




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: Shale Core 2020-01	MINE/PROSPECTING ID#: P-2021-002	MINERAL: Oil shale	COUNTY: Rio Blanco
INSPECTION TYPE: Monitoring	INSPECTOR(S): Amy Yeldell	INSP. DATE: June 1, 2022	INSP. TIME: 11:20
OPERATOR: Mahogany Energy Resources, LLC	OPERATOR REPRESENTATIVE: Justin Bilyeu	TYPE OF OPERATION: MP - Mineral Prospecting	
REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$6,805.00	
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None	
WEATHER: Clear	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: June 22, 2022	

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>Y</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>Y</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>Y</u>	(FW) FISH & WILDLIFE----- <u>Y</u>	(RV) REVEGETATION---- <u>NA</u>
(SM) SIGNS AND MARKERS----- <u>Y</u>	(SP) STORM WATER MGT PLAN---- <u>NA</u>	(RS) RECL PLAN/COMP-- <u>NA</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 Shale Core 2020-01 is a Hard Rock NOI located in Rio Blanco County. The NOI includes a total of 0.20 acres. Amy Yeldell of the Division conducted the inspection. Justin Bilyeu represented the Operator, Mahogany Energy Resources, LLC.

The mine identification sign and affected area boundary markers are in place and in compliance with Rule 3.1.12. A sign is posted as you enter the permit boundary.

In general the pad configuration and overall disturbance represented what was proposed and approved by the Division in the application materials. The pad is stable with no storm water or erosion concerns. No weeds were observed.

Both wells have been drilled. Recently one of the wells (core holes) has been permanently abandoned (plugged). Equipment has been installed on other the long-term monitoring well. The well was locked and secured. To date the Division has yet to receive the final abandonment report. Pursuant to Rule 5.7 the Prospector shall submit the final report within 12 months of completion of the abandonment of any drill holes

All drilling and abandonment related equipment has been removed from site. No other equipment, buildings, fuel or mining related debris remains on site. The cuttings pit from drilling still remains open, it will be reclaimed with the rest of the pad as part of reclamation. The Operator anticipates conducting initial dirt work this summer with seeding this fall (2022). The wire exclusion fence has not yet been installed but should occur closely after seeding occurs to protect reclamation from grazing.

The Division currently requires a financial warranty amount of \$6,805 for this site. In an effort to ensure the Financial Warranty adequately, reflects the actual current cost of fulfilling the requirements of the approved reclamation plan the Division has updated the reclamation cost estimate and found the current bond to be sufficient.

Responses to this inspection report should be directed to Amy Yeldell at the Division of Reclamation, Mining and Safety, Room 215, 1001 E 62nd Ave, Denver, CO 80216. Direct contact can be made by phone at 303-866-3567 Ext 8183 or via email at amy.yeldell@state.co.us

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PHOTOGRAPHS





