



## COLORADO


Division of Reclamation,  
Mining and Safety

Department of Natural Resources

### PERMIT INFORMATION

<b>Permit Number:</b> C-1996-084 <b>Mine Name:</b> Lorencito Canyon Mine <b>Operator:</b> New Elk Coal Company, LLC <b>Operator Address:</b> 12250 Highway 12 Weston, CO 81091	<b>County:</b> Las Animas <b>Operation Type:</b> Surface <b>Permit Status:</b> <b>Suspended</b> <b>Ownership:</b> Private
	<b>Operator Representative Present:</b>  None
<b>Operator Representative Signature: (Field Issuance Only)</b>  	

### INSPECTION INFORMATION

<b>Inspection Start Date:</b> July 24, 2025 <b>Inspection Start Time:</b> 10:17 <b>Inspection End Date:</b> July 24, 2025 <b>Inspection End Time:</b> 12:15	<b>Inspection Type:</b> Coal Complete Inspection <b>Inspection Reason:</b> Normal I&E Program <b>Weather:</b> Cloudy
<b>Joint Inspection Agency:</b>  None	<b>Joint Inspection Contacts:</b>  
<b>Post Inspection Agency:</b>  None	<b>Post Inspection Contacts:</b>  
<b>Inspector(s):</b>  Amber M. Gibson	<b>Inspector's Signature:</b>  <b>Signature Date:</b>  August 1, 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 cloudy, and the ground was mostly dry. The Lorencito Canyon Mine is currently in permanent cessation.

**Outstanding maintenance items (OMI)** are cited in the first underlined section below and additional items are in **bold red text** throughout this report. There are several outstanding 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. Any **new maintenance items** will be written in green bold text. 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.

**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.

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1

- 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 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.

#### BACKFILL and GRADING – Rule 4.14

Contemporaneous Reclamation 4.14.1; Approximate Original Contour 4.14.2; Highwall Elimination 4.14.1(2)(f); Steep Slopes 4.14.2, 4.27; Handling of Acid and Toxic Materials 4.14.3; Stabilization of Rills and Gullies 4.14.6: and RECLAMATION SUCCESS - Rule 4.15, Rule 3:

- OMI:** (January 2024 report) Many erosional rills and gullies have formed 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.**

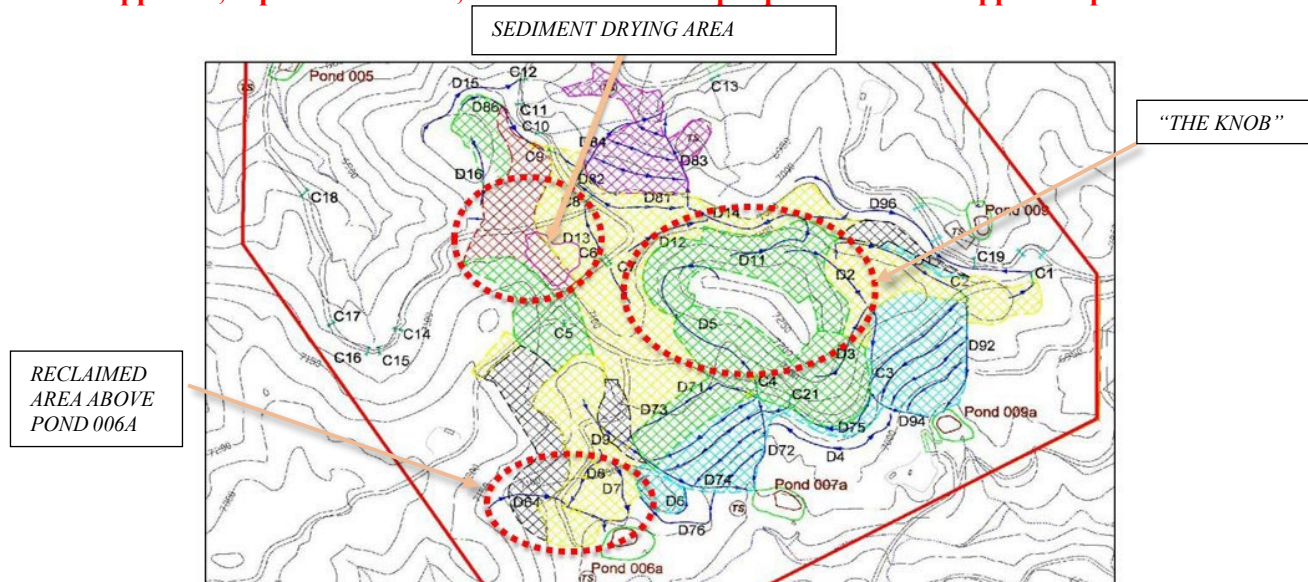


FIGURE 1. AREAS WHERE RILLS, GULLIES AND SPARSE VEGETATION HAS BEEN FOUND TO BE A PERSISTENT PROBLEM AT THE SITE ARE WITHIN THE DOTTED CIRCLE AREAS. BACKGROUND IMAGE IS THE 2020 ANNUAL REPORT MAP.

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 1: Looking south at the erosion on the reclaimed area above the sediment drying area.*



*Photo 2: Looking northwest at the reclaimed area above Pond 006a. Some more vegetation has begun to establish, but the sediment from the rills is still contributing to the sediment*

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1



*within the check dams leading to Pond 006a.*

- Ditch D5:
  - **OMI:** (December 2024 report) 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.**

#### 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 was mostly dry at the time of the inspection.
  - The flume contained some water but was not discharging.
  - The primary and emergency spillways appeared to be clear and functional.



*Photo 3: Pond 005*

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 4: Flume for Pond 005*

- Pond 006a:
  - The pond held water at the time of the inspection.
  - The flume contained water and was discharging at the time of the inspection.
  - **OMI:** (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.**
  - The pond embankment appeared to be stable and vegetated besides in the areas mentioned in the following OMI bullet.
    - **OMI:** (January 2024) 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 primary and emergency spillways appeared clear and functional.
  - **OMI:** (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.**
  - **OMI:** (February 2024) 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.**

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 5: Pond 006. Looking west.*



*Photo 6: Discharging flume at Pond 006a. The top part of the flume has filled with sediment and vegetation, causing some of the discharge to escape from the sides of the top.*

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 7: Looking at the erosion on the north side of the Pond 006a banks.*



*Photo 8: Check dam full of sediment leading down to Pond 006a*

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 9: Gully along the west side of the road leading down to Pond 006a, cutting across the road, and contributing to the sediment built up in the check dams that lead to Pond 006a.*

- Pond 007a:
  - The pond held water at the time of the inspection.
  - The pond embankment appeared to be stable and vegetated.
  - The primary and emergency spillways appeared clear and functional.
  - The flume held some water but was not discharging.

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 10: Pond 007a*



*Photo 11: Flume for Pond 007a*

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1



- Pond 08:
  - The pond held water at the time of the inspection.
  - The pond embankment appeared to be stable and vegetated except for the area mentioned in the OMI bullet below.
    - **OMI:** (2024 report) The majority of Pond 08'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 08.
  - The primary and emergency spillways appeared clear and functional.
  - The flume held water at the time of the inspection and was discharging.



Photo 12: Pond 08

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 13: Flume for Pond 08*

- Pond 009:
  - The pond contained some water at the time of the inspection.
  - The pond embankment appeared to be stable and vegetated.
  - **OMI:** (September 2024 report) The rills above the bank do not appear to have worsened, but the **Operator shall continue to monitor this area.**
  - The primary and emergency spillways appeared clear and functional.
  - The flume held some water at the time of the inspection but was not discharging.
  - **OMI:** (November 2024 report) Some vegetation has grown over and into the flume. The **Operator shall clear the excess plant material in the flume.**

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 14: Pond 009*



*Photo 15: Flume for Pond 009*

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1



- Pond 009a:
  - The pond contained water at the time of the inspection.
  - 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 and was discharging.



*Photo 16: Pond 009a*

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





Photo 17: Flume Pond 009a

- Ditch D5:
  - **OMI:** (December 2024 report) 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.**

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 18: D5 leading to a catchment basin full of sediment on the south side of "The Knob" and on the north side of the road.*



*Photo 19: Inlet side of C4 within the catchment basin on the north side of the road.*

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1



- Culvert C4:
  - **OMI:** (December 2024 report) 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.**



*Photo 20: Outlet for C4*

- Ditch D71:
  - **OMI:** (December 2024 report) 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.**

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 21: Full check dams within D71*

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.
- Fill 8 was observed. Fill 8 was well vegetated and appeared stable.
- Fill 9 was observed (see Photo 16). Fill 9 was well vegetated and appeared stable.

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 22: Fill 7*



*Photo 23: Fill 8*

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1



REVEGETATION – Rule 4.15

## Vegetative Cover; Timing:

- **OMI:** (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.**
  - 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.**
- **OMI:** (June 2025) In addition to the mullein observed around the site, what appears to be the B-listed state noxious weed musk thistle was observed along the west side of Pond 08. **The Operator shall treat/remove musk thistle from this area.**

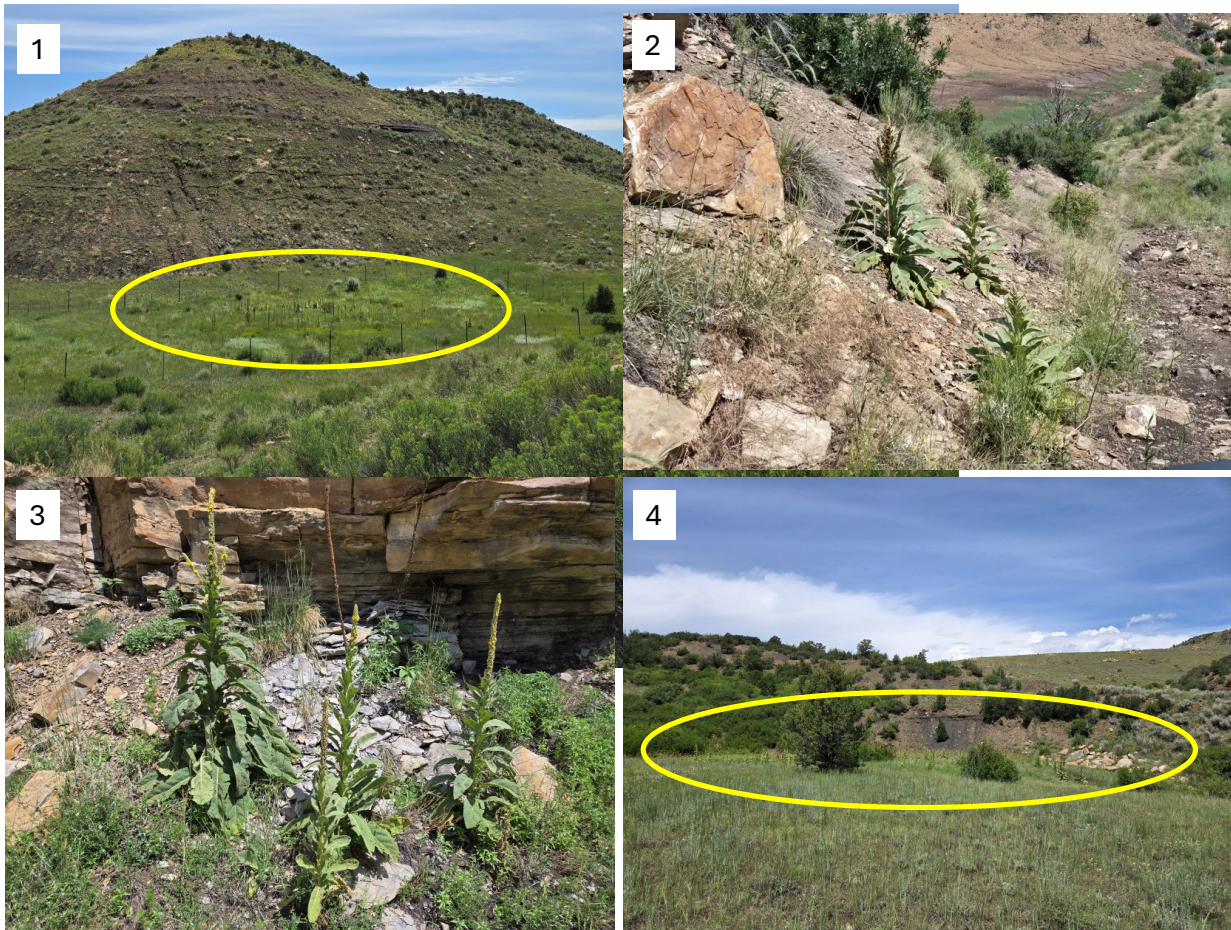


Photo 24: Mullein observed throughout the site: (1) test plot south of "The Knob". (2) Along and around Pond 005. (3) Along and round Pond 08. (4) In valley south of Fill 7

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 25: Musk thistle on the bank of Pond 08.*

#### 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):

- **OMI:** (January 2024 report): 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.**
- **OMI:** (October 2023 report): 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.**

#### 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.

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1





*Photo 26: Mine sign posted at the permit boundary.*

## DOCUMENTS RECEIVED

## OTHER (SPECIFY)

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1



**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.

Number of Partial Inspection this Fiscal Year: 0Number of Complete Inspections this Fiscal Year: 1



**Infraction Number:** CV2024001

Inspection Date: May 22, 2024

Date Issued: May 30, 2024

Primary Topic: Availability Of Records

Secondary Topic: Availability Of Records

Tertiary Topic:

Description: 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.

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.

Number of Partial Inspection this Fiscal Year: 0Number of Complete Inspections this Fiscal Year: 1



**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. Also, there are no personnel onsite to update the records as the permit has been suspended.

Number of Partial Inspection this Fiscal Year: 0

Number of Complete Inspections this Fiscal Year: 1