




PERMIT INFORMATION

Permit Number: C-1981-012 Mine Name: New Elk Mine Operator: New Elk Coal Company, LLC Operator Address: Mr. Louis Head 12250 Highway 12 Weston, CO 81091	County: Las Animas Operation Type: Underground Permit Status: Active Ownership: Private
	Operator Representative Present: Nick Mason and Vince Massarotti (Jansen only)
Operator Representative Signature: (Field Issuance Only) 	

INSPECTION INFORMATION

Inspection Start Date: May 28, 2019 Inspection Start Time: 11:00 Inspection End Date: May 29, 2019 Inspection End Time: 09:45		Inspection Type: Coal Complete Inspection Inspection Reason: Normal I&E Program Weather: Windy	
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: 5/31/2019

Inspection Topic Summary

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

Y - Air Resource Protection

R - Roads

Y - Availability of Records

R - Reclamation Success

Y - Backfill & Grading

Y - Revegetation

R - Excess Spoil and Dev. Waste

Y - Subsidence

NA - Explosives

Y - Slides and Other Damage

Y - Fish & Wildlife

R - Support Facilities On-site

R - Hydrologic Balance

Y - Signs and Markers

Y - Gen. Compliance With Mine Plan

R - Support Facilities Not On-site

N - Other

Y - Special Categories Of Mining

R - Processing Waste

R - Topsoil

COMMENTS

A complete inspection was conducted by Rob Zuber of DRMS on May 28 and 29, 2019. The inspection on the 29th entailed the Jansen Loadout only. The weather was windy and warm, and the ground was dry.

The NECC representatives who participated in the field inspection were Nick Mason and Vince Massarotti. (Vince was only available on the 29th.)

EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09

Placement; Drainage Control; Surface Stabilization:

Erosion on DWDA#2 looks to be comparable to recent months. The sump below DWDA#2 did not need immediate maintenance.

No rills or other problems were seen on the Development Coal Waste Pile. The vegetation on this pile looks very healthy.

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 Middle Fork of the Purgatoire River was inspected, and no eroding banks or signs of pollutant loading from the New Elk Mine were seen. Particular reaches that were inspected include the reach next to DWDA#2, near the entrance road, and beside Ponds 006A and 007A.

No problems with ditches were identified. The hillside above Ditch D26 (below the water tanks) appeared stable.

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Ponds 001A, 006A, 007A, and 08 were inspected. None of them were discharging, but all held at least a small amount of water. The water in Pond 08 was more than 13 feet below the primary spillway, and the water in Pond 007A was well below the spillway. No significant issues were seen with the embankments or spillways of any ponds, and the liner at Pond 001A appears intact. There was no evidence that water was being moved via pipes during the time of the inspection.

Within the SAE by Pond 007A, BMPs appear to be functioning, and there was no discharge from this outfall. The SAE at the water tank pad appears to be in good shape, and BMPs appear to be functioning.

Containment Areas 1 and 2 were mostly dry; no problems were observed at these structures.

PROCESSING WASTE/COAL MINE WASTE PILES – Rule 4.10 and 4.11

Drainage Control; Surface Stabilization; Placement:

No erosion was seen on the reclaimed portion of the RDA, as viewed from beside the RDA and from the pond below. The ditches above and beside the reclaimed area are in good shape.

No problems were seen with the upper portion of the RDA, which still requires reclamation. Piles of material (namely sediment from ponds) have been placed in rows to limit ponding of water after rain or snow melt events.

ROADS – Rule 4.03

Construction 4.03.1(3)/4.03.2(3), Drainage 4.03.1(4)/4.03.2(4), Surfacing and Maintenance 4.03.1(5) and (6)/4.03.2(5) and (6), Reclamation 4.03.1(7)/4.03.2(7):

No problems were seen with any roads, including the road to the RDA and the road to the water tanks.

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

Due to significant precipitation in recent weeks, the vegetation on reclaimed areas was robust. This includes the West Portal area, the lower portion of the RDA, and the Development Waste Pile. The majority of this vegetation appeared to be desirable species, however NECC appears to be pro-active in controlling weeds. On the day of the inspection of the main mine site, Bill Massarotti was seen preparing his equipment to spray weeds around the site.

Golden banner was observed near the scales. This is not a noxious weed and should not be confused with Dalmation toadflax, which is a B-list species.

At the Northwest Fan (former Golden Eagle site), the reclamation of the pad and the areas around the pad remain in good shape. The BMPs addressing the erosion from the adjacent property (wattles and straw bales) are mostly functioning well. There is a small amount of erosion below the bales, but NECC staff have placed branches in the rills, and it is not a problem at this time.

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SUPPORT FACILITIES - Rule 4.04:

No problems were seen with any facility areas. In particular:

- The hill below the water tanks was observed, and no erosion or other problems were seen.
- No erosion was seen around the East Portal or East Portal substation.
- The retaining wall by the Bates Portals appears stable.
- No leaks or other problems were seen at any of the equipment storage areas.

OFFSITE SUPPORT FACILITIES - Rule 4.04, 4.28:

No problems were seen at the Jansen Loadout except some weeds (mullein, cheat grass). Vince Massarotti indicated that NECC would spray there soon. The barrier at the east end was in place, although NECC has recently had issues with burglars.

TOPSOIL – Rule 4.06

Removal 4.06.2; Substitute Materials 4.06.4(4); Storage and Protection 4.06.3; Redistribution 4.06.4:

No problems were seen with the topsoil pile next to CA#1.

ENFORCEMENT ACTIONS/COMPLIANCE

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

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PHOTOGRAPHS



Hill below water tanks, East Portal substation, and equipment storage next to office



East Portal

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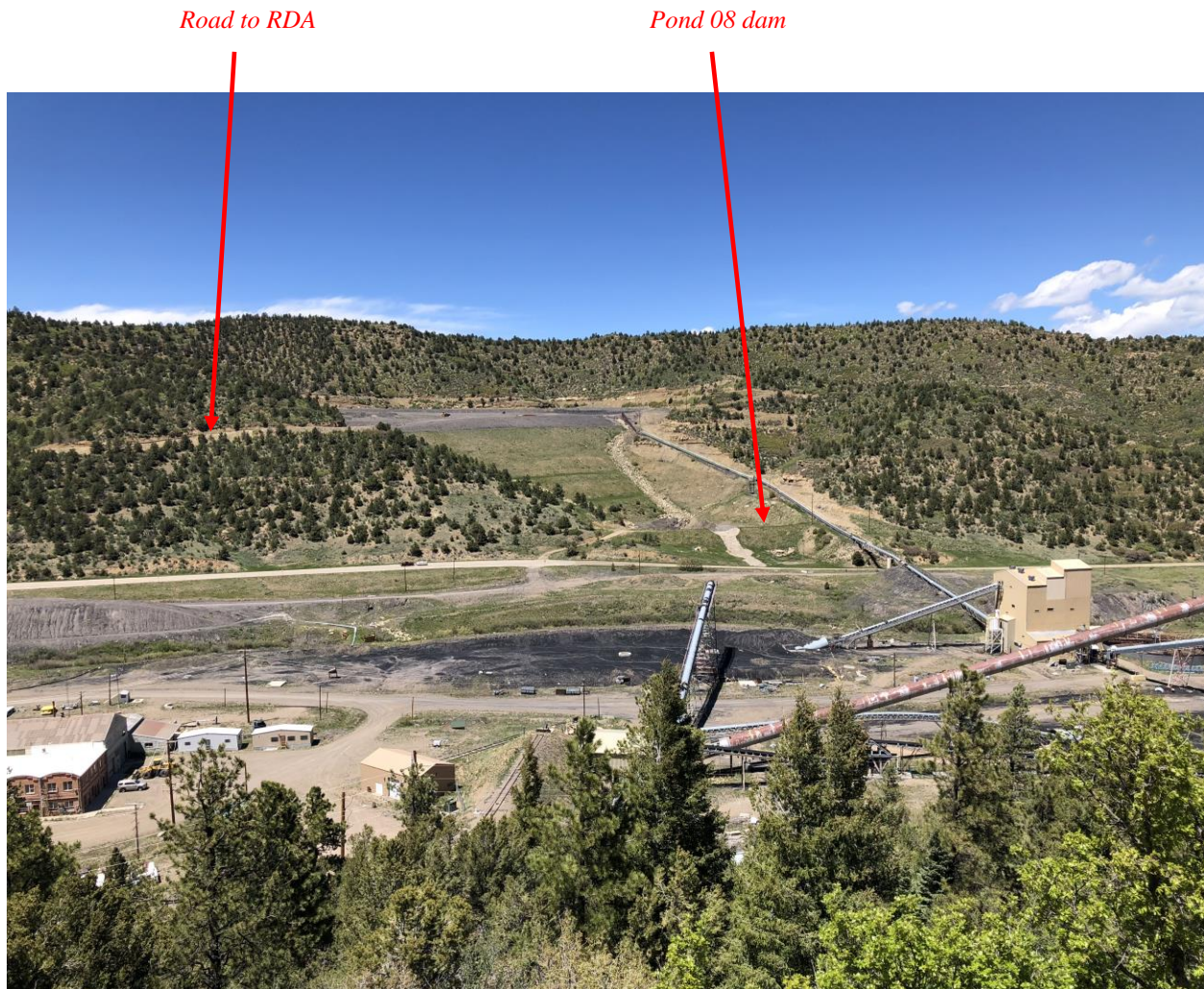
Bill Massarotti and spraying equipment



Road to water tanks

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View of RDA and facilities from water tanks

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View of Pond 001A and waste piles from water tanks



Middle Fork of Purgatoire River, with Pond 001A discharge structure in foreground

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West Portal area, taken from Containment Area #2



Containment Area #1

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RDA with reclaimed portion (lower portion) to the right



RDA and portion of Pond 08

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Pond 007A



Pond 006A

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Sediment BMPs at former Golden Eagle site



Minor erosion and branches below sediment BMPs at former Golden Eagle site

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AVAILABILITY OF RECORDS**PERMIT RECORDS**

DRMS Permit	Expired 2/28/19 (Renewal is pending)
Permit Application w/Revisions	yes
Findings Document	RN6, June 2017
Insurance Certificate	Exp. 4/24/2020
Bond Document	\$4,133,137.02 (9 cash bonds)
Phased Bond Release Documents/Findings	SL2, Findings 11/15/06
Air Emission Permits	84LA074F-1, 84LA074F-2
County Special Use Permits	n/a – see letter in Exhibit 5
UG Mining Landowner Notification	Feb. 2012
Subsidence Monitoring Reports	n/a
Subsidence Monitoring Data	n/a
Rill & Gully Survey	See 2018 ARR
Vegetation Monitoring Data	n/a
Specific Variance Approvals	n/a
Annual Reclamation Reports	2018
Midterm Review Documents	MT7, August 2016
DRMS/OSM Inspection Reports/Enforcement Actions (3 Years)	Through April 2019
Transfers/Succession of Operator	To NECC, executed 2/2/2006
Temporary Cessation Notification Reclamation Cost Estimate	n/a Comment 1
CERTIFICATIONS	
Pond Certifications	yes
Annual Certification for Pond 08 (MSHA)	Jan. 2019, with P.E. signature

HYDROLOGIC RECORDS

CDPS Permit	CDPS C-00906 (exp. May 2020)
DMRs for WQCD	Through April 2019
Stormwater Management Plan (aka Sediment Control Plan)	Jan 2016
Spill Prevention Containment & Control Plan	April 2012
MSHA Pond Inspections	Pond 08, December 2018
State Engineer's Pond Inspection	n/a
Quarterly Pond Inspections	Through Q1 2019
Annual Hydrology Reports	2018
• Ground Water Monitoring	Thru Nov. 2018
• Surface Water Monitoring	Thru Dec. 2018
• Spring & Seep Monitoring	n/a
• Mine Water Discharge Monitoring	n/a
• Mine Inflow Study	p. 3-4 of 2014 AHR (old study)
• Water Consumption Records	Thru 5/28/2019
Well Permits	yes

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

(continued)

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AVAILABILITY OF RECORDS
(continued)

Underground Development Waste Banks

• Quarterly Inspections	<u>March 2019</u>
• Compaction Testing	<u>n/a</u>
• Final Certification	<u>n/a</u>

Coal Processing Waste Banks

• Quarterly Inspections	<u>March 2019</u>
• Compaction Testing	<u>3/7/2016</u>
• Final Certification	<u>n/a</u>

Road Certifications

Comment 2

COMMENTS:

1. RCE from MT-07 for \$4,034,998.07 (August 2016) and \$9,698.51 from TR-72 (May 2017).
2. Haul and access road certifications on Map 11 (East Portal) and Map 12 (West Portal) in PAP.
 - Map 11 dated 4/30/2014.
 - Map 12 dated 7/25/2012.

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