PERMIT INFORMATION

Permit Number: C-1996-084 Mine Name: Lorencito Canyon Mine Operator: New Elk Coal Company, LLC Operator Address: Mr. Louis Head 12250 Highway 12 Weston, CO 81091	County: Las Animas Operation Type: Surface Permit Status: Permanent Cessation Ownership: Private
	Operator Representative Present: Vince Massarotti
Operator Representative Signature: (Field Issuance Only)	

INSPECTION INFORMATION

Inspection Start Date: June 8, 2017 Inspection Start Time: 09:00 Inspection End Date: June 9, 2017 Inspection End Time: 10:30		Inspection Type: Coal Complete Inspection Inspection Reason: Normal I&E Program Weather: Clear	
Joint Inspection Agency: None		Joint Inspection Contacts:	
Post Inspection Agency: None		Post Inspection Contacts:	
Inspector(s): Robert D. Zuber, P.E.	Inspector's Signature: 		Signature Date: 6/20/2017

Inspection Topic Summary

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

NA - Air Resource Protection

R - Availability of Records

NA - Backfill & Grading

R - Excess Spoil and Dev. Waste

NA - Explosives

Y - Fish & Wildlife

R - Hydrologic Balance

Y - Gen. Compliance With Mine Plan

N - Other

NA - Processing Waste

Y - Roads

R - Reclamation Success

Y - Revegetation

NA - Subsidence

Y - Slides and Other Damage

NA - Support Facilities On-site

Y - Signs and Markers

Y - Support Facilities Not On-site

Y - Special Categories Of Mining

Y - Topsoil

COMMENTS

A complete inspection was conducted by Rob Zuber of DRMS on June 8 (records check) and June 9, 2017. The weather was clear and warm. The ground was somewhat muddy from recent rains. Vince Massarotti of NECC was present for the on-the-ground portion of the inspection.

AVAILABILITY OF RECORDS

Records needed to be updated at time of inspection. This includes the Reclamation Cost Estimate that was updated with MT-04.

EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09

Placement; Drainage Control; Surface Stabilization:

Fills 7, 8, and 9 were inspected. All were generally in good condition, but the following should be addressed. Rills on Fill 7 (as noted in past inspections) may require repair; this remains a judgement call, and NECC should balance the pros and cons of this work. The gully near the bottom of Fill 7 does require repair. Riprap work is needed in down drains for Fill 9.

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; 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:

The following ponds were inspected: 5, 6, 7, 8, 9, and 9A. Several of them were discharging relatively clear water. Ponds 6, 7 and 9 were not discharging. Embankments were in good condition. It appears that primary spillways at Ponds 8 and 9A have small leaks that should be sealed as soon as practical, perhaps during the dry season in late summer 2017. Pond 5 appears to be in need of cleaning, as the sediment level is almost up to the lowest holes on the riser of the spillway.

Number of Partial Inspection this Fiscal Year: 9

Number of Complete Inspections this Fiscal Year: 4

Culvert C8 (above Fill 8) is clear of sediment, and the ditch below it is stable.

In the channel above Pond 6, check dams appear to be functioning, but more riprap should be added to the channel between the dams, at least in one spot (this was discussed with Vince Massarotti during the inspection).

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

The hill above the pond cleaning dump area continues to have several rills that should be repaired. Vince Massarotti indicated that elk have displaced wattles on this hill, so he will use tree branches for erosion control in this area.

In the Pond 5 watershed, there is only a small area that is disturbed. This area is mostly stable.

Rills on the west side of “the knob” (large hill in center of site) require repair. Erosion near the shrub plot has been addressed.

On the hillside above Pond 6 (where Fill 6 was planned), work on the rills has been performed.

ENFORCEMENT ACTIONS/COMPLIANCE

No enforcement actions were initiated as a result of this inspection, nor are any pending.

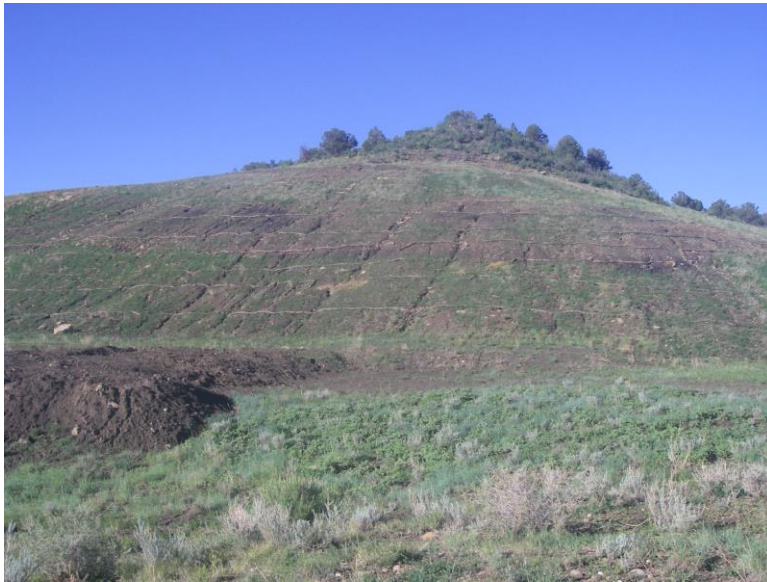
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PHOTOGRAPHS



Sediment in Pond 5



Hill above area where pond cleanings are dumped

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Fill 8



Fill 8

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Erosion repairs near shrub plot



Channel above Pond 6

Area in need of riprap

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Rills on Fill 7



Side channel, aka west down drain, at Fill 9 (need for more riprap)

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AVAILABILITY OF RECORDS**PERMIT RECORDS**

DRMS Permit	Expires 11/7/2017
Permit Application w/Revisions	yes
Findings Document	RN3, 3/21/13
Insurance Certificate	Exp. April 2018
Bond Document	\$927,121.00
Phased Bond Release	SL2,
Documents/Findings	Findings 4/29/08
Air Emission Permits	Terminated
County Special Use Permits	SUP-01-020
UG Mining Landowner Notification	n/a
Subsidence Monitoring Reports	n/a
Subsidence Monitoring Data	n/a
Rill & Gully Survey	n/a
Vegetation Monitoring Data	
Specific Variance Approvals	n/a
Annual Reclamation Reports	2015
Midterm Review Documents	MT4 (findings Jan. 2016)
DRMS/OSM Inspection	Through
Reports/Enforcement Actions	Feb. 2017
Transfers/Succession of Operator	Executed 2008
Temporary Cessation Notification	n/a
Reclamation Cost Estimate	RN3, \$916,169
CERTIFICATIONS	
Pond Certifications	Yes, Exhibit 15
Annual Certifications for Impoundments	n/a
Fill Certifications for Excess Spoil or Underground Development Waste	yes
• Quarterly Inspections	Q1 2017
• Compaction Testing	
• Final Certification	
Coal Processing Waste Banks	n/a
Haul Road Certifications	yes
Access Road Certifications	yes

HYDROLOGIC RECORDS

NPDES Permit	CO0048988 (unsigned)
NPDES Records	Q3 2015 (terminated monitoring)
Stormwater Management Plan	2007
SPCC Plan	n/a
MSHA Pond Inspections	n/a
State Engineer's Pond Inspection	n/a
Quarterly Pond Inspections	Q3 2016
Annual Hydrology Reports	Terminated
• Ground Water Monitoring	
• Surface Water Monitoring	
• Spring & Seep Monitoring	
• Mine Water Discharge Monitoring	
• Mine Inflow Study	
• Water Consumption Records	
Well Permits	201451, 201453- 201476

BLASTING RECORDS

Blasting Publication	n/a
Blasting Records (3 years)	n/a
ATFE Explosives Permit	n/a
Blasting Variances	n/a
Pre-Blast Surveys	n/a

**ADDITIONAL RECORDS
(specify)**

COMMENTS: None at this timeNumber of Partial Inspection this Fiscal Year: 9Number of Complete Inspections this Fiscal Year: 4