




PERMIT INFORMATION

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|---|---|
| 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: Nick Mason, Vince Massarotti |
| Operator Representative Signature: (Field Issuance Only) | |

INSPECTION INFORMATION

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|--|--|---|---|
| Inspection Start Date: February 20, 2019 Inspection Start Time: 12:00 Inspection End Date: February 21, 2019 Inspection End Time: 10:00 | | 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: 2/22/2019 |

Inspection Topic Summary

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

NA - Air Resource Protection

Y - 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 partial inspection was conducted by Rob Zuber of DRMS on February 20 and 21, 2019. Only the records check was done on the 20th. The weather was clear and cold. The ground contained snow on the north facing slopes but none on south facing slopes. Nick Mason and Vince Massarotti of NECC were present for the inspection.

Newer quarterly reports were not available; this needs to be rectified by NECC.

EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09

Placement; Drainage Control; Surface Stabilization:

Fills 7, 8, and 9 were inspected. No large rills or gullies were seen.

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, 8, 9 and 9A. The ponds on the south side (6 and 9a) as well as Pond 9 on the north side contained some water and ice from melted snow. Ponds 6 and 8 were dry. None of them were discharging. No problems were identified with embankments, spillways, or other features of the ponds.

No problems were found with ditches. In particular, the following ditches (at least significant segments of them) were inspected: D5, D8, D15, D71, and D86. Also, the ditches on sides of the fills were viewed closely, albeit from afar, and found to be stable.

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 3

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

No erosion or other problems were seen with BA-3 (it was viewed from across the creek).

The hill known as “the knob” looked to be stable, with no gullies. However, rills on the west side should be addressed this winter, prior to spring 2019 runoff.

As noted in the past, there are many rills on the hillside above Pond 6 and on the hillside above the pond cleaning dump area. Vince Massarotti indicated that NECC staff would address these areas soon by placing branches in the rills. NECC should consider placing branches on the hill west of the bowl above ditch D9.

ENFORCEMENT ACTIONS/COMPLIANCE

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

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PHOTOGRAPHS



Pond 5 embankment



Fill 8

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 3



Ditch D84



Ditch D86

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 3



West side of “the knob”



Looking west at “the bowl” above Ditch D9

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 3



Pond 6 and area above it



Ditch D71

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 3



Fill 7



Fill 9 and Ditch D92

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 3

AVAILABILITY OF RECORDS**PERMIT RECORDS**

| | |
|--|-----------------------------|
| DRMS Permit | Expires 11/7/2022 |
| Permit Application w/Revisions | yes |
| Findings Document | RN4 (Jan. 2018) |
| Insurance Certificate | Exp. April 2019 |
| 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 | 2017 ARR |
| Vegetation Monitoring Data | |
| Specific Variance Approvals | n/a |
| Annual Reclamation Reports | 2017 |
| Midterm Review Documents | MT4 (findings Jan. 2016) |
| DRMS/OSM Inspection | Through |
| Reports/Enforcement Actions | January 2019 |
| Transfers/Succession of Operator | Executed 2008 |
| Temporary Cessation Notification | n/a |
| Reclamation Cost Estimate | RN4, \$877,328 |
| CERTIFICATIONS | |
| Pond Certifications | Yes, Exhibit 15 |
| Annual Certifications for Impoundments | n/a |
| Fill Certifications for Excess Spoil or Underground Development Waste | 2003 |
| • Quarterly Inspections | Q3 2018 |
| • Compaction Testing | n/a |
| • Final Certification | n/a |
| Coal Processing Waste Banks | n/a |
| Haul Road Certifications | yes |
| Access Road Certifications | yes |

HYDROLOGIC RECORDS

| | |
|--------------------------------------|---------------------------------------|
| NPDES Permit | CO0048988, Expires 12/31/2020 |
| NPDES Records | Q3 2015 (terminated monitoring) |
| Stormwater Management Plan | yes |
| SPCC Plan | n/a |
| MSHA Pond Inspections | n/a |
| State Engineer's Pond Inspection | n/a |
| Quarterly Pond Inspections | * Comment 1 |
| 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)**

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|-------------------|--|
| None at this time | |
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Comments

***1 Through Q2 2018. Staff to contact Ron Thompson for newer reports.**

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Number of Complete Inspections this Fiscal Year: 3