


PERMIT INFORMATION

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| Permit Number: C-2009-087 Mine Name: Peabody Sage Creek Mine Operator: Peabody Sage Creek Mining, LLC Operator Address: Ms Mirdanda Kawcak 29515 Routt County Road 27 Oak Creek, CO 80467 | County: Routt Operation Type: Underground Permit Status: Temporary Cessation Ownership: Private |
| | Operator Representative Present: Kevin Copeland |
| Operator Representative Signature: (Field Issuance Only) | |

INSPECTION INFORMATION

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|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Inspection Start Date: September 9, 2021 Inspection Start Time: 09:00 Inspection End Date: September 10, 2021 Inspection End Time: 12:00 | | Inspection Type: Coal Complete Inspection Inspection Reason: Normal I&E Program Weather: Clear | |
| Joint Inspection Agency: None | | Joint Inspection Contacts: | |
| Post Inspection Agency: None | | Post Inspection Contacts: | |
| Inspector(s): Tabetha Lynch | Inspector's Signature:  | | Signature Date: 9/10/21 |

Inspection Topic Summary

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

Y - Air Resource Protection
R - Availability of Records
N - Backfill & Grading
N - Excess Spoil and Dev. Waste
NA - Explosives
Y - Fish & Wildlife
R - Hydrologic Balance
R - Gen. Compliance With Mine Plan
N - Other
N - Processing Waste

Y - Roads
NA - Reclamation Success
N - Revegetation
NA - Subsidence
Y - Slides and Other Damage
Y - Support Facilities On-site
Y - Signs and Markers
NA - Support Facilities Not On-site
NA - Special Categories Of Mining
Y - Topsoil

COMMENTS

This was a complete inspection of the Peabody Sage Creek Mine; DRMS Permit No. C-2009-087, operated by Peabody Sage Creek Mining, LLC. This inspection was conducted by Tabet Lynch with the Colorado Division of Reclamation, Mining and Safety (Division). Also present for the inspection was Kevin Copeland with Peabody Sage Creek Mining. The Sage Creek Mine is an inactive non-producing mine currently in Temporary Cessation.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

Records are kept at the Foidel Creek Mine office. See end of report for more details.

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 upper sump, lower sump, pond 2, and Pecoco pond were observed and holding water and flowing from discharge points. Pond 3 was holding water and not discharging, Pond 4 was not observed as it was release with SL4. NPDES #7, which is at a ditch near the office that was not discharging.. There was some water present at the lower portal entrance. Springs on site were dry. **Erosional features were noted on the roads going down into the portal. Portal perimeter ditch will need to be cleared before spring. Flume pictured below was being undercut and water is no longer going through the flume, this requires repair. Vegetation debris needs to be cleared from the Upper sump outfall. Pipes are still dripping coming out of the bottom of pond 2, just east of the shop pad. This should be repaired before winter so another break does not occur.**



GENERAL MINE PLAN COMPLIANCE:

Some non-coal waste needs to be cleaned up around the pads. Weeds on site need to be sprayed. Disturbance boundary markers are down or absent and should be reestablished. A new cattle fence is present just downstream of the Pecoco pond, shown below.



DOCUMENTS RECEIVED

OTHER (SPECIFY)

ENFORCEMENT ACTIONS/COMPLIANCE

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

AVAILABILITY OF RECORDS

PERMIT RECORDS

| | |
|--------------------------------------------------------------------------|-------------------------------------------------------|
| DRMS Permit | Exp 8/20/2025 RN 2 app received |
| Permit Application w/Revisions | OK |
| Findings Document | RN2 |
| Insurance Certificate | Exp 08/01/22 |
| Bond Document | Corporate Surety |
| Phased Bond Release | SL4 |
| Documents/Findings | |
| Air Emission Permits | Issued 09/4/2012 (Aug 2017 APEN update exp 2023 |
| County Special Use Permits | 2/9/16 (ten years) |
| UG Mining Landowner Notification | 3/29/2011 |
| Subsidence Monitoring Reports | 3Q2012 |
| Subsidence Monitoring Data | 3Q2012 |
| Rill & Gully Survey | 2018 Done in June |
| Vegetation Monitoring Data | NA |
| Specific Variance Approvals | NA |
| Annual Reclamation Reports | 2020 |
| Midterm Review Documents | 2/2018 |
| DRMS/OSM Inspection | 6/2021 |
| Reports/Enforcement Actions (3 Years) | |
| Transfers/Succession of Operator | SO1 |
| Temporary Cessation Notification | Jan 2017 |
| Reclamation Cost Estimate | RN1 |
| CERTIFICATIONS | |
| Pond Certifications | PAP, Exhibit 2 |
| Annual Certifications for Impoundments | 1Q2021 |
| Fill Certifications for Excess Spoil or Underground Development Waste | NA |
| • Quarterly Inspections | NA |
| • Compaction Testing | NA |
| • Final Certification | NA |
| Coal Processing Waste Banks | NA |
| Haul Road Certifications | PAP |
| Access Road Certifications | PAP |

HYDROLOGIC RECORDS

| | |
|--------------------------------------|----------------------------------|
| NPDES Permit | COG0048275 Jan 2018 Temp mod. |
| NPDES Records | online |
| Stormwater Management Plan | Dec. 2013 |
| SPCC Plan | Sep 19, 2014 |
| MSHA Pond Inspections | NA |
| | NA |
| State Engineer's Pond Inspection | |
| Quarterly Pond Inspections | 2Q2021 |
| Annual Hydrology Reports | 2020 |
| • Ground Water Monitoring | AHR |
| • Surface Water Monitoring | AHR |
| • Spring & Seep Monitoring | AHR |
| • Mine Water Discharge Monitoring | NA |
| • Mine Inflow Study | NA |
| • Water Consumption Records | NA |
| | PAP; Exhibit 2.04.7-E1 |
| Well Permits | |

BLASTING RECORDS

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|----------------------------|--------------|
| Blasting Publication | No blasting |
| Blasting Records (3 years) | NA |
| ATFE Explosives Permit | Exp 1/1/2019 |
| Blasting Variances | NA |
| Pre-Blast Surveys | NA |

ADDITIONAL RECORDS (specify)

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| APEN 10R01175F | |
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COMMENTS: