




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: March 25, 2025 Inspection Start Time: 12:20 Inspection End Date: March 25, 2025 Inspection End Time: 13:40	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: April 3, 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 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). At the time of the inspection, the weather was hot, 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 had been extended to January 31, 2025.

On March 19, 2025, a formal public hearing was held before the Mined Land Reclamation Board (Board) pursuant to C.R.S.-34-33-123(7), C.R.S.-34-33-124(4), and Rule 5.03.3(3) for the purpose of permit suspension or revocation. The Board passed a motion to suspend permit number C-1996-084 at the hearing.

OUTSTANDING MAINTANENCE ITEMS

Listed below are maintenance items in previous inspection reports. Because the permit has been suspended, the corrective actions will not be expected to be addressed until there is a new Permittee/Operator.

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

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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.

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.**

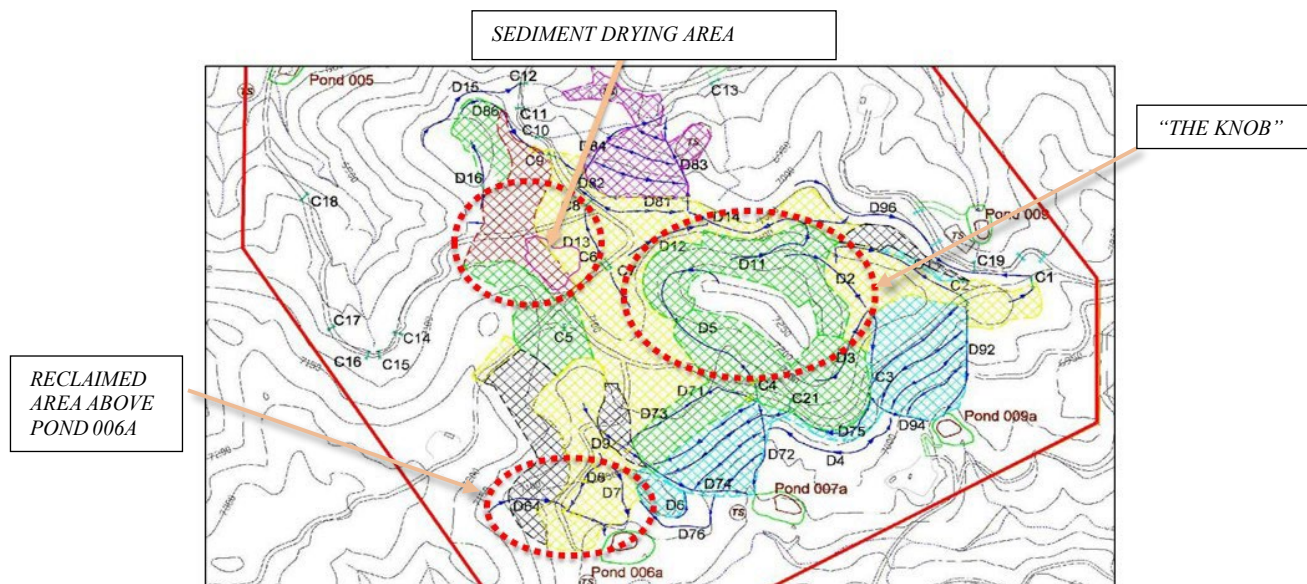


FIGURE 1. AREAS WHERE RILLS, GULLIES AND SPARSE VEGETATION HAS BEEN FOUND TO BE A PERSISTENT PROBLEM AT THE SITE ARE WITHIN THE DOTTED CIRCLE AREAS. BACKGROUND IMAGE IS THE 2020 ANNUAL REPORT MAP.

5. (January 2024 report) Roads:
 - The road along Pond 006A is washed out in the area between the reclaimed area and Pond 006A and **needs to be repaired.**
 - The road leading down into Pond 008 has deep ruts and driving on it is not advised without a high clearance 4WD vehicle. **The Operator shall repair and stabilize the road leading to Pond 008.**
6. (August 2024 report) The state listed noxious weed, Mullein, was observed:
 - by the Pond 005 spillway. **The Operator shall treat and/or remove Mullein in this area.**

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- in the field to the south and west of Pond 007a, within the permit boundary. **The Operator shall treat/remove Mullein within this area.**
 - along the west bank of Pond 008 where some of it was treated by the Operator during the June inspection. However, more weeds were observed during the August inspection. **The Operator shall treat/remove Mullein within this area**
 - in an area designated as a vegetation test plot. **The Operator shall treat and/or remove the Mullein within this area.**
7. (August 2024 report) 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.**
8. Pond 009
- (September 2024 report) The rills above the bank do not appear to have worsened, but the **Operator shall continue to monitor this area.**
 - (November 2024 report) Some vegetation has grown over and into the flume. **The Operator shall clear the excess plant material in the flume.**
9. (October 2024 report) Pond 006a - Sediment has built up within the upper portion of the flume. **The Operator shall clean the flume of sediment and vegetation to ensure it functions properly.**
10. (December 2024 report)

Ditch D5:

- Ditch D5 is located on the southside of a previously disturbed area referred to as “The Knob”. The Knob is north of Fill 7 and north of the road. Check dams are located throughout D5, and a small sediment catchment area is located at the base of the ditch that leads to culvert C4. The check dams are full and need to be cleaned, and a few need to be repaired. The catchment basin also has an increased sediment load, however C4 appears to still be clear at this time. Still, the Operator **shall clean the sediment out of the check dams and the catchment basin located within D5, north of C4.**
- Some areas along the south-facing slope of The Knob appear to also be contributing to the increased sediment in D5. Some of these areas appear to have been partially addressed in the past through the use of BMPs such as straw wattles, rip rap, and branches. However, **the Operator shall implement additional sediment control mechanisms on these slopes to control erosion and reduce sediment build up in D5.**

Culvert C4:

- The outlet for C4 is located on the south side of the culvert and leads into Ditch D72 along the east side of Fill 7. Sediment has been deposited at the outlet of C4 and has covered small portion of vegetation at the top of Ditch D72. **The Operator shall monitor this area and ensure that sediment deposition in this area is controlled. To help retain the vegetation established in the area, removing the excess sediment may be warranted in the near future.**

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Ditch D71:

- D71, located along the southside of the road and north side of Fill 7, empties at the west side of the outlet for C4. The check dams within D71 are nearly full of sediment. **The Operator shall clean the sediment from the check dams within D71 and ensure the dams are functioning appropriately.**
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CURRENT INSPECTION OBSERVATIONS**AVAILABILITY OF RECORDS – Rule 5.02.4(1):**

- 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 March 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 March 2025 inspection report, the Division has not received any justification documentation from the Operator or otherwise.
- 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.
- On February 13, 2025 the inspector called the number posted on the gate at the New Elk Mine. The numbers have been disconnected. The Division was unable to check the mine records, as is required by Rule 5.02.4.
- 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.
- On March 19, 2025, a formal public hearing was held before the Mined Land Reclamation Board (Board) for permit suspension or revocation. The Board passed a motion to suspend permit number C-1996-084 at the hearing.

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).

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- The pond embankment appeared to be stable and vegetated.
- The primary and emergency spillways appeared clear and functional.
- The flume contained some water but was not discharging (Photo 2).
- Pond 007a:
 - The pond was dry at the time of the inspection. (Photo 3).
 - The pond embankment appeared to be stable and vegetated.
 - The primary and emergency spillways appeared clear and functional.
 - The flume was dry (Photo 4).
- Pond 009a:
 - The pond contained some water at the time of the inspection. (Photo 5).
 - The pond embankment appeared to be stable and vegetated.
 - The primary and emergency spillways appeared clear and functional.
 - The flume was dry (Photo 6).

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 7).
- Fill 9 was observed. Fill 9 was well vegetated and appeared stable (Photo 8).

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.

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 10).

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

Inspection Date: May 22, 2024

Date Issued: May 30, 2024

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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: Pond 005



Photo 2: Flume for Pond 005

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Photo 3: Pond 007a



Photo 4: Flume for Pond 007a

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Photo 5: Pond 009a



Photo 6: Flume for Pond 009a

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Photo 7: Fill 7



Photo 8: Fill 9

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Photo 9: Previously reclaimed slope in the background and sediment drying area in the foreground



Photo 10: Mine sign

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