

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-2005-001	Oil shale	Rio Blanco
Coring - Public			
INSPECTION TYPE:	WEATHER:	INSP. DATE:	INSP. TIME:
Monitoring	Clear	July 25, 2023	07:30
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	\$1,579,882.00	
DATE OF COMPLAINT:	POST INSP. CONTACTS:	JOINT INSP. AGE	NCY:
NA	None	U.S.BLM	
INSPECTOR(S):	INSPECTOR'S SIGNATURE:	SIGNATURE DAT	E:
Amy Yeldell		August 11, 2023	
	Amy Geldell		

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 NA	(SF) PROCESSING FACILITIES NA	(TS) TOPSOIL <u>NA</u>
(MP) GENL MINE PLAN COMPLIANCE- Y	(FW) FISH & WILDLIFE \underline{Y}	(RV) REVEGETATION <u>Y</u>
(SM) SIGNS AND MARKERS <u>Y</u>	(SP) STORM WATER MGT PLAN NA	(RS) RECL PLAN/COMP Y
(ES) OVERBURDEN/DEV. WASTE NA	(SC) EROSION/SEDIMENTATION \underline{Y}	(ST) STIPULATIONS \underline{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 -Public is a Hard Rock NOI located in Rio Blanco County. Amy Yeldell of the Division conducted the inspection and Samantha Baker, Dillon Berry and Dave Murray represented the Operator. James Roberts of the White River Field Office was also present.

The permitted NOI includes a total of 10.65 acres and has a current bond of \$71,613. The Division still holds \$1,579,882.00 in financial warranty for this site since a replacement bond has not been submitted following the approval of SR-1 (5-11-2021). Following the approval of AR-2 (9-30-2021) the following pads permitted; 21-1-299, 22-4-298, 39-1-299, 40-1-299, 41-1-299, 42-1-299, 44-2-29, 45-1-299, and 46-2-299.

All hydrology wells have been plugged and abandoned, which includes cementing, cut and cap wells and backfill. Hydrology well pads have been reclaimed. The last reclamation efforts were completed in 2015 and now are awaiting adequate vegetation establishment. The past winter consisted of heavy snows with warmer than average temperatures. The early spring/summer was very cold and plant germination was slow up till mid-June when temperature's skyrocketed into the high 90's with little to no moisture. Late June a few storms have begun but the summer monsoons have not truly started. Wild horse populations have continued to be a nuisance despite the round up last year. Vegetation throughout much of the Piceance Basin is showing signs of overgrazing. 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,

- *Pad 22-4-298: Overall pad has high coverage at nearly 80%. Vegetation is primarily sagebrush, rabbit brush and other shrubs/forbs. The grass understory is beginning to take hold. Cheatgrass and noxious weeds appear to be well managed and have significantly decreased since previous inspection. Overall about cover is about 80% which is comparable to surrounding areas. See Photo One.
- Note: Pads 39-46 are located within the OST general area. There is a gate located at the entrance to the complex that will be removed upon competition of final reclamation. Vegetation on access roads is establishing well. Vegetation is still primarily grasses at less than 30% cover but has been steadily increasing over the years. See Photo Two.
- Pad 39-1-299: This pad has been grazed extremely hard. Overall site conditions have diminished since last year's inspection. Nearly all palatable vegetation has been eaten to the ground likely injuring or killing established vegetation. The few shrubs appear more resilient. Increasing woody debris might help detour grazing and provide shelter for newly established seedlings. See Photo Three.
- Pad 40-1-299: This pad has also been grazed extremely hard but seems to be fairing a little better. Overall there are less noxious weeds compared to year. Desirable cover is estimated at 30%. There was discussion of adding wood or other organic matter to help along reclamation. See Photo Four
- Pad 42-1-299: Grazing on this pad appears to be patchy. The bottom portion of the pad has more cover overall compared to the top. Both grasses and shrubs seem to be established better through the pad and resilient. Noxious (non-listed) weeds were observed but have been recently sprayed. See Photo Five.

^{*}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, 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

Inspection Contact Address

Samantha Baker Shell Frontier Oil & Gas Inc. 150 N. Dairy Ashford Road Houston, TX 77079

EC:

Travis Marshall, Senior EPS, Grand Junction DRMS James Roberts, White River Field Office, BLM Dave Murray, Consultant

PHOTOGRAPHS





