



COLORADO


Division of Reclamation,
Mining and Safety

Department of Natural Resources

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: Suspended Ownership: Private
	Operator Representative Present: None
Operator Representative Signature: (Field Issuance Only) 	

INSPECTION INFORMATION

Inspection Start Date: June 12, 2025 Inspection Start Time: 10:05 Inspection End Date: June 12, 2025 Inspection End Time: 12:15	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: June 26, 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	Y - 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 complete 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 warm, the skies were clear at first, with rainstorms rolling in towards the end of the inspection, 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 cited 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.

Photos included below are observations made during the current June 2025 inspection that correspond with the ongoing maintenance items listed in this section.

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.**

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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 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:
 - a. 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.**



Photo 1: Sediment in ditch on the west side of the road leading down to Pond 006A has cut across the road and enters into ditch D64 leading to Pond 006A.

- b. 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.**

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Photo 2: Full check dam within D8.



Photo 3: Check dams in ditch D8.

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Photo 4: Full and damaged check dams leading to Pond 006A.

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.**

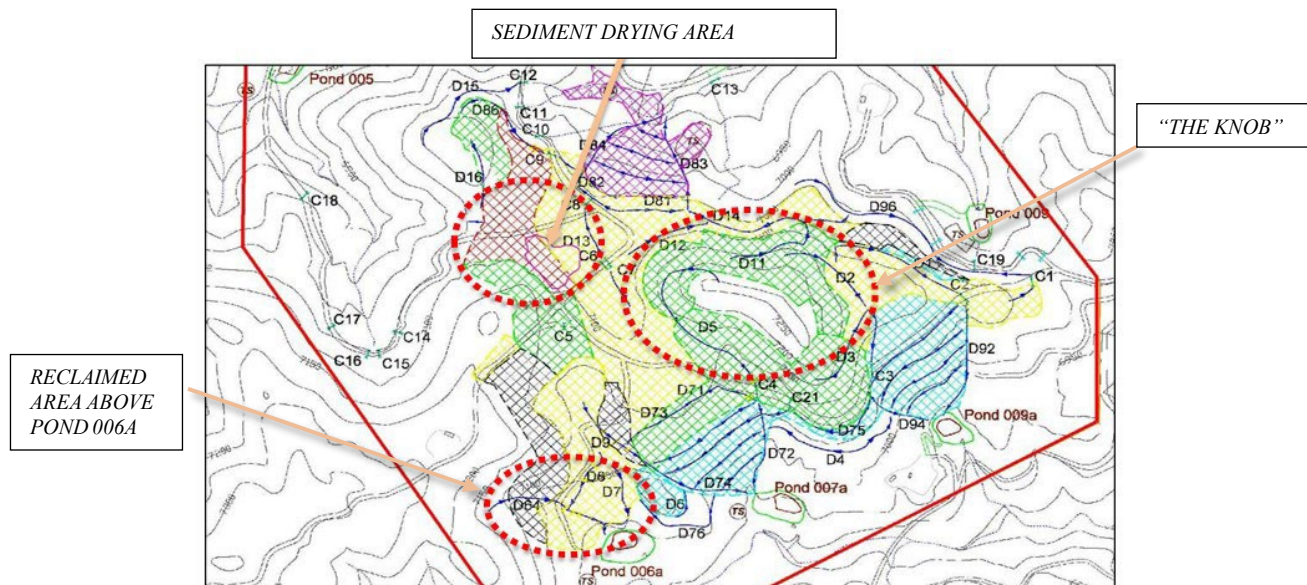


FIGURE 1. AREAS WHERE RILLS, GULLIES AND SPARSE VEGETATION HAS BEEN FOUND TO BE A PERSISTENT PROBLEM AT THE SITE ARE WITHIN THE DOTTED CIRCLE AREAS. BACKGROUND IMAGE IS THE 2020 ANNUAL REPORT MAP.

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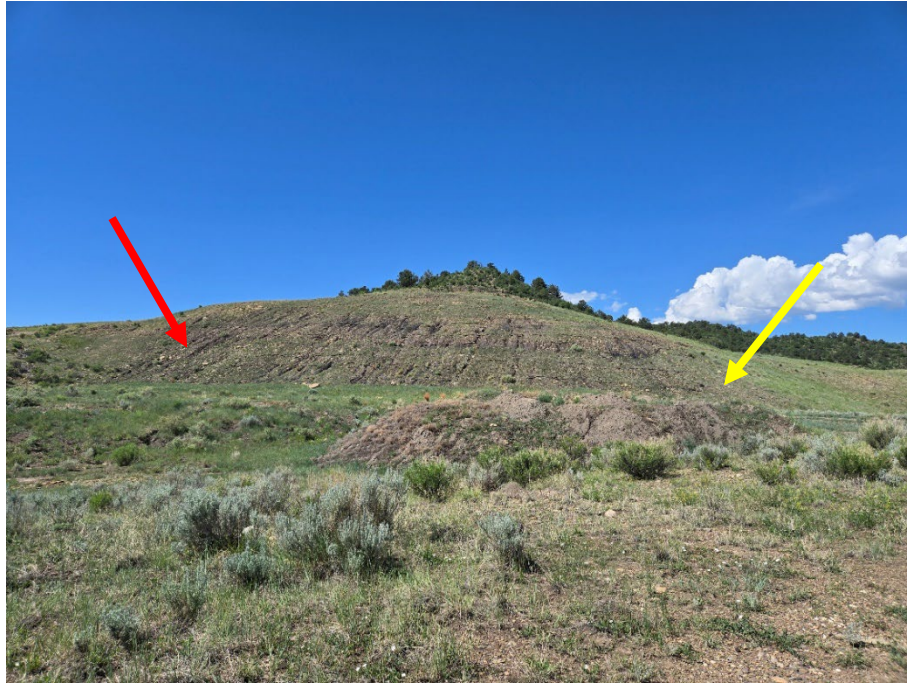


Photo 5: Erosion on the north-facing slope of the reclaimed area (red arrow) above the sediment drying area (yellow arrow).

5. (January 2024 report):

- a. 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.**



Photo 6: Road leading down to Pond 008.

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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.**



Photo 7: Mullein near flume at Pond 005

- 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.**

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Photo 8: Flume for Pond 009 covered with vegetation.

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.**



Photo 9: Flume filled with sediment at Pond 006A.

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10. (December 2024 report)

Ditch D5:

- a. 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.**



Photo 10: Looking northwest at the sediment catchment basin on the north side of the road, on the south side of “The Knob”.

- b. 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.**

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Culvert C4:

- c. 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.**

Ditch D71:

- d. 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.**



Photo 11: Sediment built up in the check dams within ditch D71.

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ADDITIONAL 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. 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.
- On April 22, 2025, the Board Order suspending permit number C-1996-084 was issued.

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:
 - Pond 005 contained a small amount of water at the time of the inspection (Photo 12).
 - The flume contained water and was discharging from a leak on the bottom (Photo 13).
 - The primary and emergency spillways appeared to be clear and functional.
- Pond 006a:
 - The pond held water at the time of the inspection (Photo 14).
 - The pond embankment appeared to be stable and vegetated. **See outstanding maintenance Item # 1.**
 - The primary and emergency spillways appeared clear and functional.

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- The flume was dry. **See outstanding maintenance item #9.**
- Pond 007a:
 - The pond held water at the time of the inspection. (Photo 15).
 - The pond embankment appeared to be stable and vegetated.
 - The primary and emergency spillways appeared clear and functional.
 - The flume held some water and was discharging (Photo 16).
- Pond 08:
 - The pond held water at the time of the inspection. (Photo 17).
 - The pond embankment appeared to be stable and vegetated. **See outstanding maintenance item #2.**
 - The primary and emergency spillways appeared clear and functional.
 - The flume held water at the time of the inspection but was not discharging (Photo 18).
- Pond 009:
 - The pond contained some water at the time of the inspection. (Photo 19).
 - The pond embankment appeared to be stable and vegetated. **See outstanding maintenance item #8a**
 - The primary and emergency spillways appeared clear and functional.
 - The flume held some water at the time of the inspection but was not discharging. Vegetation has overgrown the flume (**see outstanding maintenance item #8b**).
- Pond 009a:
 - The pond contained some water at the time of the inspection. (Photo 20).
 - The pond embankment appeared to be stable and vegetated.
 - The primary and emergency spillways appeared clear and functional.
 - The flume held a small amount of water but was not discharging (Photo 21).

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Photo 12: Pond 005



Photo 13: Flume for Pond 005. The flume was leaking from the area that the red arrow is pointing at.

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Photo 14: Pond 006a



Photo 15: Pond 007a

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Number of Complete Inspections this Fiscal Year: 4



Photo 16: Flume for Pond 007a



Photo 17: Pond 08

Number of Partial Inspection this Fiscal Year: 8

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Photo 18: Flume for Pond 08



Photo 19: Pond 009.

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Photo 20: Pond 009a



Photo 21: Flume for Pond 009a

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

Drainage Control; Surface Stabilization; Placement:

- Fill 7 was observed (Photo 22). Fill 7 was well vegetated and appeared stable.
- Fill 8 was observed (Photo 23). Fill 8 was well vegetated and appeared stable.
- Fill 9 was observed (Photo 24). Fill 9 was well vegetated and appeared stable.



Photo 22: Looking west across Fill 7.

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Photo 23: Looking south at Fill 8.



Photo 24: Looking northeast, upslope at Fill 9.

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RECLAMATION SUCCESS - Rule 4.15, Rule 3:

- The **ongoing maintenance issues listed in Item #4** at the beginning of this report are still a concern. See the outstanding maintenance problems section above.

REVEGETATION – Rule 4.15

Vegetative Cover; Timing:

- In addition to the mullein observed around the site (see ongoing maintenance item #6), what appears to be the B-listed state noxious weed musk thistle was observed along the west side of Pond 08 (Photo 25). **The Operator shall treat/remove musk thistle from this area.**
- See outstanding maintenance Item #6

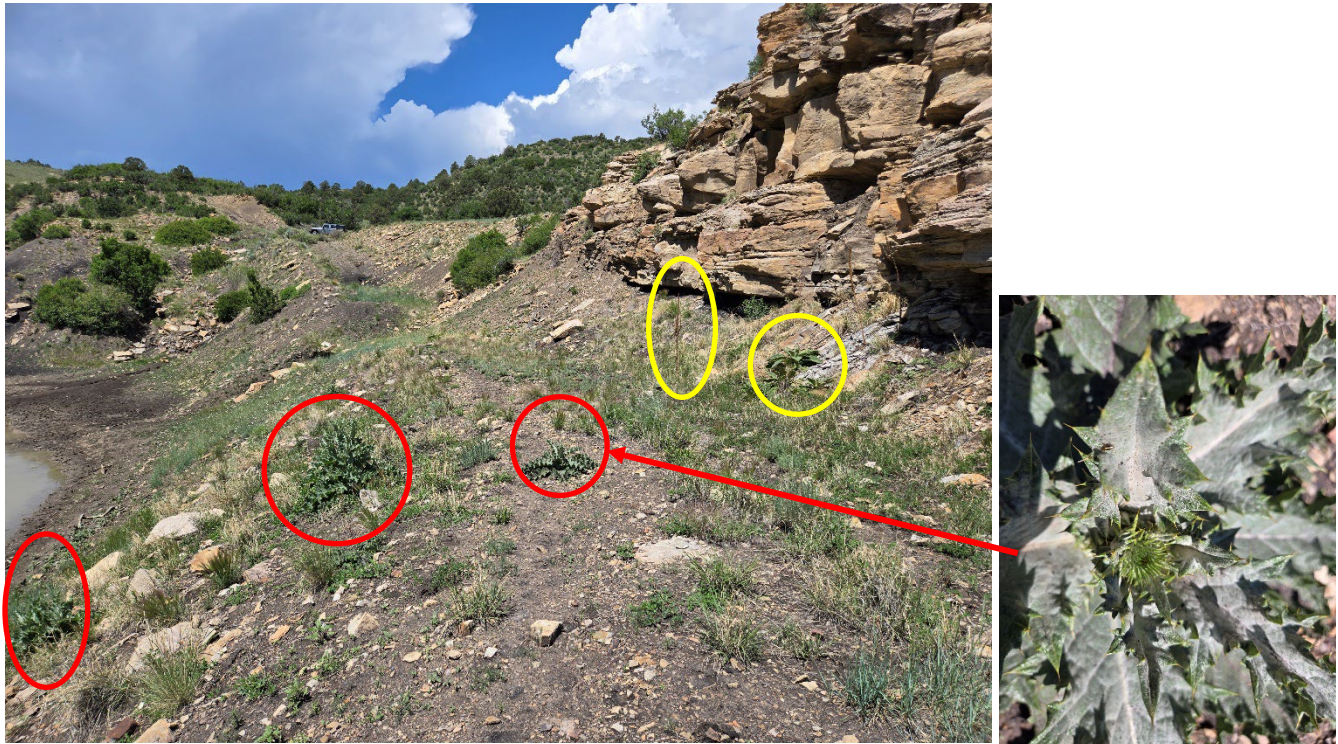


Photo 25: The red circles highlight areas where musk thistle has begun to establish along the west side of Pond 08. The yellow circles highlight some of the mullein stocks and florets mentioned in outstanding maintenance item #6c.

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 outstanding maintenance Items #3 and #5.

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 26).

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Photo 26: Mine sign

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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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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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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