



STATE OF  
COLORADO

Simmons - DNR, Leigh <leigh.simmons@state.co.us>

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## C1981022, Elk Creek Mine, September Inspection Report

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**Simmons - DNR, Leigh** <leigh.simmons@state.co.us>

Wed, Oct 2, 2024 at 5:12 PM

To: Doug Smith <Doug.Smith@oxbow.com>

Doug,

The inspection report is attached. No violations have been found, but there are several items that need your attention. Please give me a call if you have any questions or comments,

Leigh Simmons  
Environmental Protection Specialist



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

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**INSP-REPORTC\_C1981022\_LDS\_10022024044233.pdf**  
6302K



**PERMIT INFORMATION**

|  |   |
|--|---|
| <b>Permit Number:</b> C-1981-022<br><b>Mine Name:</b> Elk Creek Mine<br><b>Operator:</b> Oxbow Mining, LLC<br><b>Operator Address:</b><br>Mr Doug Smith<br>3737 Hwy 133<br>P. O. Box 535<br>Somerset, CO 81434 | <b>County:</b> Delta, Gunnison<br><b>Operation Type:</b> Underground<br><b>Permit Status:</b> Active<br><b>Ownership:</b> Private |
|  | <b>Operator Representative Present:</b><br><br>None   |
| <b>Operator Representative Signature: (Field Issuance Only)</b><br><br>  |   |

**INSPECTION INFORMATION**

|   |  |   |   |
|---|--|---|---|
| <b>Inspection Start Date:</b> September 27, 2024<br><b>Inspection Start Time:</b> 09:30<br><b>Inspection End Date:</b><br><b>Inspection End Time:</b> |  | <b>Inspection Type:</b> Coal Complete Inspection<br><b>Inspection Reason:</b> Normal I&E Program<br><b>Weather:</b> Clear |   |
| <b>Joint Inspection Agency:</b><br><br>None   |  | <b>Joint Inspection Contacts:</b>   |   |
| <b>Post Inspection Agency:</b><br><br>None  |  | <b>Post Inspection Contacts:</b>  |   |
| <b>Inspector(s):</b><br><br>Leigh Simmons   | <b>Inspector's Signature:</b><br><br> |   | <b>Signature Date:</b><br><br>October 2, 2024 |

**Inspection Topic Summary**

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

N - Air Resource Protection

N - Roads

R - Availability of Records

N - Reclamation Success

N - Backfill &amp; Grading

N - Revegetation

N - Excess Spoil and Dev. Waste

N - Subsidence

N - Explosives

N - Slides and Other Damage

N - Fish &amp; Wildlife

N - Support Facilities On-site

N - Hydrologic Balance

N - Signs and Markers

R - Gen. Compliance With Mine Plan

N - Support Facilities Not On-site

N - Other

N - Special Categories Of Mining

N - Processing Waste

N - Topsoil

**COMMENTS**

This was a complete inspection by Leigh Simmons of the Division of Reclamation, Mining and Safety (Division). The weather was clear and dry. The status of the Elk Creek Mine is “active” however no coal is being mined and the only activity since the last inspection was site maintenance.

**AVAILABILITY OF RECORDS – Rule 5.02.4(1):**

Records were available in the mine office, details are given at the end of this report. **Some records need to be updated, please see comments in bold at the end of this report.**

**GENERAL MINE PLAN COMPLIANCE:**

The main Elk Creek facilities area, including the East Yard, was being put to use by Gunnison Energy for the storage of equipment and materials related to oil and gas development. The amount of this material had been increasing over recent months. Some of the storage practices were beginning to be problematic, in particular the storage of fluids.

As maintenance items:

- **Please ensure that all fluids at the site are well labeled and stored in sealed containers. The use of secondary containment is not an explicit requirement of the Rules but is best practice. In all cases fluids should be stored in accordance with the current SPCC plan.**
- **Please ensure that no equipment is stored so as to block any ditches or culverts**

Although the SPCC plan is available at the mine, the Division does not have a copy available in the laserfiche document archive. **Please forward a copy of the SPCC plan.**

Gunnison Energy had installed a pump for frac water on the pad adjacent to the Bear Creek methane destruction facility.

Number of Partial Inspection this Fiscal Year: 2

Number of Complete Inspections this Fiscal Year: 1

At the Hubbard Creek methane destruction facility, a separator had been installed on the well and concrete pads were ready to receive equipment.

**DOCUMENTS RECEIVED**

N/A

**OTHER (SPECIFY)**

N/A

**ENFORCEMENT ACTIONS/COMPLIANCE**

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

**PHOTOGRAPHS**

*Figure 1: Gunnison Energy equipment and materials stored in the East Yard*

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Figure 2: Unmarked steel drums, with no secondary containment (most, but not all, empty)



Figure 3: Gunnison Energy tank in ditch

Number of Partial Inspection this Fiscal Year: 2

Number of Complete Inspections this Fiscal Year: 1





Figure 4: Tote labeled as Hydrochloric acid stored in East Yard, no secondary containment

Number of Partial Inspection this Fiscal Year: 2

Number of Complete Inspections this Fiscal Year: 1





Figure 5: Full tote with no lid



Figure 6: Totes and buckets, intermixed with other equipment. Poorly labelled and no secondary containment

Number of Partial Inspection this Fiscal Year: 2

Number of Complete Inspections this Fiscal Year: 1





Figure 7: Discarded fuel cans, next to Elk Creek culvert



Figure 8: Half full bucket of hydraulic fluid, next to Elk Creek culvert

Number of Partial Inspection this Fiscal Year: 2

Number of Complete Inspections this Fiscal Year: 1





*Figure 9: Reclaimed Elk Creek channel*

Number of Partial Inspection this Fiscal Year: 2

Number of Complete Inspections this Fiscal Year: 1





*Figure 10: Recently installed Gunnison Energy facilities*

Number of Partial Inspection this Fiscal Year: 2

Number of Complete Inspections this Fiscal Year: 1



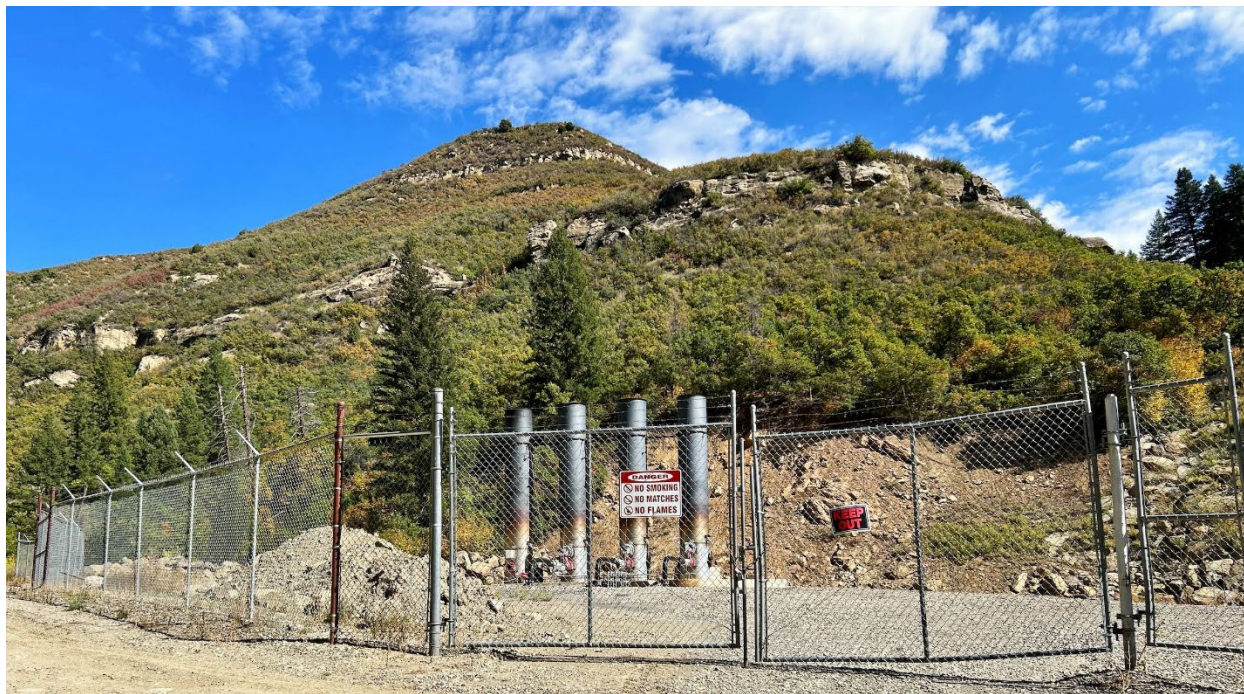


Figure 11: Bear Creek methane destruction facility



Figure 12: Recently installed Gunnison Energy facilities adjacent to Bear Creek methane destruction facility

Number of Partial Inspection this Fiscal Year: 2

Number of Complete Inspections this Fiscal Year: 1



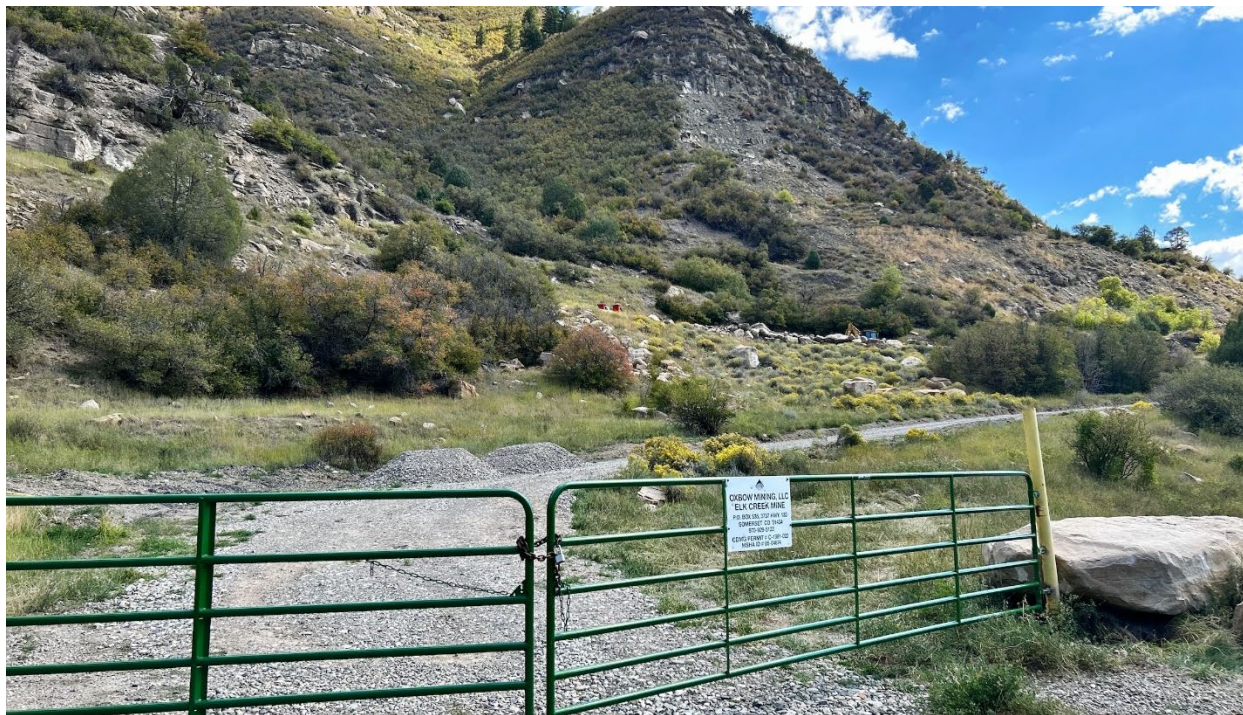


Figure 13: Hubbard Creek methane destruction facility



Figure 14: Separators and concrete pads at Hubbard Creek methane destruction facility

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**AVAILABILITY OF RECORDS****PERMIT RECORDS**

|   |                |
|---|----------------|
| <b>DRMS Permit</b>                            | Oct 11, 2023*1 |
| <b>Permit Application w/Revisions</b>         | Y              |
| <b>Findings Document</b>                      | MT-8*1         |
| <b>Insurance Certificate</b>                  | Jun 1, 2024*2  |
| <b>Bond Document</b>                          | \$2M           |
| <b>Phased Bond Release Documents/Findings</b> | SL-1 through 8 |

|   |             |
|---|-------------|
| <b>Air Emission Permits</b>             | Cancelled   |
| <b>County Special Use Permits</b>       | Y, 1997     |
| <b>UG Mining Landowner Notification</b> | Y           |
| <b>Subsidence Monitoring Reports</b>    | Y, Oct 2023 |
| <b>Subsidence Monitoring Data</b>       | Y           |
| <b>Rill &amp; Gully Survey</b>          | Y (ARR)     |

|                                    |      |
|------------------------------------|------|
| <b>Vegetation Monitoring Data</b>  | n/a  |
| <b>Specific Variance Approvals</b> | n/a  |
| <b>Annual Reclamation Reports</b>  | 2023 |

|  |              |
|--|--------------|
| <b>Midterm Review Documents</b>                                  | MT-8         |
| <b>DRMS/OSM Inspection Reports/Enforcement Actions (3 Years)</b> | Through 9/24 |

|   |             |
|---|-------------|
| <b>Transfers/Succession of Operator</b> | Y           |
| <b>Temporary Cessation Notification</b> | n/a         |
| <b>Reclamation Cost Estimate</b>        | SI-1/SR-2*1 |

**CERTIFICATIONS**

|   |     |
|---|-----|
| <b>Pond Certifications</b>                    | Y   |
| <b>Annual Certifications for Impoundments</b> | n/a |

Fill Certifications for Excess Spoil or Underground Development Waste

• Quarterly Inspections Q2, 2024

Haul Road Certifications Y

Access Road Certifications Y

**HYDROLOGIC RECORDS**

|   |                               |
|---|-------------------------------|
| <b>NPDES Permit</b>                     | Exp. Sep 30, 2024*3           |
| <b>NPDES Records</b>                    | DMR, 8/24                     |
| <b>Stormwater Management Plan</b>       | Oct 15, 2019                  |
| <b>SPCC Plan</b>                        | Oct 15, 2019                  |
| <b>MSHA Pond Inspections</b>            | n/a                           |
| <b>State Engineer's Pond Inspection</b> | n/a                           |
| <b>Quarterly Pond Inspections</b>       | Q2, 2024                      |
| <b>Annual Hydrology Reports</b>         | 2023                          |
| • Ground Water Monitoring               | Y                             |
| • Surface Water Monitoring              | Y                             |
| • Spring & Seep Monitoring              | Y                             |
| • Mine Water Discharge Monitoring       | Y                             |
| • Mine Inflow Study                     | Y                             |
| • Water Consumption Records             | n/a                           |
| <b>Well Permits</b>                     | 195278-195286, 197377, 197378 |

**BLASTING RECORDS**

|                                   |                  |
|-----------------------------------|------------------|
| <b>Blasting Publication</b>       | n/a              |
| <b>Blasting Records (3 years)</b> | n/a              |
| <b>ATFE Explosives Permit</b>     | Exp. Jun 1, 2015 |
| <b>Blasting Variances</b>         | n/a              |
| <b>Pre-Blast Surveys</b>          | n/a              |

**ADDITIONAL RECORDS (specify)****COMMENTS:**

**\*1 Please update the file with a copy of the renewed permit, as well as the RN-8 Findings and RCE**

**\*2 Please update the file with the renewed insurance certificate**

**\*3 Administratively extended**

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