




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



PERMIT INFORMATION

Permit Number: C-1981-008 Mine Name: New Horizon Mine Operator: Western Fuels - Colorado, LLC Operator Address: Mr. Ross L Gubka, P.E. P.O. Box 628 Nucla, CO 81424	County: Montrose Operation Type: Surface Permit Status: Active Ownership: Private
Operator Representative Present: None (Aerial Inspection)	
Operator Representative Signature: (Field Issuance Only) This report was issued electronically from the Division's Durango Field Office.	

INSPECTION INFORMATION

Inspection Start Date: February 19, 2013 Inspection Start Time: 13:51 Inspection End Date: February 19, 2013 Inspection End Time: 13:53	Inspection Type: Aerial Inspection Inspection Reason: Normal I&E Program Weather: Cloudy	
Joint Inspection Agency: None	Joint Inspection Contacts:	
Post Inspection Agency: None	Post Inspection Contacts:	
Inspector(s): Marcia L. Talvitie, P.E.	Inspector's Signature: 	Signature Date: 04 March 2013

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

An aerial inspection of the New Horizon Mine was conducted by the Division on Tuesday, February 19, 2013. Photographs were taken by Harry Ranney, and later analyzed by Marcia Talvitie. Skies were overcast at the time of the inspection.

AIR RESOURCE PROTECTION – Rule 4.17:

- The ground surface was damp in many locations, and the traveled ways within the active operations area appeared to have been watered for the purpose of dust control.

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:

- Backfilling operations are nearly complete for the southern limb of the pit, located on the Morgan property.
- A small area immediately south of Pond 011 has not yet been backfilled, but it appears that a majority of this area has been brought to grade with Bench 2 Backfill and Bench 1 Surface Spoil (Photo 1).

FISH and WILDLIFE – Rule 4.18:

- A small herd of elk was occupying the northern portion of the 4/7, LLC (Guire) parcel, to the west of the reconstructed “San Miguel Draw” (Photo 2). The Division estimates there were approximately a dozen animals in the herd.

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:

- With the exception of north-facing slopes, the snow noted in the January 2013 aerial inspection report had melted from the permit area.
- Standing water was present in the deeper portions of the active pit on the WFC parcel (Photos 3 and 4). The source of this water is unknown.
- Pond 008 appeared to be completely frozen, and Pond 007 was frozen, with the exception of the southwestern corner (Photo 2). The surface of Pond 013 was partially covered with ice (Photos 3 and 4).
- Ponds 011 and 015 were essentially dry.

GENERAL MINE PLAN COMPLIANCE:

- The mine's shovel was actively loading haul trucks with overburden from an area just south of Pond 013. It appeared that the trucks were dumping the material to the southeast of the pit, as shown on Photos 3 and 4.

REVEGETATION – Rule 4.15

Vegetative Cover; Timing:

- No livestock were observed to be grazing the Irrigated Pasture Reference Area (Photo 5).
- Approximately a dozen head of cattle were visible near Pond 008, on the Burbridge parcel (Photo 2).

SUPPORT FACILITIES - Rule 4.04:

- Support facilities for the mine are identified in Photo 5. The area appears to be neatly organized and well-kept.

SPECIAL CATEGORIES OF MINING – Rules 4.22 through 4.27:

Rule 4.25 - Prime Farmlands

- Prime farmland (“Begay”) soil salvaged from the WFC parcel is stockpiled immediately east of Pond 013 (Photo 3).
- On the Morgan property, soil stockpiles for “Mixed”, “Lift B” and “Lift A” appear not to have been disturbed (Photo 6). No additional redistribution of soil has occurred since 2009.
- A majority of the Bench 1 Overburden (“OB1”) material stockpiled on the Morgan property has been redistributed across the backfilled area. The stockpile does still contain some material, however, which will be needed for backfilling the remaining pit and Pond 011 on Morgan's property (Photo 1).

TOPSOIL – Rule 4.06

Removal 4.06.2; Substitute Materials 4.06.4(4); Storage and Protection 4.06.3; Redistribution 4.06.4:

- Topsoil stockpiles constructed in the earliest phase of mining are located south of the facilities area, next to the Irrigated Pasture Reference Area (Photo 5).
- Elongated ridges of “Mixed” topsoil have been constructed on the WFC parcel, east of the active pit operations (Photo 4).
- Topsoil from the final extent of the pit on the WFC parcel appears to have been pushed into a windrow in preparation for hauling the material to the area behind (east of) the pit (Photo 3).

ENFORCEMENT ACTIONS/COMPLIANCE

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

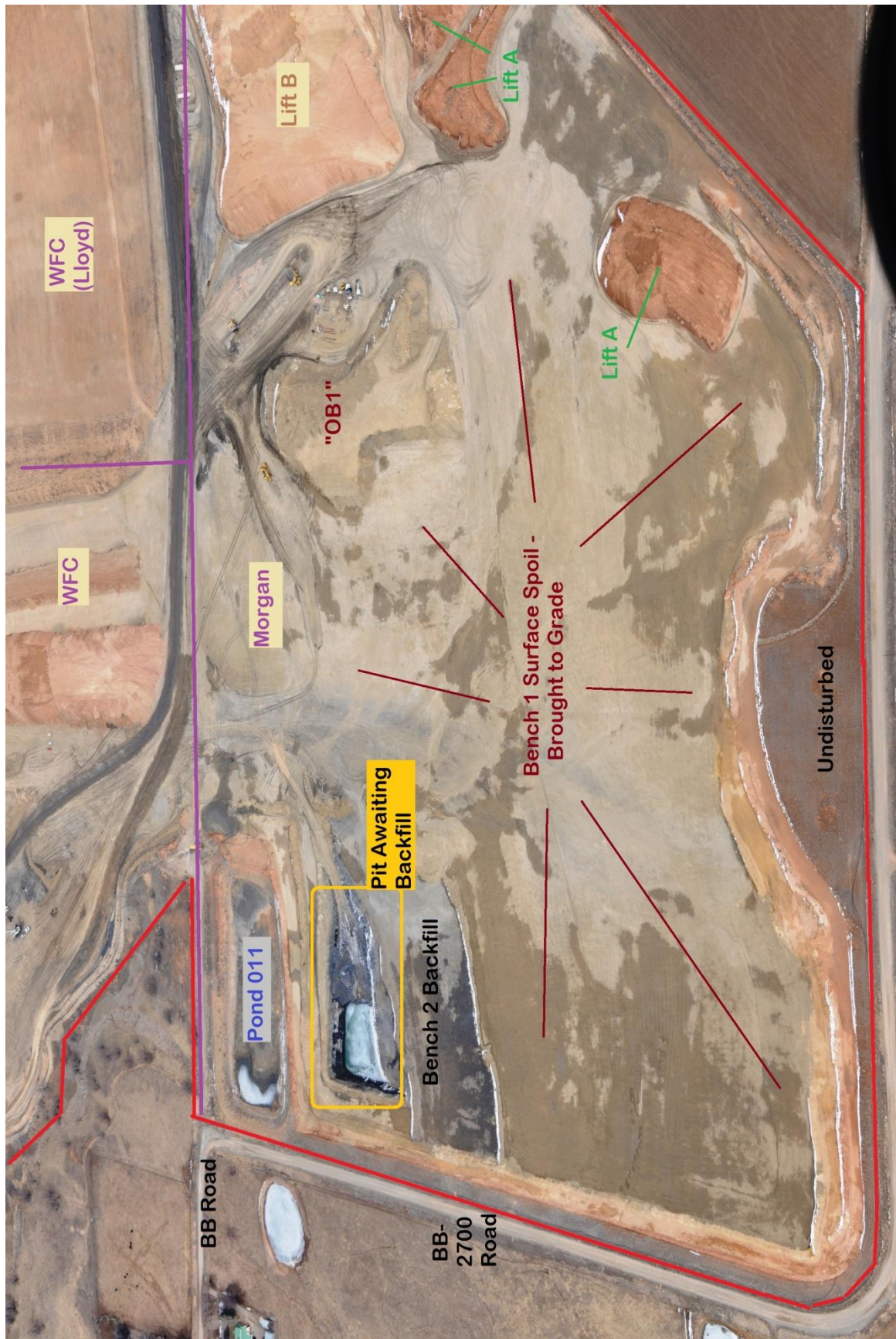


Photo 1 – West end of Morgan property, looking north

Number of Partial Inspection this Fiscal Year: 8
Number of Complete Inspections this Fiscal Year: 2



Photo 2 – Reclaimed areas located east of 2700 Road, looking north

Number of Partial Inspection this Fiscal Year: 8

Number of Complete Inspections this Fiscal Year: 2

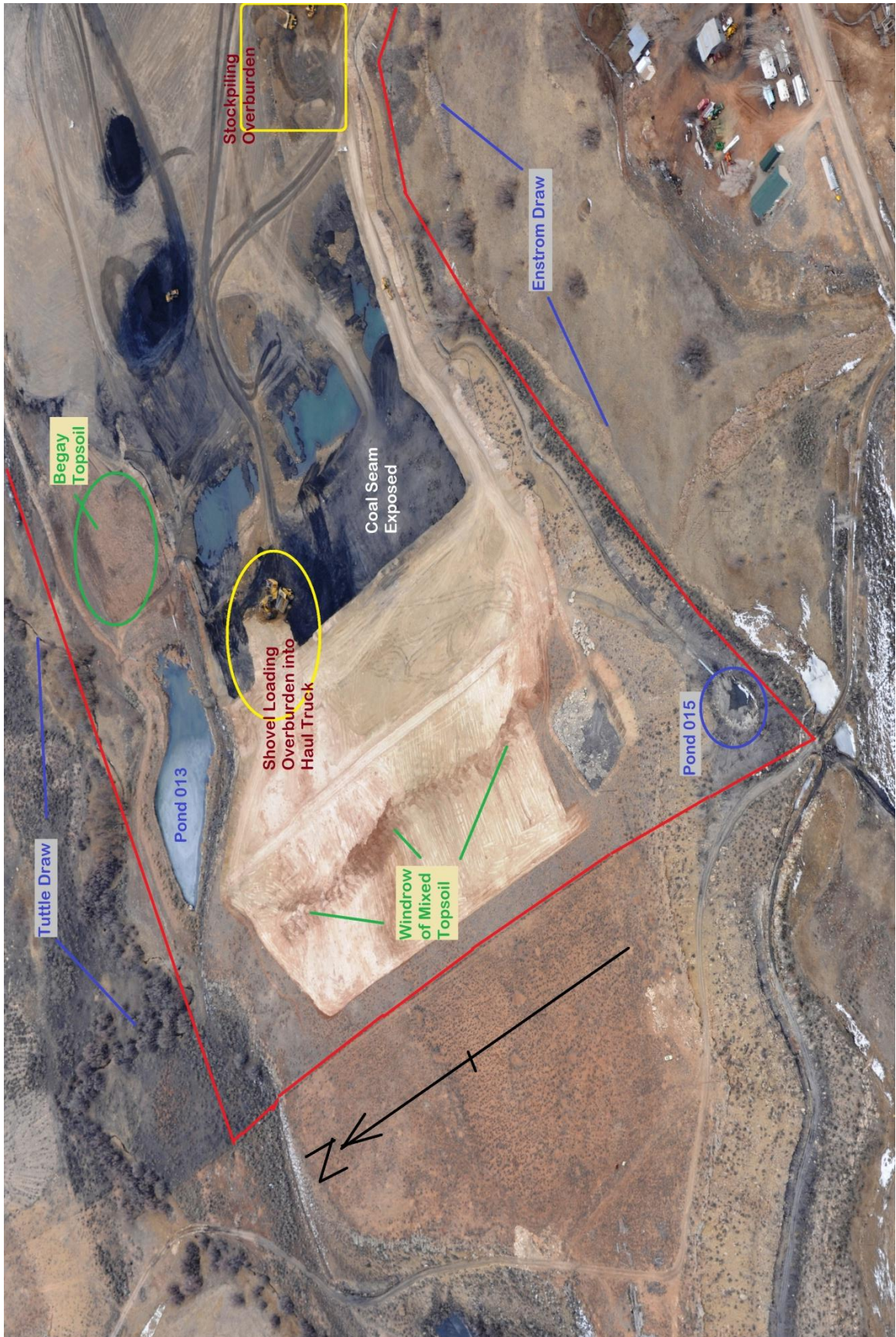


Photo 3 – Active operations – on parcel owned by WFC, looking NE

Number of Partial Inspection this Fiscal Year: 8

Number of Complete Inspections this Fiscal Year: 2



Photo 4 – Active operations – on parcel owned by WFC, looking WNW

Number of Partial Inspection this Fiscal Year: 8

Number of Complete Inspections this Fiscal Year: 2



Photo 5 – Surface facilities, IP Reference Area, topsoil storage and boxcut overburden

Number of Partial Inspection this Fiscal Year: 8

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Photo 6 – Soil and overburden stockpiles – east end of Morgan property, looking north