




PERMIT INFORMATION

Permit Number: C-1996-084 Mine Name: Lorencito Canyon Mine Operator: New Elk Coal Company, LLC Operator Address: Mr. John Terry 12250 Highway 12 Weston, CO 81091	County: Las Animas Operation Type: Surface Permit Status: Permanent Cessation Ownership: Private
	Operator Representative Present: None
Operator Representative Signature: (Field Issuance Only) 	

INSPECTION INFORMATION

Inspection Start Date: January 23, 2025 Inspection Start Time: 09:52 Inspection End Date: January 23, 2025 Inspection End Time: 10:48	Inspection Type: Coal Partial Inspection Inspection Reason: Normal I&E Program Weather: Clear
Joint Inspection Agency: None	Joint Inspection Contacts:
Post Inspection Agency: None	Post Inspection Contacts:
Inspector(s): Amber M. Gibson	Inspector's Signature:  Signature Date: January 29, 2025

Inspection Topic Summary

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

N - Air Resource Protection

Y - Availability of Records

N - Backfill & Grading

N - Excess Spoil and Dev. Waste

N - Explosives

N - Fish & Wildlife

Y - Hydrologic Balance

N - Gen. Compliance With Mine Plan

N - Other

Y - Processing Waste

Y - Roads

Y - Reclamation Success

N - Revegetation

N - Subsidence

Y - Slides and Other Damage

N - Support Facilities On-site

Y - Signs and Markers

N - Support Facilities Not On-site

N - Special Categories Of Mining

N - Topsoil

COMMENTS

This partial inspection was conducted by Amber Gibson representing the Division of Reclamation, Mining and Safety (Division/DRMS). I conducted the inspection unaccompanied by an Operator representative for the Permittee New Elk Coal Company, LLC (NECC). As of July 18, 2024, the presence of staff onsite and available to represent NECC is unpredictable. At the time of the inspection, the weather was cool, the skies were clear, and the ground was mostly dry. The Lorencito Canyon Mine is currently in permanent cessation.

Outstanding maintenance items are cited in the first underlined section below and additional items are in **bold text** throughout this report. Inspection photos corresponding with topics discussed in this report are enclosed.

On February 29, 2024, the Division sent a Third Adequacy Review to the Operator for the Permit Renewal No. 5 (RN5) application. The RN5 decision date is set for January 31, 2025.

OUTSTANDING MAINTANENCE ITEMS

Listed below are maintenance items in previous inspection reports. The corrective action date was set for December 31, 2024. The corrective action date has not since been extended.

- Erosion rills are forming on the north and west banks of Pond 006a. The erosion on the north bank appears to have been addressed at some point, because rebar is placed above the rills. However, it appears that the prior BMPs are no longer functioning adequately. **Pursuant to Rule 4.05.5(1)(c), the Operator shall address the erosion and repair the north bank.** The erosion on the west bank appears to have been caused by runoff from the road located east of Pond 006a. **Pursuant to Rule 4.05.5(1)(c), the Operator shall address the erosion and repair the west bank.**
- The majority of Pond 008's embankment was stable and vegetated, however, the west bank contains some erosion rills and gullies. The erosion appears to have been caused by run-off from the roads above and down to the pond. **Pursuant to Rule 4.05.5(1)(c), the Operator shall repair the erosion and stabilize the west bank of Pond 008.** The Operator stated that they will likely install additional rock berms along the western-most road to help prevent run-off from running down the slopes and into the pond. The Operator also stated that they plan to remove the sediment (deposited as a result of the bank erosion) along the west bank of Pond 008.

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- The following items pertain to ongoing maintenance issues, cited in previous reports for the area in and around the reclaimed area above Pond 006a:
 - The ditch along the road leading to Pond 006a is eroding and nearly full of sediment. The overloaded ditch is contributing to the build-up of sediment in the check dams of ditches D8 and D64. **Pursuant to Rule 4.03.2(4), the ditch along the west side of the road leading to Pond 006a needs to be cleaned out and repaired.**
 - The check dams leading to Pond 006a, within ditches D8 and D64, are nearly full of sediment. **Pursuant to Rules 4.05.3(1)(c)-(e) and 4.05.5, the Operator shall clean out the sediment from the check dams to prevent excess sediment from entering the pond.**
- The following items pertain to ongoing erosional issues in the areas shown in Figure 1, that pursuant to Rule 4.14.6 need to be addressed. A Technical Revision will be required to expand on the current Rill and Gully plan in the PAP. **The Operator shall submit the technical revision, obtain approval, repair the erosion, and stabilize the slopes pursuant to the approved plan by December 31, 2024.**

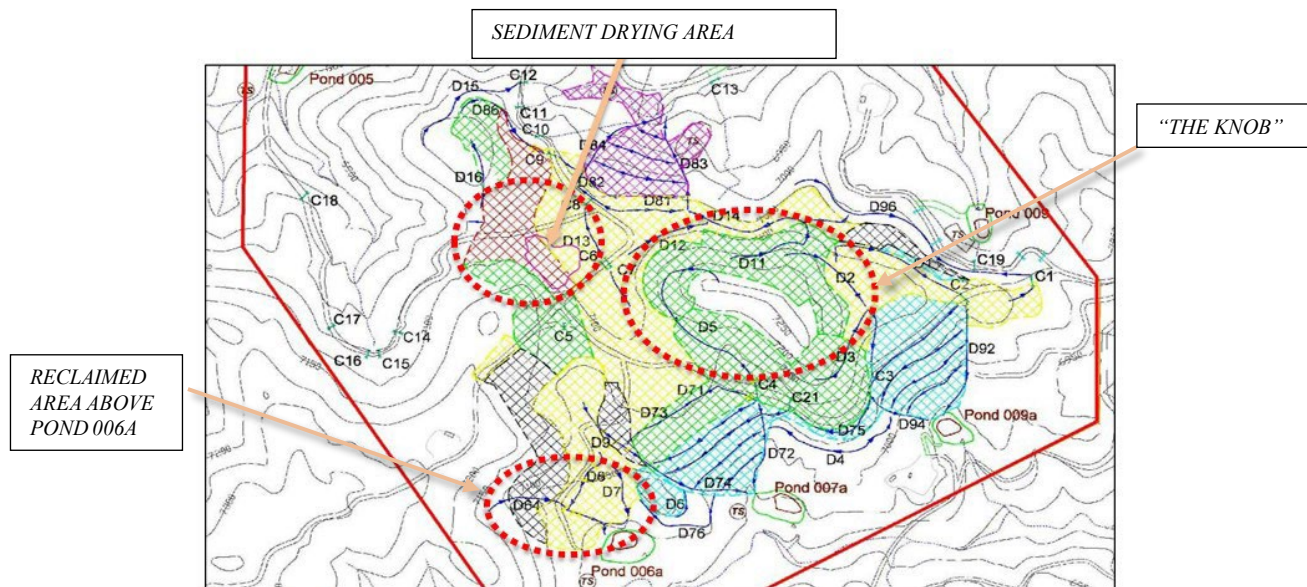


FIGURE 1. AREAS WHERE RILLS, GULLIES AND SPARSE VEGETATION HAS BEEN FOUND TO BE A PERSISTENT PROBLEM AT THE SITE ARE WITHIN THE DOTTED CIRCLE AREAS. BACKGROUND IMAGE IS THE 2020 ANNUAL REPORT MAP.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

- As of January 16, 2025, the Pond and Valley Fill Compliance Inspections are **past due**. The Operator shall submit the compliance documents as soon as possible to avoid enforcement actions.
- The Enforcement page at the end of the report describes an outstanding violation issued by the Division as a result of the May 2024 inspection. As of the date of this January 2025 inspection report's issuance, the Operator has not yet provided any abatement documentation. The deadline for the abatement of violation

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number CV-2024-001 had been extended to the full 90 days allowable by Rule 5.03.2(2)(b) -- to August 28, 2024.

- On August 29, 2024, the Division issued a Cessation Order (CO-2024-001) for the Permittee's failure to abate violation no. CV-2024-001.
- On September 23, 2024 the Division held an Informal Public Hearing where the decision to uphold the Cessation Order was issued on October 10, 2024.
- On September 30, 2024, the Division issued a Show Cause Order. The Operator and any interested parties had until October 30, 2024 to show cause as to why the permit should not be suspended or revoked. As of the date of this January 2025 inspection report, the Division has not received any justification documentation from the Operator or otherwise.

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 009:
 - The pond contained some frozen water at the time of the inspection. (Photo 1).
 - The pond embankment appeared to be stable and vegetated.
 - The primary and emergency spillways appeared clear and functional.
 - The flume contained some frozen water and was not discharging.
- Pond 006:
 - Pond 006a contained water (Photo 2) and was not discharging at the time of the inspection.
 - The north side of the pond embankment still requires maintenance (see Item # 1 in the outstanding maintenance items list on the first page of this report).
 - The primary and emergency spillways appeared to be clear and functional.
 - The ongoing maintenance issues listed in Item #3 at the beginning of this report are still a concern. Photos 3-6 are in reference to these areas.
 - The ongoing maintenance issues listed in Item #4 at the beginning of this report are still a concern. Photo 7 is in reference to the 'Reclaimed Area Above Pond 006A'.

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

Drainage Control; Surface Stabilization; Placement:

- Fill 7 was observed. Fill 7 was well vegetated and appeared stable (Photo 8).
- Fill 8 was observed. Fill 8 was well vegetated and appeared stable.

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

- The area above where NECC stores pond and ditch cleanings consists of a steep slope. This slope was observed during the inspection (Photo 9). Erosion rills and gullies were observed but the vegetation on this slope appears better established this year than in years previously observed by DRMS. NECC is encouraged to continue to monitor this area and conduct maintenance as needed.
- A previously disturbed area north of Fill 7 and north of the road, referred to as "The Knob", exhibits

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erosion on the south and west facing slopes (Photos 10-11). NECC is required to provide a plan to stabilize this area through a revision following the approval of RN5 (see ongoing maintenance item number 4). The northern slopes appear to be stable at this time (Photo 12).

ROADS – Rule 4.03

Construction 4.03.1(3)/4.03.2(3), Drainage 4.03.1(4)/4.03.2(4), Surfacing and Maintenance 4.03.1(5) and (6)/4.03.2(5) and (6), Reclamation 4.03.1(7)/4.03.2(7):

- See ongoing maintenance Item #2 and #3. The road leading down into Pond 008 has some ruts that will require repairs. The ruts and divots in the road to Pond 008 make vehicle access to the pond difficult and not advisable in adverse conditions (Photo 13).

SIGNS AND MARKERS – Rule 4.02:

- Mine signs were posted at road entrances and at the entrance to the permit boundary in compliance with Rule 4.02 (Photo 14).

DOCUMENTS RECEIVED

OTHER (SPECIFY)

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ENFORCEMENT ACTIONS/COMPLIANCE**Infraction Number:** CO2024001

Inspection Date: May 22, 2024

Date Issued: August 29, 2024

Primary Topic: Availability Of Records

Secondary Topic:

Tertiary Topic:

Description: On May 30, 2024, the Division issued the following violation:

“During the records review, conducted as part of a complete inspection of the Lorencito Canyon Mine (permit number C-1996-084), operated by New Elk Coal Company, LLC. (“NECC” or “Operator”) in May 2024, the Division found that the certificate certifying NECC has a public liability insurance policy for the operation had expired as of April 2024. At the time of the inspection, NECC’s representative was unsure if the insurance policy had been renewed, and by the time of the inspection report issuance, proof of insurance had not been provided to the Division. Also, NECC did not have or provide satisfactory evidence they had satisfied applicable State or Federal self-insurance requirements.

This is a violation for failure to maintain a certificate certifying that NECC has a public liability insurance policy in full force and effect during the term of the permit or any renewal, including the term of all reclamation operations; or, in lieu of a certificate for public liability insurance policy, satisfactory evidence NECC has satisfied applicable State or Federal self-insurance requirements pursuant to C.R.S 34-33-110(5) and Rule 2.03.9.”

NECC had extended the abatement deadline to the full 90 days allowed by Rule 5.03.2(2)(b). The final abatement deadline, set for August 28, 2024, has passed. The Division finds that NECC has failed to abate the violation, and therefore has issued this cessation order in accordance with Rule 5.03.2(3).

Abatement #: 1

Abatement Due Date: 9/28/2024

Abatement Due Extended Date:

Abatement Date:

Abatement Description: New Elk Coal Company, LLC. shall submit to the Division for inclusion in the permit application, a certificate certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operation. Or, in lieu of a certificate for public liability insurance policy, satisfactory evidence that NECC has satisfied applicable State or Federal self-insurance requirements in accordance with Rule 2.03.9.

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This is a violation for failure to maintain a certificate certifying that NECC has a public liability insurance policy in full force and effect during the term of the permit or any renewal, including the term of all reclamation operations; or, in lieu of a certificate for public liability insurance policy, satisfactory evidence NECC has satisfied applicable State or Federal self-insurance requirements pursuant to C.R.S 34-33-110(5) and Rule 2.03.9.

Abatement #: 1

Abatement Due Date: 7/1/2024

Abatement Due Extended Date: 8/28/2024

Abatement Date:

Abatement Description: New Elk Coal Company, LLC. shall submit to the Division for inclusion in the permit application, a certificate certifying that the applicant has a public liability insurance policy in force for the surface coal mining and reclamation operation. Or, in lieu of a certificate for public liability insurance policy, satisfactory evidence that NECC has satisfied applicable State or Federal self-insurance requirements in accordance with Rule 2.03.9.

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PHOTOGRAPHS



Photo 1: Looking southeast at Pond 009.



Photo 2: Looking southeast at Pond 006A.

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Photo 3: Looking southeast toward Pond 006A from the base of the Reclaimed Area Above Pond 006A. The arrows point to where erosion has cut across the road and entered into the ditch with check dams (see Photo 5).



Photo 4: Looking southwest from the base of the Reclaimed Area Above Pond 006A. Sediment from erosion in this area has entered into a ditch that leads to the check

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dams that are full of sediment (ditch D64 to D8/D7).



Photo 5: Looking north along ditch D8.



Photo 6: Looking east along where ditches D64, D8, and D7 converge. The check dams in this area need to be repaired and are no longer functioning as designed.

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Photo 7: Looking north at the erosion on the south facing slopes of the 'Reclaimed Area Above Pond 006A'.



Photo 8: Looking west across Fill 7.

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Photo 9: Looking southwest at the erosion on the reclaimed area above the Sediment Drying Area.



Photo 10: Looking northeast at the south-facing slopes on 'The Knob'.

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Photo 11: Looking southeast at the west-facing slopes on 'The Knob'.



Photo 12: Looking southeast at the north-facing slopes on 'The Knob'.

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Photo 13: Looking north from the top of Fill 8. Pond 08 contained frozen water at the time of the inspection. The roads were not safely traversable at the time of the inspection.



Photo 14: Looking west at the permit sign north of Pond 009.

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