




PERMIT INFORMATION

Permit Number: C-1996-084 Mine Name: Lorencito Canyon Mine Operator: New Elk Coal Company, LLC Operator Address: 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: February 13, 2025 Inspection Start Time: 07:58 Inspection End Date: February 13, 2025 Inspection End Time: 09:32	Inspection Type: Coal Complete 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: February 19, 2025

Inspection Topic Summary

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

N - Air Resource Protection	Y - Roads
Y - Availability of Records	Y - Reclamation Success
N - Backfill & Grading	N - Revegetation
N - Excess Spoil and Dev. Waste	N - Subsidence
N - Explosives	Y - Slides and Other Damage
N - Fish & Wildlife	N - Support Facilities On-site
Y - Hydrologic Balance	Y - Signs and Markers
N - Gen. Compliance With Mine Plan	N - Support Facilities Not On-site
N - Other	N - Special Categories Of Mining
Y - Processing Waste	N - Topsoil

COMMENTS

This was a complete inspection of the Lorencito Canyon Mine, Colorado Division of Reclamation, Mining and Safety ("DRMS" or "Division") permit number C-1996-084, operated by New Elk Coal Company, LLC. ("NECC"). Amber Gibson, with the Division, conducted the inspection. During the inspection, I was 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. The weather was cold, the sky was clear, and the ground had a light snow cover. The Lorencito Canyon Mine is currently in permanent cessation.

Maintenance items are in bold text.

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.

1. 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.**
2. 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

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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.

3. 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.**
4. 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.**

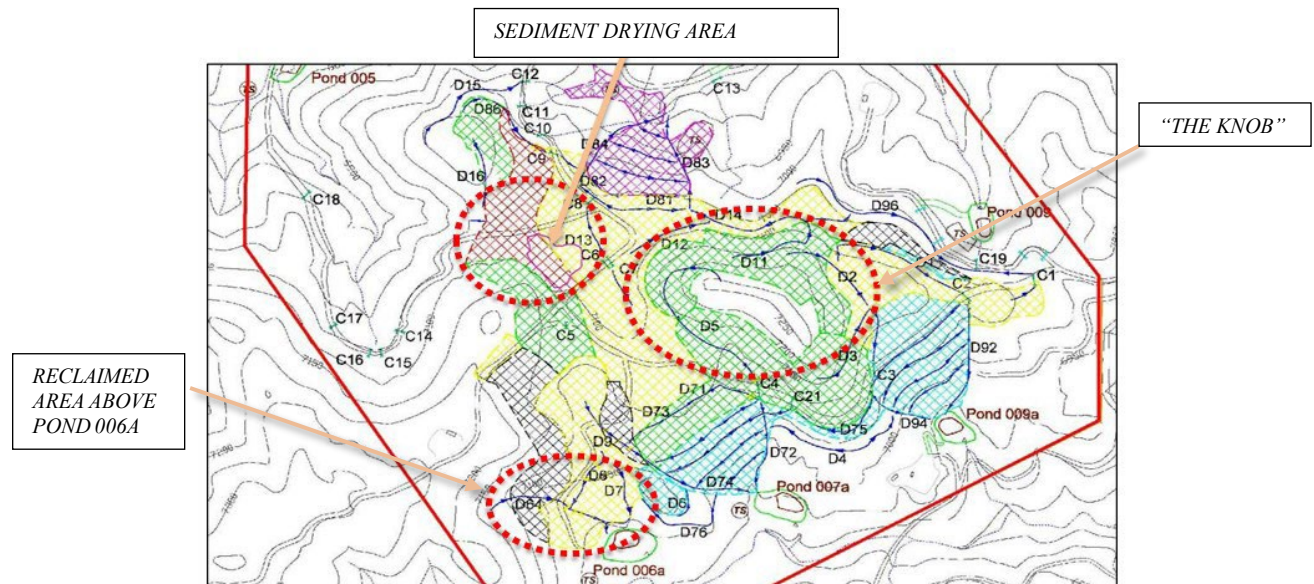


FIGURE 1. AREAS WHERE RILLS, GULLIES AND SPARSE VEGETATION HAS BEEN FOUND TO BE A PERSISTENT PROBLEM AT THE SITE ARE WITHIN THE DOTTED CIRCLE AREAS. BACKGROUND IMAGE IS THE 2020 ANNUAL REPORT MAP.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

- As of February 15, 2025, the 2024 Annual Reclamation Report compliance requirement is **past due**. The Operator shall submit the compliance documents as soon as possible to avoid enforcement actions.

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- 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 February 2025 inspection report's issuance, the Operator has not yet provided any abatement documentation. The deadline for the abatement of violation 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 February 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 005:
 - The pond was dry at the time of the inspection (Photo 1).
 - The flume contained some snow but was not discharging (Photo 2).
 - The pond embankment was stable and vegetated.
 - The primary and emergency spillways appeared clear and functional.
 - The state listed noxious weed, Mullein, was observed by the spillway. **The Operator shall treat and/or remove Mullein in this area.**
- Ditch D9:
 - The check dams within Ditch D9, leading down to Pond 006a, contain an excess amount of sediment. A gully was also observed cutting down from the road and adding sediment to the third check dam. **The Operator shall remove the excess sediment from the check dams within D9.**
- Pond 006a:
 - Pond 006a contained frozen water (Photo 3) and was not discharging at the time of the inspection.

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- 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.
- The ongoing maintenance issues listed in Item #4 at the beginning of this report are still a concern. Photo 4 is in reference to the 'Reclaimed Area Above Pond 006A'.
- Pond 007a:
 - The pond contained frozen water at the time of the inspection (Photo 5) and was not discharging at the time of the inspection (Photo 6).
 - The pond embankment appeared to be stable and vegetated.
 - The primary and emergency spillways appeared clear and functional.
 - Mullein was observed in the field to the south and west of Pond 007a, within the permit boundary. **The Operator shall treat/remove Mullein within this area.**
- Pond 08:
 - The pond contained frozen water (Photo 7). The flume contained some snow but was not discharging at the time of the inspection (Photo 8).
 - The pond embankment still requires maintenance (see Item #2 in the outstanding maintenance items list on the first page of this report).
 - The primary and emergency spillways appeared clear and functional.
 - Some of the state listed noxious weed, Mullein, observed along the west bank of Pond 08 were treated by the Operator during the June inspection. However, more were observed during the August-February inspections. **The Operator shall treat/remove Mullein within this area.**
- Pond 009a:
 - The pond contained some frozen water at the time of the inspection (Photo 9).
 - The pond embankment appeared to be stable and vegetated.
 - The primary and emergency spillways appeared clear and functional.
 - The flume contained some snow at the time of the inspection but was not discharging (Photo 10).
- Pond 009:
 - The pond contained some frozen water at the time of the inspection. (Photo 11).
 - The pond embankment appeared to be stable and vegetated.
 - The primary and emergency spillways appeared clear and functional.
 - The flume was contained snow but was not discharging (Photo 12).

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 13).
- Fill 8 was observed. Fill 8 was well vegetated and appeared stable (Photo 14).
- Fill 9 was observed. Fill 9 was well vegetated and appeared stable (Photo 15).

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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 (Photos 16 and 17). 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 erosion on the south and west facing slopes (Photo 18). 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).

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. The road along Pond 006A is washed out in the area between the reclaimed area and Pond 006A, and needs to be repaired (Photo 19).
- See ongoing maintenance Item #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 and without a high clearance 4-wheel drive vehicle (Photo 20).

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 21).

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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Infraction Number: CV2024001

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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 south at Pond 005.



Photo 2: Flume for Pond 005. Mullein stalk in foreground.

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Photo 3: Looking east at Pond 006a.



Photo 4: Looking northwest at the Reclaimed Area above Pond 006a.

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Photo 5: Looking northwest at Pond 007a.



Photo 6: Flume for Pond 007a.

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Photo 7: Looking south at Pond 08.



Photo 8: Flume for Pond 08.

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Photo 9: Looking northeast at Pond 009a.



Photo 10: Flume for Pond 009a.

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Photo 11: Looking south at Pond 009.



Photo 12: Flume for Pond 009.

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Photo 13: Looking west across the top of Fill 7.



Photo 14: Looking south towards the bottom of Fill 8.

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Photo 15: Looking north at Fill 9.



Photo 16: Looking west across the Reclaimed Area above the Sediment Drying Area.

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Photo 17: Looking south at the Reclaimed Area above the Sediment Drying Area.



Photo 18: Looking northeast at the west and south facing slopes of 'The Knob'.

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Photo 19: Looking northwest across where the Reclaimed Area above Pond 006a has caused erosion across the road and towards the check dams leading to Pond 006a.



Photo 20: Looking at a difficult portion of the road to traverse with a vehicle leading to Pond 08.

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Photo 21: Mine sign posted at the permit boundary.

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AVAILABILITY OF RECORDS**PERMIT RECORDS**

DRMS Permit _____

Permit Application w/Revisions _____

Findings Document _____

Insurance Certificate _____

Bond Document _____

Phased Bond Release _____

Documents/Findings _____

Air Emission Permits _____

County Special Use Permits _____

UG Mining Landowner Notification _____

Subsidence Monitoring Reports _____

Subsidence Monitoring Data _____

Rill & Gully Survey _____

Vegetation Monitoring Data _____

Specific Variance Approvals _____

Annual Reclamation Reports _____

Midterm Review Documents _____

DRMS/OSM Inspection
Reports/Enforcement Actions (3
Years) _____

Transfers/Succession of Operator _____

Temporary Cessation Notification _____

Reclamation Cost Estimate _____

CERTIFICATIONS

Pond Certifications _____

Annual Certifications for
Impoundments _____

Fill Certifications for Excess Spoil
or Underground Development Waste _____

- Quarterly Inspections _____
- Compaction Testing _____
- Final Certification _____

Coal Processing Waste Banks _____

Haul Road Certifications _____

Access Road Certifications _____

HYDROLOGIC RECORDS

NPDES Permit _____

NPDES Records _____

Stormwater Management Plan _____

SPCC Plan _____

MSHA Pond Inspections _____

State Engineer's Pond Inspection _____

Quarterly Pond Inspections _____

Annual Hydrology Reports _____

- Ground Water Monitoring _____

- Surface Water Monitoring _____

- Spring & Seep Monitoring _____

- Mine Water Discharge
Monitoring _____

- Mine Inflow Study _____

- Water Consumption Records _____

Well Permits _____

BLASTING RECORDS

Blasting Publication _____

Blasting Records (3 years) _____

ATFE Explosives Permit _____

Blasting Variances _____

Pre-Blast Surveys _____

**ADDITIONAL RECORDS
(specify)**

COMMENTS: The Division was unable to access the mine records as the phone numbers listed on the gate have been disconnected.

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