

February 6, 2020

Mrs. Janet Binns Environmental Protection Specialist Colorado Division of Reclamation, Mining & Safety Department of Natural Resources 1313 Sherman Street, Room 215 Denver, CO 80203

RE: New Horizon Mine Permit No. C-1981-008 2019 Annual Reclamation Report

Dear Mrs. Binns,

Tri-State Generation and Transmission Association, Inc. (Tri-State), is the parent company to Elk Ridge Mining and Reclamation, LLC New Horizon Mine. The New Horizon Mine operates under the Colorado Division of Reclamation, Mining, and Safety Permit No. C-1981-008.

Per Rule 2.04.13(1), by February 15, or other such date as agreed on, each permittee shall file an annual reclamation report covering the previous calendar years for all areas under bond. New Horizon by permit is required to submit the report annually by March 15. Therefore, enclosed please find the Annual Reclamation Report for the calendar year 2019 as required.

If you should have any additional questions or concerns please feel free to contact Tony Tennyson at (970) 824-1232 at your convenience.

Sincerely,

Conin

Daniel J. Casiraro Senior Manager Environmental Services

DJC:TT:der

Enclosure

cc:

Chris Gilbreath (via email) Frank Ferris (via email) File: G474-11.3(21)b-9

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER



CRAIG STATION P.O. BOX 1307 CRAIG, CO 81626-1307 970-824-4411 ESCALANTE STATION P.O. BOX 577 PREWITT, NM 87045 505-572-5200 NUCLA STATION P.O. BOX 698 NUCLA, CO 81424-0698 970-864-7316

Elk Ridge Mining and Reclamation, LLC.

PERMIT C-1981-008

NEW HORIZON 2 MINE

2019 ANNUAL RECLAMATION REPORT

JANUARY 1, 2019 to DECEMBER 31, 2019

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I. RULE REQUIREMENTS

Rule 2.04.13(1)(a-f) states, by February 15, or such date agreed on (which is March 15 in Permit No. C-1981-008), each permitted shall file an annual reclamation report covering the previous calendar year for all areas under bond. The report shall include, but is not limited to, text, discussion and maps which address:

- the name and address of the permittee and permit number
- location and number of acres disturbed during that year
- location and number of acres backfilled and graded during that year
- location and number of acres topsoiled during that year
- the species, location and number of acres of vegetation planted during that year, including any augmented seeding or cultural practices
- location, number of acres and date of planting for all previously revegetated areas

A. PERMITTEE

Elk Ridge Mining & Reclamation, LLC Permit No. C-1981-008 PO Box 628 Nucla, CO 81424

B. DISTURBED AREAS

During 2019, 0.0 acres of additional disturbance occurred onsite. There are currently 31.2 acres in non-permanent long-term facilities at the end of the year 2019 and 7.1 acres of long-term permanent facilities. Please see Figure 1.

C. BACKFILLING AND GRADING

During 2019, 0.0 acres were backfilled and/or graded.

D. RECLAMATION ACTIVITIES

1. Spoil Quality

The spoil sampling and analysis program for the New Horizon 2 Mine is described in Section 2.05.4(2)(d) of the approved permit. The New Horizon 2 Mine did not conduct any spoil quality sampling in 2019.

2. Topsoil

The New Horizon 2 Mine placed topsoil on 0.0 acres in 2019. Please refer to Table 1 for the current volume of topsoil in stockpiles.

3. Seeding

The approved seed mixtures utilized at the New Horizon Mine can be located in Section 2.05.4(2)(e) of the approved permit. During 2019, permanent seeding occurred on 0.0 acres of dryland pasture and 0.0 acres of irrigated pasture. Please refer Table 2 and Map 1 for the reclamation units seeded prior to 2019.

4. Soil Fertility Testing and Fertilizer Application

Soil fertility testing was not performed on any irrigated pasture or dryland pasture areas in 2019. Testing did occur on the reclamation unit IC-1 (See Map 1 for the location). The results of this testing is presented in Attachment 1.

Fertilizer was applied to reclamation units IP-1 through IP-8, IC-1, and the reference area. Fertilizer rates that were applied in 2019 are as follows:

| IC-1 | | | | | |
|-------------------|--------------------------------------|--|--|--|--|
| <u>Fertilizer</u> | <u>Pounds/Acre</u> <u>Applied</u> | | | | |
| Phosphate | 200 | | | | |
| Elemental Sulfur | 1.5 | | | | |

| <u>Fertilizer</u> | <u>Pounds/Acre</u> <u>Applied</u> |
|-------------------|--------------------------------------|
| Phosphate | 38 |
| Urea | 122 |

IP-1 through IP-8 & Reference Area

5. Grazing, Irrigation, and Irrigated Pasture Yields

Data presented below includes properties within the permit boundary that were grazed in 2019.

Benson East Property (33 acres):

• 67 cows for 33 days in November and December 2019

Benson West & Lloyd Property (25 acres):

- 67 cows for 20 days in October and November 2019
- ERMR Property, of those 45 acres grazed upon, 8.9 acres are within the permit boundary:
 - No grazing occurred in 2019.

GW46 Irrevocable Trust (only 2.9 are within the permit boundary):

• 40 cows for 31 days in January 2019

Reference Area (6.3 acres):

• 12 cows for 21 days in December 2018

6. Irrigation

The CC Ditch Company commenced water deliveries on April 4, 2019, and New Horizon Mine began irrigation operations shortly thereafter. The CC Ditch Company discontinued water delivery October 3, 2019.

7. Irrigated Pasture Yields

Irrigated pasture yields results are shown in Attachment 2.

E. WILDLIFE MONITORING

No wildlife monitoring occurred in 2019.

F. INTERIM REVEGETATION REPORT

New Horizon did not conduct interim vegetation monitoring in 2019.

G. WEED MANAGEMENT

During April and May of 2019, various areas within the permit boundary were treated for noxious weeds by spot spraying and/or hand removal. Map 1 depicts the general areas that were treated; however, some sites were small and random and thus too small to accurately depict on a map.

Target species for noxious weeds included Knapweed(s), Thistle(s), White Top, Russianolive, saltceder/tamarisk, burdock, mullein, halogeton, purple loosestrife, and Western whorled milkweed. Other target species are included in the Montrose County (2010) and San Miguel County (2002) Noxious Weed lists.

H. PEST MANAGMENT

In April, May, and August of 2019, the New Horizon Mine 2 conducted Prairie Dog mitigation in reclaimed areas were the species was present. The licensed exterminators employed carbon monoxide treatments to active holes.

| <u>Soil Type</u> | Topsoil Pile ID | Stockpile Volume (Cubic |
|------------------|------------------------|-------------------------|
| | | <u>Yards</u> |
| Pre 1995 Lift A | С | 7,320 |
| Pre 1995 Mixed | D | 3,242 |
| Pre 1995 Mixed | E | 7,320 |
| Pre 1995 Lift B | Н | 20,997 |
| Mixed Zone 7 | 12 (Multiple Piles) | 153,900 |
| Mixed Zone 8 | 4 | 13,266 |
| | Total | 206,045 |
| Morgan Lift A | 11A | 5,550 |
| Morgan Lift B | 11B | 4,070 |
| | Total | 9,620 |

Table 1 - Topsoil Stockpiled (End of Year 2019)

| Area | Reclaimed Acres | Year Seeded | Revegetated Years |
|---------------------|--------------------|-------------|----------------------|
| DP-1 | 21.6 | 2004 | 15 |
| DP-2 | 6.6 | 2005 | 14 |
| DP-3 | 5.3 | 2005 | 14 |
| DP-4 | 7.9 | 2006 | 13 |
| DP-5 | 12.8 | 2006 | 13 |
| DP-6 | 28.7 | 2007 | 12 |
| DP-7 | 9.5 | 2009 | 10 |
| DP-8 | 2.3 | 2009 | 10 |
| DP-9 | 24.1 | 2009 | 10 |
| DP-10 | 10.8 | 2011 | 8 |
| DP-11 | 1.7 | 2011 | 8 |
| DP-12 | 0.7 | 2012 | 7 |
| DP-13 | 0.4 | 2013 | 6 |
| DP-14 | 2.0 | 2013 | 6 |
| DP-15 | 2.3 | 2014 | 5 |
| DP-16 | 1.4 | 2016 | 3 |
| DP-17 | 3.5 | 2018 | 1 |
| IP-1 | 11.5 | 2004 | 15 |
| IP-2 | 9.3 | 2005 | 14 |
| IP-3 | 7.6 | 2007 | 12 |
| IP-4 | 8.9 | 2007 | 12 |
| IP-5 | 0.4 | 2008 | 11 |
| IP-6 | 3.5 | 2010 | 9 |
| IP-7 | 0.5 | 2013 | 6 |
| IP-8 | 12.2 | 2014 | 5 |
| IP-9 | 12.9 | 2014 | 5 |
| IP-10 | 2.9 | 2016 | 3 |
| IP-11 | 0.4 | 2018 | 1 |
| IC-1 | 107.8 | 2015 | 4 |
| Grand Totals | 319.5 | | |

 Table 2 – New Horizon Reclamation Table

Please see Map 1 for locations of the reclamation units noted above.

Figure 1 - Annual Reclamation Report Form Colorado Division of Reclamation, Mining and Safety 2019

Annual Reclamation Report for Calendar Year -

| | | Elk Ridge Mining & Reclamation, |
|---|-----------------------|---------------------------------|
| New Horizon Mine | C-1981-008 | LLC. |
| Mine Name | Permit Number | Permittee |
| P.O Box 628 – 27646 W. 5 th St | treet Nucla, CO 81424 | |
| Address | | |

This report, required by Rule 2.04.13, is due by February 15 of each year, or other date, as agreed upon by the Division. It should include text, discussion, and maps, at a minimum, in addition to any other reclamation monitoring data as required by the approved permit. The location of the acreage reported under each land status category and year of seeding (if applicable) should be clearly identified on a map included with the report.

| Land Catagory | Last Year's Cumulative Total | This Calendar Year | | | Convertations Tastal | |
|--|------------------------------|--------------------|------------------------------------|---|----------------------|--|
| Land Category | (from last year's ARR) | Acres Added (+) | res Added (+) Acres Subtracted (-) | | Cumulative Total | |
| Acreage in Active Mining Areas ¹ | 0 | 0 | 0 | = | 0 | |

| Land Catao and | Last Year's Cumulative Total | This Cale | endar Year | | Cumulative Total |
|--------------------------------|------------------------------|-----------------|----------------------|---|------------------|
| Land Category | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | |
| Acres Disturbed ² | 463.5 | 0 | -2.9* | = | 460.6 |
| Acres Backfilled and Graded | 463.2 | 0 | -2.9* | = | 460.3 |
| Acres Topsoiled | 326.8 | 0 | -2.9* | Ι | 323.9 |

| Acreage in Long-term | Last Year's Cumulative | This Cal | endar Year | | |
|-------------------------------------|---------------------------------|-----------------|----------------------|---|------------------|
| Facilities ³ | Total (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Non-Permanent Facilities | 31.2 | 0 | 0 | = | 31.2 |
| Permanent Facilities (permitted) | 7.1 | 0 | 0 | = | 7.1 |
| Totals | 38.3 | | | = | 38.3 |

| Acres Seeded | Last Year's Cumulative Total | This Calendar Year | | | Cumulative Total |
|----------------------|------------------------------|--------------------|----------------------|---|------------------|
| (permanent) | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| 9 Years and Less | 202.4 | 0 | 39.4 | = | 163.0 |
| 10 Years and Greater | 124.4 | 32.1 | 0 | = | 156.5 |
| Totals | 326.8 | | | = | 319.5 |

| Bond Release | Last Year's Cumulative Total | This Cal | endar Year | | | | |
|--------------------|------------------------------|-----------------|-------------------------------------|---|------------------|--|--|
| | (from last year's ARR) | Acres Added (+) | cres Added (+) Acres Subtracted (-) | | Cumulative Total | | |
| Phase I Released | 325.2 | 0 | -1.6 | = | 323.6 | | |
| Phase II Released | 171.8 | 0 | -1.6 | = | 170.2 | | |
| Phase III Released | 8.6 | 0 | -1.6 | = | 7.0 | | |

¹Includes pits, topsoil stripped areas in advance of pits, and spoil not backfilled and graded

 2 Surface Mine Acres Disturbed = B&G + Long-Term Facilities + Active Mining Areas; Underground Mine Acres Disturbed = B&G + Long-Term Facilities; Separately-permitted Loadouts = B&G + Long-Term Facilities

³Includes haul, access and light-use roads, temporary dams and impoundments; permanent dams and impoundments; diversion and collector ditches, water and air monitoring sites; topsoil stockpiles; overburden stockpiles; repair, storage and construction areas; office area, repair shops, and parking; coal stockpiles, loading, and processing areas; railroads; coal conveyors; refuse piles and coal mine waste impoundments; head-of-hollow fills; valley fills; ventilation shafts and entryways; and non-coal waste disposal area (garbage dumps and coal combustion by-products disposal areas).

*1.6 acres were removed from the permit boundary during 2019. 1.3 acres were removed due to incorrect reporting for an area that was not disturbed by New Horizon Mine for reclamation unit IC-1. This was to correct past reporting for that unit from 109.1 acres to 107.8 acres.

ATTACHMENT 1

Topsoil Fertility Testing Results

New Horizon Mine

| CLIENT: 18393 FRUITA CONSUMERS COOP 995 MAIN STREET PO BOX 399 NUCLA, CO 81424 | | | | S | SOIL ANPLYS | | | | | | 1816 E. Wyatt Earp PO Box 1397 Dodge City, KS 67801 800,557,7509 620,227,7123 | | | | | LAB NO: INVOICE NO: DATE RECEIVED: | | | | 64334 867511 03/28/2019 | | | | |
|---|--------------|-----------------|--------------------|------------------|-----------------------|--------|----------------------|----------------|---------------------|---------------------|---|-------------|-------------------|--------|-----------------|--|------------------|----------------|---------------------------|-------------------------------|---------------------------|------------------|-------|-----------|
| SOIL | ANALYSIS R | ESUL | TSEOR | . MOR | GAN RA | NCH | | and the second | WWW.Se | ervilechlabs. | com | Fax | (620.22 | | | ENTIF | DATE | <u></u> | | 21 | - | 1/2019 |) | 1.1 |
| - | OD USED: | | 1:1 Weter-Soil | 2997. 1997 19 | 1:1 Water-Soli | XSL() | LOI(r) | Cd Rei | tuction | c-Mahlich 3 | | dehlich 3 I | CP. | 1.1 | Ammoniu | m Acstate | Mehlich 3 | 1 | 1 | | | | | |
| Lab Number | Sample ID | Sample Depih | Sot pH | Buffer pH | Sol. Salts mmho/cm | Excass | % Organic. Matter | Nitrate | Nitrogen Ib. N/A | Phosphorus ppm-P | Potassium ppm K | ppm | Sulfer Ib. S/A | C F | alcium pm Ca | Magnesium ppm Mg | Soderm ppm Na | Zite pps Zn | tron ppms ^p | e. Mi | inganese opm Mn | Coppar ppm Cu | Bor | on h B |
| 64334 | 140 ACRES | 0 - 12 | 8.1 | | 0.22 | Hi | 0.8 | 2.2 | 8 | 37 | 252 | 54 | 194 | | 5476 | 299 | 21 | - | 1 | 1 | 1. <u>1. 19 - 19 - 19</u> | | | |
| FERT | ILIZER REC | OMME | NDATIC | DNS: | | | | | 1 | | POUN | DS AC | CTUAL | NU | RIE | NT PER | ACRE | d | 1 | (| Catio | Exch | lange | 3 |
| Lab | Sample | | Crop To Be Grow | 0 | Y | ield | Lime, ECC Ton | NA to raise pl | l to: | N PiO | 16:0 | Zn | 8 | Mo | 0 | MaQ | | Ca | a | | C | apacit | y | |
| Number | ID. | | Be Grov | WD | | soai | 8.0 8 | 1.5 7 | .0 | | | Zn | L°. | | | 1 1400 | | | | CEC | 1 | | %Mg | \$6.8 |
| 64334 | 140 ACRES | ALFAL | FA | | 61 | ons | | | | 98 | 0 | | 1.5 | | | 0 | | 0 | | 28 | 0 | 2 89 | 9 | |
| SPEC | CIAL COMM | ENTS | AND SU | IGGES | TIONS: | e 6 | | | | 1. j. (1) | | (jac) | | 11.54 | 100 | | | 1244 | | 1 | a.197 | | 241 | iii |
| Lab | Number(s):64 | 1334 | | | | | been ac | liusted | to con | | | preser | nce of | exce | ss lin | ne (read | tive car | bonate | s). | | | | -d. | |

Recommend 200 pounds per acre of 11-52-0 and 1.5 pounds per acre of elemental sulfur to maintain current production levels and continue to control salinity.

SKU 557-Soil Analysis 10"50,00

Analyses are representative of the samples submitted

Samples are retained 30 days after report of analysis Reviewed and Ed McGuire Approved By: Data Review Coordinator Explanations of soil analysis terms are available upon request Page 1 of 1 Gluin 9. Michains 04/01/2019 12:53 pm

ATTACHMENT 2

Irrigated Pasture Yields

| ZRZ HORIZON | | | Elk | NEW | ning & Red HORIZON ed Pasture 2019 | IMINE | , LLC | | | | |
|---------------------------|---------------|-------------|------------------------|------------|---|-----------------|---------------|--------------------------|------------|-------------|---------------------|
| ORIZO | | | 1st CUTT | ING | | | 21 | nd CUTTIN | G | | 2nd cutting |
| | average | lbs/ac | tons per | field bale | field acres | average | lbs/ac | tons per | field bale | field | percentage of |
| Field ID's | bale wt. | 105/40 | field | count | field acres | bale wt. | ibs/ac | field | count | acres | 1st cutting |
| ERMR/Benson West | 63 | 4,913 | 30.5 | 967 | 12.4 | 63 | 3231 | 20.0 | 636 | 12.4 | 66% |
| ERMR/Lloyd | 63 | 3,409 | 22 | 698 | 12.9 | 63 | 3160 | 20 | 647 | 12.9 | 93% |
| ERMR/Benson East | 60 | 1,327 | 22 | 719 | 32.5 | 60 | 1484 | 24 | 804 | 32.5 | 112% |
| 4/7 Haul Road | 1575 | 2,423 | 7.9 | 10 | 6.5 | 1575 | 2,423 | 8 | 10 | 6.5 | 100% |
| ERMR/Garvey | 1405 | 2,450 | 14.6 | 21 | 11.9 | 1405 | 2,125 | 13 | 18 | 3.0 | 87% |
| | То | tal Tons | 96 | Total ac | 76 | | | | | Average | 91% |
| | Inc. Inc. and | II is faire | towntown | | | To set for an a | Harri I.a. ar | La se a la se | | | |
| Production Figures 1cut | | Ibs/ac | tons/ac | Production | Figures 2cut | | Ibs/ac | tons/ac | | | |
| High | 63 | 4913 | 2.46 | | High | | 3,231 | 1.62 | | | |
| Low | | 1,327 | 0.66 | | Low | | 1484 | 0.74 | | | |
| Avg (small bale Wt. only) | 63 | 2,904 | 1.45 | Avg (small | bale Wt. only) | 63 | 2485 | 1.24 | Ţ | | On all as utting as |
| | | | 1 - CUTT | | | | 2. | | <u>^</u> | | 2nd cutting |
| Field ID | bale wt. | lbs/ac | 1st CUTT tons/field | bale count | field acres | bale wt. | lbs/ac | nd CUTTINe tons/field | | field cores | percentage of |
| Reference Area | 80 | 4,348 | 13.8 | 344.0 | 6.3 | 59 | 1734 | 5.5 | 186 | 6.3 | 1st cutting 40% |
| | 00 | 4,540 | 15.0 | 544.0 | Notes: | - 59 | 1734 | 5.5 | 100 | 0.0 | 40 /0 |
| 1 | st Cutting | Average | 2,532 | lbs/ac | NOLES. | | | | | | |

