



STATE OF  
COLORADO

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

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## C1983059, Terror Creek Loadout, September Inspection Report

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**Medlin, Thomas** <tmedlin@osmre.gov>

Tue, Oct 9, 2018 at 1:41 PM

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

Cc: Doug Smith <Doug.Smith@oxbow.com>, DNR DRMS\_CoalAdmin - DNR <dnr\_drms\_coal\_admin@state.co.us>

Afternoon, gentlemen.

Please see attached.

Thanks.

[Quoted text hidden]

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Tom Medlin  
Denver Field Division  
303/293-5083

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### 2 attachments

**Terror Creek Loadout MSE No Violations\_signed.pdf**  
100K

**Terror Creek Loadout MSE Narrative.pdf**  
1355K



U.S. DEPT. OF THE INTERIOR  
OFFICE OF SURFACE MINING  
Mine Site Evaluation  
State Program



1. Permittee/Person <b>OXBOW MINING LLC</b>		9. Permit Number <b>C1983059</b>	10. Permit Type <b>PP</b>
2. Address <b>1601 FORUM PLACE SUITE 1400</b>		11. Field Visit Date <b>9/25/2018</b>	12. Purpose <b>OC</b>
3. City <b>WEST PALM BEACH</b>		13. SRA Present <b>Y</b>	
4. State <b>FL</b>		14. Permit Status <b>A</b>	15. Site Status <b>NM</b>
5. Zip Code <b>33401</b>		16. Facility Type <b>ACF</b>	
6. Phone Number <b>(561) 697-4300</b>		17. OSM Office # <b>140</b>	18. CCID # <b></b>
7. Operator Name, if Different than Permittee <b>TERROR CREEK LLC</b>		19. Land Code <b>S</b>	
8. Mine Name <b>TERROR CREEK LOADOUT</b>		20. M.S.H.A. ID # <b>05-03818</b>	21. State Abbrev. <b>CO</b>
		22. County/Burrough <b>DELTA</b>	
		23. AVS Permittee Entity ID Number <b>151178</b>	24. State Office <b></b>

25. Hours	26. Signature Block	27. Reviewing Official:
<b>5.0</b> a. Permit Review	<i>TCM</i>	<i>Howard Strand</i>
<b>2.0</b> b. Site Visit Time	Signature	Signature
<b>10.0</b> c. Travel Time	<b>Thomas Medlin, ID#562</b>	<b>Howard Strand</b>
<b>6.0</b> d. Report Writing	Inspector's Name:	Reviewer's Name
	Date: <b>10/9/2018</b>	Date: <b>10/9/2018</b>

Permit Type - Item 10 IP = Interim Program PP = Permanent Program NP = No Permit

Purpose Type Codes - Item 12

Oxx...Oversight  
Axx...Assistance

RFx...Reclamation Fees  
Fxx...Federal Actions

CCR...Citizen Complaint Referral (non-site visit)  
CC...Citizen Complaint (initial site visit)  
CCF...Assistance

Joint Inspection - Item 13 A joint inspection is when a state inspector accompanies an OSM inspector at any time during the review of the mine site

Permit Status - Item 14

A Active: Coal mining activities occurring or permitted but not yet disturbed.  
IN Inactive (Permanent Program Permit): Phase II completed or Temporary Cessation of Operations. (Interim Program Permit): Coal mining completed and reclamation activities initiated.  
BR Bond Release: Reclamation completed and State Regulatory Authority(RA) has released all of the bond (Phase III Release).

AB Abandoned: All surface and underground coal mining activities have ceased and operator has left the site without completing reclamation as defined in 30 CFR 840.11(g).  
AB1 Bond Forfeiture: Bond forfeiture officially in process or completed and reclamation in progress or not yet commenced.  
AB2 Partially Reclaimed Forfeiture: Forfeited site where all bonds have been used to reclaim site, but site not reclaimed to Program standards.  
AB3 Reclaimed Forfeiture: Forfeited site that has been reclaimed to Program standards.  
NA Not Applicable: When site is unpermitted.

Site Status - Item 15

ND No Disturbance: No coal mining and reclamation operations have been started.  
EX Coal Exploration: Coal exploration operations have started and where coal mining operations have not begun.  
AP Active Coal Producing: Coal surface mining activities are occurring.  
AN Active Non-Producing: Active non-producing facility such as tipple or preparation plant.  
NM No Mining: The Permit Status is active, site is not in Temporary Cessation, no surface coal mining activity, and site not regraded.

MC Mining Complete: No mining activity on site, site regraded and awaiting bond release.  
TC Temporary Cessation: The RA has granted cessation of mining pursuant to 30 CFR 816/817; 13(b).  
P1 Phase I Release: At least Phase I bond release granted for entire permitted area. For interim permits, partial bond release.  
P2 Phase II Release: At least Phase II bond release for the entire permitted area.  
P3 Phase III Release: Reclamation completed and the RA has released all bond.

NS Non-Site Visit: Status of site not determined.  
FP Forfeiture Pending: The RA is pursuing actions to revoke the permit, collect the performance bond(s), and/or reclamation of forfeited site is in progress.  
FR Forfeited and Reclaimed: Forfeiture reclamation completed.  
FO Abandoned Site: Abandoned site that is permitted but there is no bond.  
WC Wildcat: Coal mining and reclamation operations have or are taking place and the activity is not covered by the required permits from the RA.

Facility Type Codes - Item 16

A...Surface  
B...Underground  
C...Preparation Plant

D...Ancillary (Haulroad, Conveyor, and/or Rails)  
E...Refuse and/or Impoundment  
F...Loading Facility and/or Tipple  
G...Stockpiles

H...Exploration Permits  
I...Notice of Intent to Explore  
J...Exempt 16 and 2/3

K...Government Financed Construction Exemption  
L...Remining site permitted under 30 CFR 785.25

Small Business Regulatory Enforcement Fairness Act (SBREFA)

Your Comments are Important

The Small Business and Agriculture Regulatory Enforcement Ombudsman and 10 Regional Fairness Boards were established to receive comments from small businesses about Federal agency enforcement actions. The Ombudsman will annually evaluate the enforcement activities and rate each agency's responsiveness to small business. If you are a small business (a business with 500 or fewer employees including those of affiliates) and wish to comment on the enforcement or compliance activities of OSM, call 1-888-REG-FAIR (1-888-734-3247).

U.S. DEPT. OF THE INTERIOR  
OFFICE OF SURFACE MINING  
Mine Site Evaluation

Permittee/  
Person **ONBOW MINING LLC**

Permit  
Number **C1983059**

Field Visit  
Date **9/25/2018**

State Program  
Continuation Page

## 28. Performance Standard Categories

Codes: 1=Compliance, 2=Noncompliance, 3=Not Planned, 4=Not Started, 5=Noncompliance Identified Elsewhere, 6=Previously Cited, 7=Permit Defect

### A. Administrative

1.        Mining within Valid Permit
2.        Mining within Bonded Area
3.   1   Terms & Conditions of Permit
4.   1   Liability Insurance
5.   1   Ownership and Control
6.        Temporary Cessation
7.        AML Rec. Fees - Non-Respondent
8.        AML Rec. Fees - Failure to Pay

### B. Hydrologic Balance

1.   1   Drainage Control
2.   1   Inspections & Certifications
3.   1   Siltation Structures
4.   1   Discharge Structures
5.   1   Diversions
6.   1   Effluent Limits
7.        Ground Water Monitoring
8.        Surface Water Monitoring
9.        Drainage - Acid-Toxic Materials
10.        Impoundments
11.        Stream Buffer Zones

### C. Topsoil & Subsoil

1.   1   Removal
2.        Substitute Materials
3.   1   Storage and Protection
4.        Redistribution

### D. Backfilling & Grading

1.        Exposed Openings
2.        Contemporaneous Reclamation
3.        Approximate Original Contour
4.        Highwall Elimination
5.        Steep Slopes (includes downslope)
6.        Handling of Acid and Toxic Materials
7.        Stabilization (rills and gullies)

### E. Excess Spoil Disposal

1.        Placement
2.        Drainage Control
3.        Surface Stabilization
4.        Inspections & Certifications

### F. Coal Mine Waste

- (Refuse Piles/Impoundments)
1.        Drainage Control
  2.        Surface Stabilization
  3.        Placement
  4.        Inspections & Certifications
  5.        Impounding Structures

### G. Use of Explosives

1.        Blaster Certification
2.        Distance Prohibitions
3.        Blast Survey/Schedule
4.        Warnings & Records
5.        Control of Adverse Effects

### H.        Subsidence Control Plan

#### I. Roads

1.        Road Construction
2.   1   Certification
3.        Drainage
4.        Surfacing and Maintenance
5.        Reclamation

#### J. Signs & Markers

1.   1   Signs
2.   1   Markers

#### K.        Distance Prohibitions

#### L. Revegetation

1.        Vegetative Cover
2.        Timing

#### M.        Postmining Land Use

#### N. Other

General  
Performance  
Category

## Performance Standard Categories 30 CFR Counterparts

### A. Administrative

- |                                   |                         |
|-----------------------------------|-------------------------|
| 1. Valid Permit                   | 773.11                  |
| 2. Mining within Bonded Area      | 773.11                  |
| 3. Terms & Conditions of Permit   | 773.17                  |
| 4. Liability Insurance            | 800.60                  |
| 5. Ownership and Control          | 778.13                  |
| 6. Temporary Cessation            | 842.11(e) & 816/817.131 |
| 7. AML Rec. Fees - Non-Respondent | 870.15(b)               |
| 8. AML Rec. Fees - Failure to Pay | 870.15(a)               |

### B. Hydrologic Balance

- |                                    |           |
|------------------------------------|-----------|
| (816/817.41-57)                    |           |
| 1. Drainage Control                | 45        |
| 2. Inspections & Certifications    | 49(a)(10) |
| 3. Siltation Structures            | 46        |
| 4. Discharge Structures            | 47        |
| 5. Diversions                      | 43        |
| 6. Effluent Limits                 | 42        |
| 7. Ground Water Monitoring         | 41(c)     |
| 8. Surface Water Monitoring        | 41(e)     |
| 9. Drainage-Acid - Toxic Materials | 41(f)     |
| 10. Impoundments                   | 49        |
| 11. Stream Buffer Zones            | 57        |

### C. Topsoil & Subsoil

- |                           |       |
|---------------------------|-------|
| (816/817.22)              |       |
| 1. Removal                | 22(a) |
| 2. Substitute Materials   | 22(c) |
| 3. Storage and Protection | 22(c) |
| 4. Redistribution         | 22(d) |

### D. Backfilling & Grading

- |                                       |                                   |
|---------------------------------------|-----------------------------------|
| 816/817.95-107                        |                                   |
| 1. Exposed Openings                   | 816/817.13, 14, 15, & 823.11 & 21 |
| 2. Contemporaneous Reclamation        | 100                               |
| 3. Approximate Original Contour       | 102(a)(1)                         |
| 4. Highwall Elimination               | 102(a)(2)                         |
| 5. Steep Slopes (includes downslope)  | 107                               |
| 6. Handling of Acid & Toxic Materials | 102(c)                            |
| 7. Stabilization (rills and gullies)  | 95(b)                             |

### E. Excess Spoil Disposal

- |                                 |       |
|---------------------------------|-------|
| (816/817.71-74)                 |       |
| 1. Placement                    | 71(e) |
| 2. Drainage Control             | 71(f) |
| 3. Surface Stabilization        | 71(g) |
| 4. Inspections & Certifications | 71(h) |

### F. Coal Mine Waste (Refuse Piles/Impoundments)

- |                                   |       |
|-----------------------------------|-------|
| 816/817.81-84                     |       |
| 1. Drainage Control               | 83(a) |
| 2. Surface Stabilization          | 83(b) |
| 3. Placement                      | 83(c) |
| 4. Inspections and Certifications | 83(d) |
| 5. Impounding Structures          | 84    |

### G. Use of Explosives

- |                               |         |
|-------------------------------|---------|
| (816/817.61-69)               |         |
| 1. Blaster Certification      | 61(c)   |
| 2. Distance Prohibitions      | 61(d)   |
| 3. Blast Survey/Schedule      | 62-64   |
| 4. Warnings & Records         | 66 & 68 |
| 5. Control of Adverse Effects | 67      |

### H. Subsidence Control Plan

- |               |  |
|---------------|--|
| (817.121-122) |  |
|---------------|--|

### I. Roads

- |                              |               |
|------------------------------|---------------|
| (816/817.150-151)            |               |
| 1. Road Construction         | 150(e)        |
| 2. Certification             | 151(a)        |
| 3. Drainage                  | 150(b)-151(d) |
| 4. Surfacing and Maintenance | 150(e)-151(d) |
| 5. Reclamation               | 150(f)        |

### J. Signs & Markers

- |            |                       |
|------------|-----------------------|
| 816/817.11 |                       |
| 1. Signs   | 11(a),(b),(c)         |
| 2. Markers | 11(a),(b),(d),(e),(f) |

### K. Distance Prohibitions

- |          |  |
|----------|--|
| (761.11) |  |
|----------|--|

### L. Revegetation

- |                     |           |
|---------------------|-----------|
| (816/817.111-116)   |           |
| 1. Vegetative Cover | 111 & 116 |
| 2. Timing           | 113       |

### M. Postmining Land Use

- |               |  |
|---------------|--|
| (816/817.133) |  |
|---------------|--|

#### OSM Action

- |                             |  |
|-----------------------------|--|
| 1) Deferred to State Action | 6) ID-CO Issued (Imminent Danger to Public)  |
| 2) TDN Issued               | 7) Previously cited by RA, abatement pending |
| 3) NOV Issued               | 8) Abated during or before OSM inspection    |
| 4) FTA-CO Issued            | 9) Follow-up of Federal Action               |
| 5) IH-CO Issued             | 0) Off-site impact with no violation         |

#### Off-Site Impacts

- For each type of impact and resource affected, enter "N, D, or J" to describe the degree of off-site impact:
- |                         |
|-------------------------|
| N - Minor Occurrence    |
| D - Moderate Occurrence |
| J - Major Occurrence    |

## **Denver Field Branch Mine Site Evaluation Narrative**

Company:	Oxbow Mining, LLC
Site:	Terror Creek Loadout
Permit No:	C-1983-059
Date of Inspection:	September 25, 2018
Inspection Type:	Oversight complete
Weather:	Sunny, clear, and warm with dry ground conditions
Operator Representative(s):	Doug Smith
State Official(s):	Leigh Simmons (Division of Reclamation, Mining and Safety)
OSMRE Official(s):	Tom Medlin (#562)

### **Background**

This was a complete oversight inspection at the Terror Creek Loadout in Delta County, Colorado. Prior to and following this inspection, I performed an administrative review of pertinent documentation including recent DRMS inspection reports (which indicate no enforcement actions taken or pending) and various maps of the surface facilities and sedimentation controls. The permit area is approximately 20 acres, 13.6 of which have been disturbed by infrastructure required by coal crushing, sizing, and loading activities. There was no activity at the time of inspection.

### **Mine and Permit Identification Signs (Rule 4.02.2)**

The mine and permit identification signs were located at both points of public access and contained the required information. See Figure 1.

### **Perimeter Markers (Rule 4.02.3)**

Perimeter markers clearly identified the mine site permit area. One perimeter boundary sign was missing from its t-post along the railroad track at the southern boundary of the property. Mr. Smith agreed to replace the sign.

### **Topsoil Markers (Rule 4.02.7), Topsoil Storage (Rule 4.06.3)**

The Team inspected Topsoil Stockpiles No. 1 and No. 2. The stockpiles were properly marked, bermed, well-vegetated, and no evidence of resource loss was noted. See Figure 2.

### **Diversions (Rule 4.05.4), Sediment Control Measures (Rule 4.05.5), Sedimentation Ponds (Rule 4.05.6), Discharge Structures (Rule 4.05.7), Impoundments (Rule 4.05.9)**

The Team inspected the Dugout Pond and Sedimentation Pond. Both ponds were completely dry and would function as designed during precipitation events. Both ponds exhibited stable embankments, unobstructed inlets and spillways, and ample sediment storage capacity. See Figures 3 and 4. Sediment logs and straw bales stationed along the southern boundary of the site at Small Area Exemptions 1 and 3 were inspected and found to be in serviceable condition and functioning as designed. See Figure 5. Sediment control ditches, undisturbed area diversions, and related culverts throughout the property were also inspected and found to be in good repair. See Figures 6 and 7.

**Availability of Records (Rule 5.02.4)**

Records for the Terror Creek Loadout facility were housed at the Elk Creek Mine office and included the following documentation:

- DRMS Permit: C-1983-059 (expired August 23, 2018; currently under renewal [RN-7]).
- Findings Document: dated October 17, 2011 (RN-6).
- Insurance Certificate: valid through June 1, 2019, provided by Zurich American Insurance Company and American Guarantee and Liability Insurance Company (policy #s GLO926594908, BAP 9265950-08, and AUC926593708).
- Bond Document: \$290,000 provided by Lexon (#1069010), increased from \$278,000 in June, 2011, as a result of MT-07.
- Air Emissions Permits: #82-DL343-1F, 2F, and 3F. Suspended May 17, 2018. Oxbow Mining, LLC plans to relinquish the permits as they are no longer necessary.
- 2017 Annual Reclamation Report .
- Midterm Review Document MT-07.
- Three years of DRMS and OSMRE inspection reports.
- Transfer/Succession of Operator Document SO-01 (from Terror Creek Mining, LLC to Oxbow Mining, LLC).
- Reclamation Cost Estimate: \$277,762.01 (MT-07).
- Pond Certifications.
- Haul Road Certifications.
- Colorado Discharge Permit System (CDPS): #COG850028, expired June 30, 2013 (administratively extended).
- CDPS Records: Yes, 2<sup>nd</sup> Quarter 2018 (no discharge at Outfalls 001 or 002).
- Stormwater Management Plan (dated March, 1993).
- Spill Prevention, Control, and Countermeasures Plan (2013 revision).
- Quarterly Pond Inspections (2<sup>nd</sup> Quarter; dated July 2, 2018).
- 2017 Annual Hydrology Report.
- Well Permit #TCC-2, 132515.
- Special Use Permits through the US Bureau of Reclamation and the Colorado Department of Highways.

**Programmatic compliance**

No violations were issued as a result of this oversight inspection nor are any pending.

**Photos**



Figure 1. Mine and permit identification signs at entrances from Bowie Road and county road (inset).





Figure 2. Topsoil markers (Stockpile No. 2; Stockpile No. 1 inset).



Figure 3. Sedimentation Pond.



Figure 4. Dugout Pond.





Figure 5. Sediment controls at Small Area Exemption 1.



Figure 6. Deer Trail Ditch at Small Area Exemption 3.





Figure 7. Principal spillway at Sedimentation Pond.