




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: Mahogany Research Project – Prospecting on SFOGI Land	MINE/PROSPECTING ID#: P-2003-022	MINERAL: Oil shale	COUNTY: Rio Blanco
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy Yeldell	INSP. DATE: July 1, 2021	INSP. TIME: 08:00
OPERATOR: Shell Frontier Oil & Gas Inc.	OPERATOR REPRESENTATIVE: Samantha Baker	TYPE OF OPERATION: MP - Mineral Prospecting	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: None	BOND AMOUNT: \$6,666,003.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: July 7, 2021	

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

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

OBSERVATIONS

This inspection was conducted as part of the Colorado Division of Reclamation, Mining, and Safety normal monitoring program. The Mahogany Research Project – Prospecting on SFOGI Land is a Hard Rock NOI located in Rio Blanco County. Amy Yeldell of the Division conducted the inspection. Samantha Baker represented the Operator.

The permitted NOI includes a total of 86.41 acres and has a required bond of \$6,666,003. The last acreage reduction AR-2 occurred in 2015. Additionally MD-5 allowed for the upper facilities to remain.

All hydrology wells have been abandoned and pads have been reclaimed. The last reclamation efforts were completed in 2016 and now are awaiting adequate vegetation establishment. This summer has been extremely dry, with little to no spring time moisture and a below average snowfall leaving many areas stunted. Over all pads are stable with no signs of erosion. All mining related debris has been removed from the site(s). Specific observations of each pad are listed below,

*Pad 1-13: Small pad off the side of airplane ridge road. Shrubs are volunteering from surrounding vegetation. Grasses are low from grazing but stable with adequate cover. Pad is becoming difficult to find and blending in with surrounding topography. This pad has achieved final reclamation.

Upper Camp: Warehouse building with cistern and septic system remains on site. Upper camp warehouse was permitted to remain in MD-5. All portable trailers have been removed. The communication/ radio building remains in place. Roads are stabilized with gravel. Surrounding areas are stabilized with vegetation. Weed management treatments appears to be appropriate.

*Mahogany MET Station: station has been removed and area has been reclaimed. Blends well with surrounding topography and is undetectable. This pad has achieved final reclamation.

*M14-L5: Located on the side of the upper camp facility loop road. Bank has been properly graded and appears stable. Vegetation is sufficient considering the location. Shrubs and trees will volunteer with time. This pad has achieved final reclamation.

MDP and DHT: Lower camp control room warehouse and electrical room remain in place per MD-5. The pad area has been graded and vegetation is starting to volunteer, establishment is not required per MD-5. Slopes have been contoured and naturally blend with vegetation at approximate 50%. Weeds are being effectively managed and soils appear stable.

*M15-L5: Extremely small pad (5ft x 5ft) area next to road exiting the upper camp facility. Blends naturally with surrounding topography and has self-reclaimed. No noxious weeds were observed. This pad has achieved final reclamation.

MFE: The pad area has been graded and vegetation is starting to volunteer, establishment is not required per MD-5. Slopes have been contoured and naturally blend with vegetation at approximate 50%. Weeds are being effectively managed and soils appear stable.

M18-L5: Short access road. Vegetation is primarily grasses. Patch of cheatgrass monoculture. Needs sprayed and vegetation established prior to release. Surrounding areas are sufficient.

M19-L5: Accessed from M18 pad. Pad has sufficient vegetation but road is still a two track. Continue to treat weeds and vegetation establishes and fills in cover.

*MIT: Fence surrounding facility remains in place, this includes MITM-25, MIT-M26 and MIT-M27. Pad has been grazed heavily but grasses appear to be stable and resilient. Shrubs have begun to volunteer. Noxious weeds remain effectively managed even with grazing pressure. Through road remains to service gas pipeline but is generally a two-track due to disuse. This pad has achieved final reclamation.

* Indicates areas where final reclamation has been achieved.

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

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Enclosure

CC:
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PHOTOGRAPHS





Photo Three: Upper Camp Warehouse



Photo Four: Pad M14-L5





Photo Seven: DHT to MFE



Photo Eight: M15-L5



