

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.

MINE NAME:	MINE/PROSPECTING ID#:	MINERAL:	COUNTY:
Duck Creek Mine	M-2013-022	Oil shale	Rio Blanco
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Amy C. Yeldell	August 30, 2019	09:30
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Shale Tech International Services LLC	Justin Bilyeu	110(2) - Hard Rock Limited Impact	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT:	
Normal I&E Program	Partial Bond	\$395,882.86	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGENCY:	
NA	None	None	
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DAT	E:
Clear	Amy Geldell	September 3, 2019	

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>N</u>	(EX) EXPLOSIVES <u>NA</u>
(PW) PROCESSING WASTE/TAILING N	(SF) PROCESSING FACILITIES NA	(TS) TOPSOIL <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE \underline{Y}	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN N	(RS) RECL PLAN/COMP N
(ES) OVERBURDEN/DEV. WASTE <u>N</u>	(SC) EROSION/SEDIMENTATION N	(ST) STIPULATIONS <u>N</u>
(AT) ACID OR TOXIC MATERIALS N	(OD) OFF-SITE DAMAGE <u>N</u>	

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

PERMIT #: M-2013-022 INSPECTOR'S INITIALS: ACY INSPECTION DATE: August 30, 2019

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining and Safety normal monitoring program. The Duck Creek Mine is a 110(2) Hard Rock permitted Oil Shale Mine site located west of County Road 24x, in Rio Blanco County. Amy Yeldell of the Division conducted the inspection. Justin Bilyeu and Ed Cooley represent Shale Tech International Services, LLC.

The Division currently requires a financial warranty amount of \$395,882.86 for this site. The bond was last recalculated in 2013 with the permit issuance. The Division finds this bond amount adequate.

The site is permitted for 5 acres, at this time its estimated that approximately 1.5 acre are disturbed. No fuel, equipment or buildings are located on site. The historical excavation is approximately 100 LF of vertical highwall at 20-30 ft. tall with pad below. The site appears stable.

No changes have occurred to the site since the last inspection. This site was previously permitted under an NOI. No additional disturbances have occurred since the mining permit was issued. The site was inactive at the time of the inspection. Technically the operation has not commenced and therefore is not subject to TC and Rule 1.13.

Responses to this inspection report should be directed to: Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 303-866-3567 Ext 8183 or via email at amy.yeldell@state.co.us

Inspection Contact Address

Justin Bilyeu Shale Tech International Services LLC 1354 County Road 246 Rifle, CO 81650

Enclosure

CC:

Travis Marshall, Senior EPS, Grand Junction DRMS



