



STATE OF
COLORADO

Ebert - DNR, Jared <jared.ebert@state.co.us>

New Elk Mine, C-1981-012, Inspection Report

Ebert - DNR, Jared <jared.ebert@state.co.us>

Thu, Sep 16, 2021 at 3:51 PM

To: larrycookconsulting@yahoo.com

Cc: Nick Mason <nmason@newelkcoal.com>

Hello Mr. Cook,

Please see the attached inspection report. Please let me know if you have any questions.

Jared

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Jared Ebert

Senior Environmental Protection Specialist

***I am working remotely, please feel free to call my cell at (720) 413-6466**



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

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INSP-REPORTC_C1981012_JLE_09162021030639.pdf
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COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

PERMIT INFORMATION

| | |
|--|--|
| Permit Number: C-1981-012 Mine Name: New Elk Mine Operator: New Elk Coal Company, LLC Operator Address: Mr. Larry Cook 12250 Highway 12 Weston, CO 81091 | County: Las Animas Operation Type: Underground Permit Status: Active Ownership: Private |
| | Operator Representative Present: Nick Mason |
| Operator Representative Signature: (Field Issuance Only) | |

INSPECTION INFORMATION

| | | | |
|--|--|---|--|
| Inspection Start Date: September 13, 2021 Inspection Start Time: 15:40 Inspection End Date: September 14, 2021 Inspection End Time: 14:30 | | Inspection Type: Coal Complete Inspection Inspection Reason: Normal I&E Program Weather: Clear | |
| Joint Inspection Agency: None | | Joint Inspection Contacts: None | |
| Post Inspection Agency: None | | Post Inspection Contacts: None | |
| Inspector(s): Jared Ebert | Inspector's Signature:  | | Signature Date: September 16, 2021 |

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

NA - Backfill & Grading

Y - Excess Spoil and Dev. Waste

NA - Explosives

Y - Fish & Wildlife

Y - Hydrologic Balance

R - Gen. Compliance With Mine Plan

NA - Other

Y - Processing Waste

N - Roads

Y - Reclamation Success

Y - Revegetation

Y - Subsidence

Y - Slides and Other Damage

Y - Support Facilities On-site

Y - Signs and Markers

Y - Support Facilities Not On-site

NA - Special Categories Of Mining

Y - Topsoil

COMMENTS

This was a complete inspection of the New Elk Mine, Colorado Division of Reclamation, Mining and Safety (DRMS or Division) permit number C-1981-012, operated by New Elk Coal Company LLC (NECC). I, Jared Ebert with DRMS conducted the inspection. Nick Mason with NECC accompanied me during the inspection. Maintenance items are shown below in bold text.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

The mine records were reviewed at the mine office during the afternoon of September 13, 2021.

An updated Personal Injury and Property Damage Insurance Certificate was produced during the inspection. In accordance with Rule 2.03.9 this certificate should be included in the permit application. NECC will need to submit a minor revision to update the permit to include the new certificate.

In accordance with Rule 4.20.2, the mining schedule shall be distributed by mail to all owners of property and residents within the area above the underground workings and adjacent areas. Each such person shall be notified by mail at least six months prior to mining beneath his or her property or residence. As operations are beginning at the site, NECC will need to insure the required public notice occurs as mining progresses. Based on Map 1 and 2 of the PAP, NECC is currently mining under property owned by NECC and the State Of Colorado (Colorado Parks and Wildlife).

NECC is actively mining and processing coal. Recent coal mine waste has been placed on the Refuse Disposal Area (RDA). According to Mr. Mason, NECC has not placed enough waste on the pile to complete a new lift since the re-initiation of operations. In accordance with the approved operations plan in section 2.05 of the permit application package (PAP), NECC will submit compaction test results with the appropriate construction reports. In accordance with Rule 4.10.2(2)(b), NECC should include future compaction test results in the quarterly waste disposal inspection reports as appropriate.

Based on the current location of mining, it does not appear undermining is occurring under or near structures or renewable resource land at this time. However, the current Year 1 mining plan eventually will occur under the

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Purgatoire River Alluvial Valley Floor. NECC is required to conduct subsidence monitoring of the alluvial bed within a 10 degree angle of draw from the planned workings to collect baseline alluvial morphology and then for two months after development has advanced directly beneath the area in accordance with the approved subsidence control and mitigation plan. NECC should keep this in mind as mining progresses.

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:

Pond 007 was holding water but was not discharging. The embankment was stable and vegetated.

The Small Area Exemption located adjacent to Pond 007a to the south is being used as an equipment storage yard. Some debris was observed in the drainage ditch surrounding this area. NECC will need to keep this area clear of debris in accordance with Rule 4.11.4.

Pond 006 was receiving water. The embankment was stable and vegetated.

Pond 001 was holding water, the embankment was stable and vegetated, and the emergency spillways was clear and functional. The pond was not discharging.

The clean water diversion ditch south of the main mine facilities was observed at various locations, it appeared clear and functional at these locations.

Containment area #1 was holding water and was vegetated and stable.

Containment area #2 was dry, vegetated and stable.

Pond 004 was overall dry and not discharging. Vegetation has established in the pond. According to Nick Mason, NECC may begin to pump water from the other ponds within the facilities area to this pond. **Prior to this activity, NECC will need to clear the significant amount of shrubby vegetation that has established in the pond so the capacity of the pond will not be impacted as well as the functioning of the discharge pipe.**

Containment area #3 was dry and vegetated.

Containment area #4 was dry and vegetated.

The drainage from Development Waste Disposal Area #2 (DWDA #2) is managed by ditches D12 and D14 which direct water to Culvert C13 which further directs water to ditches that carry the water to Pond 007. A small sump where ditch D14 and D12 meet at Culvert C13 is silted in fairly substantially and willow shrubs have begun to establish in this area. It appears the berm directing water into culvert C13 is breached likely due to the recent precipitation. **NECC must reestablish this berm and clean up the sump so runoff from the DWDA #2 flows into culvert C13.**

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Pond 008 was holding water but was not discharging. The embankment was stable and vegetated and the emergency spillway was clear and functional.

Containment area #5 was holding water and stable.

GENERAL MINE PLAN COMPLIANCE:

NECC is currently mining in the Year 1 area depicted on the approved mining plan map (Map 3). However, it appears the future direction of mining will reorient to a new direction based on the future plans shown to me by Nick Mason. NECC will need to submit a revision to the permit to reorient the approved mining areas. This issue was discussed with Nick Mason.

Coal was actively being loaded and haul from the site at the time of the inspection.

PROCESSING WASTE/COAL MINE WASTE PILES – Rule 4.10 and 4.11

Drainage Control; Surface Stabilization; Placement:

The conveyor from the wash plant was not running at the time the RDA was observed during the inspection. However, it does appear waste was recently transported to the RDA. A large pile of waste was observed adjacent to the end of the conveyor. Two articulated trucks and a dozer were observed on top of the RDA. Recently dumped waste was observed on the northwest upper end of the RDA. The first four RDA bench faces were observed. These areas were vegetated and stable. The side drains on the west and east side of the RDA were clear and functional.

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

Development Disposal Area #1 was vegetated and stable.

The former Golden Eagle Fan Site was observed. The area is stable and vegetated.

SUPPORT FACILITIES - Rule 4.04:

The portable explosives/chemical storage area was observed. The berm surrounding this area was in place and appeared stable.

SIGNS AND MARKERS – Rule 4.02:

The stream buffer zone markers were observed throughout the facilities area adjacent to the river.

Mine permit identification signs were observed at many locations at the entrance to the permit area from public roads, specifically along Highway 12, near the entrance of the haul road to the RDA, the Jansen Loadout area, and the Golden Eagle Fan site.

The topsoil pile located near the east portal facilities was marked in accordance with Rule 4.02.7.

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OFFSITE SUPPORT FACILITIES - Rule 4.04, 4.28:

The Jansen Loadout area was observed. No problems were noted.

TOPSOIL – Rule 4.06

Removal 4.06.2; Substitute Materials 4.06.4(4); Storage and Protection 4.06.3; Redistribution 4.06.4:

Topsoil Stockpile #1 was observed, it was stable and vegetated.

The subsoil stockpile adjacent to Topsoil Stockpile #1 was vegetated and stable.

DOCUMENTS RECEIVED – None

OTHER (SPECIFY) - None

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ENFORCEMENT ACTIONS/COMPLIANCE

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

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PHOTOGRAPHS



Figure 1. Pond 007a, from the east end looking west.



Figure 2. Pond 006 from the east end looking west.

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Figure 3. Pond 004, shrubby vegetation established in the pond.



Figure 4. DWDA #2, southeast corner. Sump where D14 and D12 meet at culver C13. This area needs to be cleaned out.

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Figure 5. Berm directing flow to culver C-13 breached and needs repair.



Figure 6. Waste piled on top of the RDA where conveyor ends.

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Figure 7. From the east end of the top of the RDA looking west.



Figure 8. From the south end of the RDA looking north at the reclaimed benches.

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Figure 9. Golden Eagle Fan Site.



Figure 10. Coal stockpiled at the Jansen Loadout.

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AVAILABILITY OF RECORDS**PERMIT RECORDS**

| | |
|--|---|
| DRMS Permit | 11/18/2019 |
| Permit Application w/Revisions | Yes |
| Findings Document | RN7 Nov. 2019 |
| Insurance Certificate | 2021 |
| Bond Document | \$4,605,014.08 – CS |
| Phased Bond Release | SL2 |
| Documents/Findings | |
| Air Emission Permits | 1* |
| County Special Use Permits | Exempt |
| UG Mining Landowner Notification | Feb 2012 |
| Subsidence Monitoring Reports | n/a |
| Subsidence Monitoring Data | n/a |
| Rill & Gully Survey | 2Q Waste Pile Inspection, June 9, 2016 |
| Vegetation Monitoring Data | n/a |
| Specific Variance Approvals | n/a |
| Annual Reclamation Reports | Feb 2020 |
| Midterm Review Documents | MT8 – Electronic |
| DRMS/OSM Inspection | July 14, 2021 |
| Reports/Enforcement Actions (3 Years) | |
| Transfers/Succession of Operator | SO4 1/28/2021 |
| Temporary Cessation Notification | n/a |
| Reclamation Cost Estimate | RN7 and MT8 – Electronic |
| CERTIFICATIONS | |
| Pond Certifications | Yes |
| Annual Certifications for Impoundments | Ponds 1, 4, 7, 8, 6, - 2Q2021, Stamped 7/2/2021 |
| Fill Certifications for Excess Spoil or Underground Development Waste | |
| • Quarterly Inspections | 2Q2021 |
| • Compaction Testing | A full lift has not been placed since restart. |
| • Final Certification | n/a |
| Coal Processing Waste Banks | 2Q201 |
| Haul Road Certifications | 8/2014 Exhibit 32 PAP |
| Access Road Certifications | n/a |

HYDROLOGIC RECORDS

| | |
|--------------------------------------|-------------------------------|
| NPDES Permit | 2* |
| NPDES Records | July 21, 2021 |
| Stormwater Management Plan | Jan 2016 |
| SPCC Plan | April 2012 |
| MSHA Pond Inspections | 12/21/2020 |
| | n/a |
| State Engineer's Pond Inspection | |
| Quarterly Pond Inspections | 2Q 2021 |
| Annual Hydrology Reports | |
| • Ground Water Monitoring | 2020 AHR, July 2021 |
| • Surface Water Monitoring | 2020 AHR, DMR's, July 2021 |
| • Spring & Seep Monitoring | n/a |
| • Mine Water Discharge Monitoring | n/a |
| • Mine Inflow Study | AHR 2014 |
| • Water Consumption Records | Thru Aug 2021 |
| Well Permits | Yes |

BLASTING RECORDS

| | |
|----------------------------|-----|
| Blasting Publication | n/a |
| Blasting Records (3 years) | n/a |
| ATFE Explosives Permit | n/a |
| Blasting Variances | n/a |
| Pre-Blast Surveys | n/a |

**ADDITIONAL RECORDS
(specify)**

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COMMENTS: 1* - 84LA074F-1, 84LA074F-2 Jansen Rail Yard Coal Loadout (AIRS ID 071/0072/006, Construction permit 10LA1643.

2* Issued 4/30/2015 Applied for in Dec 2019

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