



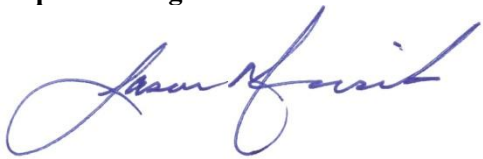
**COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
COAL PROGRAM INSPECTION REPORT**



PERMIT INFORMATION

Permit Number: C-2009-087 Mine Name: Peabody Sage Creek Mine Operator: Peabody Sage Creek Mining LLC Operator Address: Mr B. Scott Cowman P.O. Box 250 36600 Routt County Road 27 Hayden, CO 81639	County: Routt Operation Type: Underground Permit Status: Active Ownership: Federal
	Operator Representative Present: Scott Cowman
Operator Representative Signature: (Field Issuance Only) 	

INSPECTION INFORMATION

Inspection Start Date: February 12, 2013 Inspection Start Time: 10:00 Inspection End Date: February 12, 2013 Inspection End Time: 13:00		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): Jason D. Musick	Inspector's Signature: 		Signature Date: 02/14/2013

Inspection Topic Summary	
NOTE: Y=Inspected N=Not Inspected R=Comments Noted V=Violation Issued NA=Not Applicable	
Y - Air Resource Protection R - Availability of Records NA - Backfill & Grading NA - Excess Spoil and Dev. Waste R - Explosives Y - Fish & Wildlife R - Hydrologic Balance Y - Gen. Compliance With Mine Plan NA - Other NA - Processing Waste	R - Roads N - Reclamation Success N - Revegetation NA - Subsidence NA - Slides and Other Damage R - Support Facilities On-site Y - Signs and Markers NA - Support Facilities Not On-site NA - Special Categories Of Mining N - Topsoil

COMMENTS

This was a complete coal inspection of the Peabody Sage Creek Mine conducted by Jason Musick of CDRMS. Scott Cowman of Peabody Energy accompanied the inspection. The weather was clear and cold at the time of the inspection with snow-cover throughout the mine site. Extraction of coal continues to be idle with only permitted construction activities ongoing at the compressor building, utility building, and million gallon tank.



Portal Area

Number of Partial Inspection this Fiscal Year: 6

Number of Complete Inspections this Fiscal Year: 3

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

All records were checked at the Peabody Sage Creek Mine offices. All required records were on site and up to date at the time of the inspection. The DRMS Availability of Records is attached to this inspection report.

EXPLOSIVES – Rule 4.08

Distance Prohibitions 4.08.4; Warnings 4.08.4; Control of Adverse Effects 4.08.4:

The explosives storage area was stable and snow covered. The area consists of gravel pad, two explosive storage containers and an 8 foot chain link fence. No problems were noted.

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:

The embankments of the Pecoco Pond, Pond 003, the Upper Sump, and the Lower Sump were snow covered at the time of the inspection with no problems noted. Ponds were frozen and snow covered at the time of the inspection. Pond 004 was inaccessible due to road and weather conditions.



Upper Sump



Pecoco Pond

Ditches and culverts throughout the site were snow-covered at the time of the inspection.

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):

Roads throughout the Facilities area were snow packed with only Road B and Road E plowed to provide access.

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ENFORCEMENT ACTIONS/COMPLIANCE

No enforcement actions are pending and none were taken as a result of this inspection.

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AVAILABILITY OF RECORDS**PERMIT RECORDS**

DRMS Permit	Exp 8/20/2015
Permit Application w/Revisions	OK MR15
Findings Document	5/17/2010
Insurance Certificate	Exp 11/1/2013
Bond Document	SB-007
	\$6,160,431.65
Phased Bond Release	See Note 1
Documents/Findings	
Air Emission Permits	10RO1175F mod1
County Special Use Permits	PP2010-17
UG Mining Landowner Notification	3/29/2011
Subsidence Monitoring Reports	NA
Subsidence Monitoring Data	OK
Rill & Gully Survey	2012
Vegetation Monitoring Data	2011
Specific Variance Approvals	NA
Annual Reclamation Reports	2011
Midterm Review Documents	NA
DRMS/OSM Inspection	Thru 10/2012
Reports/Enforcement Actions (3 Years)	
Transfers/Succession of Operator	SO1
Temporary Cessation Notification	NA
Reclamation Cost Estimate	TR1
CERTIFICATIONS	
Pond Certifications	PAP See Note 2
Annual Certifications for Impoundments	2012
Fill Certifications for Excess Spoil or Underground Development Waste	NA
• Quarterly Inspections	NA
• Compaction Testing	NA
• Final Certification	NA
Coal Processing Waste Banks	NA
Haul Road Certifications	PAP
Access Road Certifications	PAP

HYDROLOGIC RECORDS

NPDES Permit	COG0048275
NPDES Records	4Q2012
Stormwater Management Plan	2012
SPCC Plan	2012
MSHA Pond Inspections	NA
State Engineer's Pond Inspection	NA
Quarterly Pond Inspections	4Q2012
Annual Hydrology Reports	2011
• Ground Water Monitoring	AHR
• Surface Water Monitoring	AHR
• Spring & Seep Monitoring	AHR
• Mine Water Discharge Monitoring	NA
• Mine Inflow Study	NA
• Water Consumption Records	NA
Well Permits	PAP

BLASTING RECORDS

Blasting Publication	8/6/2011
Blasting Records (3 years)	Thru 10/19/2011
ATFE Explosives Permit	Exp 3/1/2014
Blasting Variances	NA
Pre-Blast Surveys	NA

**ADDITIONAL RECORDS
(specify)**

COMMENTS: 1 – SL1 currently under review by the Division 2 – As-built certifications for approved sump Construction have yet to be completed, ongoing construction

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