

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:
2005-06 Geo-hydrology Drilling and	P-2005-002	Oil shale	Rio Blanco
Coring - Private			
INSPECTION TYPE:	INSPECTOR(S):	INSP. DATE:	INSP. TIME:
Monitoring	Amy Yeldell	July 1, 2021	08:00
OPERATOR:	OPERATOR REPRESENTATIVE:	TYPE OF OPERATION:	
Shell Frontier Oil & Gas Inc.	Samantha Baker	MP - Mineral Prospecting	
REASON FOR INSPECTION:	BOND CALCULATION TYPE:	BOND AMOUNT	
Normal I&E Program	None	\$369,361.00	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGI	ENCY:
NA	None	None	
WEATHER:	INSPECTOR'S SIGNATURE:	SIGNATURE DAT	ГЕ:
Clear	Amy Geldell	July 8, 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>N</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>NA</u>	(TS) TOPSOIL <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE <u>Y</u>	(RV) REVEGETATION Y
(SM) SIGNS AND MARKERS Y	(SP) STORM WATER MGT PLAN <u>N</u>	(RS) RECL PLAN/COMP Y
(ES) OVERBURDEN/DEV. WASTE <u>NA</u>	(SC) EROSION/SEDIMENTATION Y	(ST) STIPULATIONS Y
(AT) ACID OR TOXIC MATERIALS NA	(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 2005-06 Geo-hydrology Drilling and Coring Program- Private 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 4.65 acres and has a current bond of \$369,361.00. AR-1 released three pads. Following the approval of AR-1 in 2015 the following pads permitted; A26-35-199, A27-36-199, A28-25-199, A29-29-198, A34-10-298, A35-11-298, 47-36-199, 49-35-199, 50-35-199, 51-35-199, 52-35-199, and 55-35-199.

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,

*A26-35-199: On the corner of the released pad 54-35-199. Mostly all mature sagebrush. Very little grass understory but blends naturally with surroundings. Final reclamation has been achieved.

Pad 51-35-199: Pad is generally bare. Significant cheatgrass infestation in the past so the pad was treated with 'bare ground'. Reseeding in fall of 2020. Shrubs remain with some grasses beginning to emerge. Generally cover is less than 20%.

Pad 52-35-199: Pad is generally bare. Significant cheatgrass infestation in the past so the pad was treated with 'bare ground'. Reseeding in fall of 2020. Shrubs remain with some grasses beginning to emerge. Generally cover is less than 20%.

Pad 49-35-199: Pad is generally bare. Remaining topsoil pad was flattened and disturbed to areas lacking topsoil. Significant cheatgrass infestation in the past so the pad was treated with 'bare ground'. Reseeding in spring of 2021. Shrubs remain with some grasses beginning to emerge. Generally cover is less than 20%.

*Pad 47-36-199: Mostly all mature sage brush. Grazed have been grazed hard and are stunted as a result. Overall cover is at 60% or higher and blends naturally with the surrounding areas. Final reclamation has been achieved.

*A27-36-199: On the side of Pas 47-36-199. Mostly all mature sagebrush. Very little grass understory but blends naturally with surroundings. Final reclamation has been achieved.

A28-25-199: Very little vegetation, area has been heavily grazed by cattle and horses. In a natural opening so grasses are sparse. Little to no weeds observed.

*A29-29-198: In a natural opening. Grasses on the pad and surrounding are generally low and sparse due to grazing. Unable to distinguish where disturbance was compared to surroundings. Final reclamation has been achieved.

*A34-10-298: Vegetation is hit or miss within a natural opening that is subject to grazing. Blend of mature sage and understory grasses. Unable to distinguish where disturbance was compared to surroundings. Final

reclamation has been achieved.

*A35-11-298: Vegetation is hit or miss within a natural opening that is subject to grazing. Blend of mature sage and understory grasses. Unable to distinguish where disturbance was compared to surroundings. Final reclamation has been achieved

*Indicates pads 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

Samantha Baker Shell Frontier Oil & Gas Inc. 150 N. Dairy Ashford, Bldg. E-1040G Houston, TX 77079

Enclosure

CC: Travis Marshall, Senior EPS, Grand Junction DRMS



PHOTOGRAPHS

PERMIT #: P-2005-002 INSPECTOR'S INITIALS: ACY INSPECTION DATE: July 1, 2021







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