

Denver Field Branch Bond Release Evaluation Report

Permittee:	Mountain Coal Company, LLC
Operator:	Mountain Coal Company, LLC
Site:	West Elk Mine
Permit No:	C-1980-007
Date of Inspection:	June 27 - 29, 2023
Inspection Type:	Partial Phase II and partial Phase III bond release
Weather:	Sunny and warm with dry ground conditions
Operator Representatives:	Garren Atchley, Mark Peirce, Nicki Poulos, Cody Rapke, and Jessica Wilczek
State Official:	Leigh Simmons
USDA - FS Official:	Dan Gray
OSMRE Official:	Tom Medlin #562

Background

This was a partial Phase II and partial Phase III bond release inspection of reclaimed mine ventilation borehole pads and roads, reclaimed monitoring wells, and reclaimed exploration holes at the West Elk Mine in Delta and Gunnison counties, Colorado.

Under Surety Release 16 (SL-16) Mountain Coal Company, LLC (MCC) proposes Phase II bond release on approximately 20.74 acres where it indicates topsoil replacement has been completed in accordance with the terms of its approved reclamation plan; vegetation in support of the postmining land use has been established; the approved standard for vegetative cover has been met; and a demonstration has been made that suspended solids contributions to runoff or streamflow from reclaimed areas do not exceed pre-mining levels. The lands proposed for Phase II bond release lie within the County of Gunnison, State of Colorado, Sections 33 – 36, Township 13 South, Range 90 West, 6th PM and Sections 1 – 3, Township 14 South, Range 90 West, 6th PM. The Colorado Division of Reclamation, Mining and Safety (DRMS) found MCC's SL-16 bond release application administratively complete on November 14, 2022. Notification of the proposed Phase II bond release was posted in the Delta County Independent for four consecutive weeks, beginning September 7, 2022 and ending September 28, 2022. Under SL-16 MCC requests release of the maximum applicable bond amount available at Phase II, or 25% of the remaining bond for affected areas, computed at \$109,926.02.

Under SL-17 MCC proposes Phase III bond release on approximately 9.25 acres where it indicates all mining and reclamation activities have been completed in accordance with the terms of its approved permit and in support of the wildlife habitat and rangeland postmining land use. This includes successfully establishing on affected lands a vegetative community that is diverse, effective, and permanent. The ten-year revegetation responsibility period must also be met and the vegetative community must meet the approved standards for cover, herbaceous production, and species composition. The lands proposed for Phase III bond release lie within the County of Gunnison; State of Colorado; Sections 14, 22, 23, 26, and 27; Township 13 South; Range 90 West; 6th PM. DRMS found MCC's SL-17 bond release application administratively complete on December 19, 2022. Notification of the proposed Phase III bond release was posted in the

Delta County Independent for four consecutive weeks, beginning November 16, 2022 and ending December 7, 2022. Under SL-17 MCC requests release of the maximum applicable bond amount available at Phase III, or the entirety of the remaining bond for affected areas, computed at \$29,416.08.

Release of Performance Bonds, Rule 3.03; Revegetation, Rule 4.15

The combined SL-16 and SL-17 field inspection was conducted between June 27 - 29, 2023. The inspection team evaluated each parcel below, with the exceptions noted, to determine suitability for Phase II and Phase III bond release and to visually confirm the findings from the 2019 and 2022 bond release vegetation surveys. Overall the reclamation was excellent. The parcels were well-contoured and stable in spite of sometimes steep topography. The surrounding undisturbed vegetation was primarily Gambel oak. The reclaimed vegetation was diverse, well-established, and composed of various perennial cool season grasses, forbs, and shrubs including Western wheatgrass, Woods' rose, mountain brome, bluebunch wheatgrass, Kentucky bluegrass, Indian ricegrass, yarrow, serviceberry, snowberry, rubber rabbitbrush, lupine, scarlet gilia, orchardgrass, cicer milkvetch, big sagebrush, goldenbanner, aster, Indian paintbrush, Jacob's ladder, and beardtongue. Elk scat, deer scat, and cow manure were observed throughout the inspection, in support of the wildlife habitat and rangeland postmining land use. Only a portion of one Phase II parcel, noted below, appeared to struggle under the standard for cover. A few of the parcels, also noted below, were either inaccessible and not inspected or not reclaimed and mistakenly included in the bond release applications; the Division will account for these in its forthcoming Proposed Decision and Findings document.

SL-16 / Phase II (Figures 1 – 22)

E4-17: 0.58 ac. No issues.

E4-16 and road to E4-16: 0.69 ac. No issues.

E5-17: 0.32 ac. Limited quantities of cheatgrass and Canada thistle; treat and monitor.

E5-18: 0.51 ac. No issues.

E4-15: 0.59 ac. No issues.

E5-15 and road to E5-15: 2.06 ac. Recently treated for Canada thistle; monitor.

E5-16 and road to E5-16: 2.07 ac. Recently treated for Canada thistle; monitor.

10LWE5X40: Area undefined in application. No issues.

E5-14 and road to E5-14: 1.63 ac. Recently treated for Canada thistle; monitor.

E5-9 / 10: 0.88 ac. Small quantities of houndstongue and Canada thistle; treat and monitor.

E5-5: 0.46 ac. No issues.

E5-12 / 13 / 11LWE5X40 and road: 0.82 ac. Modest quantity of recently treated houndstongue; monitor.

E5-8: 0.92 ac. Vegetative cover at east-northeast portion of the parcel was very sparse. Augmented seeding is recommended.

10LWE6X62: Acreage undefined in application. No issues.

11LWE6X53: Acreage undefined in application. Modest quantity of Canada thistle; treat and monitor.

E5-6 / 7: 0.74 ac. No issues.

E5-1 / 2 / 3: 1.29 ac. Heavily grazed, no issues.

E5-4: 0.8 ac. Recently treated for Canada thistle; monitor.

Monitoring well 5-12-1: Acreage undefined in application. Inaccessible, not inspected, exclude from release.

Monitoring well 5-11-1: Acreage undefined in application. Inaccessible, not inspected, exclude from release.

E2-13: 0.69 ac. Not reclaimed, exclude from release.

E2-51 / 52 / 54: 1.07 ac. Not reclaimed, exclude from release.

E5-11: 0.62 ac. Not reclaimed, exclude from release.

E3-68 / 72: 0.91 ac. Not reclaimed, exclude from release.

E3-29: 1.05 ac. Not reclaimed, exclude from release.

E3-51: 0.5 ac. Not reclaimed, exclude from release.

E3-64 / 65: 1.54 ac. Not reclaimed, exclude from release.

SL-17 / Phase III (Figures 23 – 41)

22-04: 0.52 ac. No issues.

20-01A and exploration hole AAA: 0.69 ac. Small quantity of Canada thistle; treat before release.

18-04, 18-05, and shared road: 0.91 ac. Referred to as 19-04 and 19-05 in application. Small quantity of Canada thistle; treat before release.

20-31: 0.58 ac. No issues.

4-21-32, 3-21-36, 2-21-37, and 1-21-38: 1.23 ac. No issues.

24-06, 24-07, and road: 0.94 ac. No issues.

15-06: 0.24 ac. No issues.

15-05: 0.62 ac. No issues.

17-08A & B: 0.82 ac. No issues.

24-08: Mistakenly inspected. Not reclaimed, not included in application. Disregard.

24-09: 0.10 ac. This pad was constructed around an access road that existed prior to mining. No issues.

23HG3E3XC and 23HG1E3XC: 0.13 ac. In the time since plugging, abandonment, and reclamation of pad 23HG3EXC, a topsoil stockpile was bonded-for and constructed atop the pad. Therefore, reclamation bonding for the topsoil stockpile will remain after the Division's Proposed Decision under SL-17 becomes final. No issues.

Road to 24HG2E5XC / 24HG1E4-5XC / 24HG1E3XC: 1.57 ac. Limited quantity of Canada thistle at the top of road; treat before release.

24HG2E5XC / 24HG1E4-5XC / 24HG1E3XC: 0.90 ac. No issues.

Conclusion

The inspection findings generally uphold the results from the 2019 and 2022 vegetation surveys, are consistent with the approved reclamation plan, and support the wildlife habitat / rangeland

postmining land use. Partial Phase II and partial Phase III bond release is recommended, with the exceptions noted above. No enforcement actions were taken as a result of this inspection, nor are any pending.

Figures



Figure 1. E4-17.



Figure 2. E4-16 and road.



Figure 3. E4-16, alternate view.



Figure 4. E5-17.



Figure 5. E4-15.



Figure 6. Road to E5-15.



Figure 7. E5-15.



Figure 8. E5-16.



Figure 9. E5-16 with recently treated thistle, foreground.



Figure 10. Road to E5-16 with recently treated thistle, foreground.



Figure 11. 10LWE5X40.



Figure 12. E5-14.



Figure 13. Road to E5-14.



Figure 14. E5-9 and E5-10.



Figure 15. E5-8, sparsely-vegetated east-northeast portion of the pad.



Figure 16. 10LWE6X62.



Figure 17. 11LWE6X53, thistle in foreground.



Figure 18. 11LWE6X53, moderate quantities of thistle foreground to midground, right.



Figure 19. E5-6 and E5-7.



Figure 20. E5-1 / 2 / 3.



Figure 21. E5-1 / 2 / 3, alternate view.



Figure 22. E5-4.



Figure 23. 18-04.



Figure 24. 18-05.



Figure 25. 20-31.



Figure 26. 4-21-32, 3-21-36, 2-21-37, and 1-21-38.



Figure 27. 4-21-32, 3-21-36, 2-21-37, and 1-21-38.



Figure 28. 24-06, 24-07, and road.



Figure 29. 24-06, 24-07, and road.



Figure 30. 15-06.



Figure 31. 15-05.



Figure 32. 15-05.



Figure 33. 17-08A & B.



Figure 34. 24-08, not reclaimed, not included in application.



Figure 35. 24-09 and access road.



Figure 36. Topsoil stockpile atop 23HG3E3XC.



Figure 37. 23HG1E3XC.



Figure 38. Road to 24HG1E3XC / 24HG1E4-5XC / 24HG2E5XC.



Figure 39. Road to 24HG1E3XC / 24HG1E4-5XC / 24HG2E5XC, middle portion.



Figure 40. Road to 24HG1E3XC / 24HG1E4-5XC / 24HG2E5XC, final section. Limited Canada thistle interspersed, midground right.



Figure 41. 24HG1E3XC / 24HG1E4-5XC / 24HG2E5XC.