



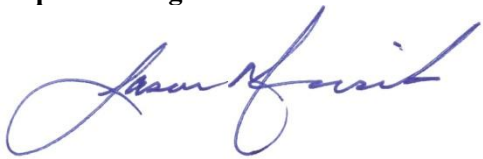
**COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY
COAL PROGRAM INSPECTION REPORT**



PERMIT INFORMATION

Permit Number: C-1996-084 Mine Name: Lorencito Canyon Mine Operator: New Elk Coal Company, LLC Operator Address: Mr. Ron Thompson 12250 Highway 12 Weston, CO 81091	County: Las Animas Operation Type: Surface Permit Status: Permanent Cessation Ownership: Private
	Operator Representative Present: Ron Thompson
Operator Representative Signature: (Field Issuance Only)	

INSPECTION INFORMATION

Inspection Start Date: March 11, 2013 Inspection Start Time: 12:15 Inspection End Date: March 11, 2013 Inspection End Time: 14:15	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): Jason D. Musick Elliott R. Russell	Inspector's Signature:  Signature Date: 3/13/2013

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

COMMENTS

This was a partial inspection conducted by Jason Musick of the Colorado Division of Reclamation, Mining, and Safety (Division). Ron Thompson of New Elk Coal Company and Elliott Russell of the Division accompanied the inspection. No reclamation related activities were being conducted at the time of this inspection. Weather conditions were clear. Ground conditions were wet throughout the site at the time of the inspection. Equipment was being mobilized to the mine site at the time of the inspection. New Elk Coal Company was mobilizing a articulated dump truck and a tracked excavator to address maintenance items identified during the January and February inspections.

EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09

Placement; Drainage Control; Surface Stabilization:

Excess spoil fills No. 8, No. 9, and No. 7 were observed during the inspection. All fills were stable with adequate vegetative cover to prevent erosion. No major rills, gullies or stability problems were observed on the fills during the inspection.



Fill 8



Fill 7 and Pond 7

Number of Partial Inspection this Fiscal Year: 7

Number of Complete Inspections this Fiscal Year: 3

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: Ponds 009B, 009A, 008, 006 and 007 were observed. All ponds were dry at the time of the inspection. All primary and emergency spillways were in good condition with no problems noted. All embankments were stable with slight snow cover and well vegetated with no evidence of instability at the time of the inspection. As noted in the January and February inspections Pond 9B contained sediment reaching the weep holes of the Primary spillway. No maintenance activities have been conducted as of the date of this inspection; however equipment to address maintenance items was in the process of mobilization.

All fill down drains were stable with no major maintenance issues noted

Culverts throughout the site are in place and maintained with no problems noted, with the exception of the following:

- Concrete culvert C-2 was ~1/2 full of sediment at the time of the inspection at the outlet.
- Culvert C-9 was ~3/4 full of sediment at the outlet and will need to be maintained.



Culvert C-9



Culvert C-2

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):

All accessible mine access roads were stable with no damage noted at the time of the inspection. The roads were extremely wet at the time of the inspection due to recent snowfall. The access roads to Ponds 6 and 5 were in accessible.

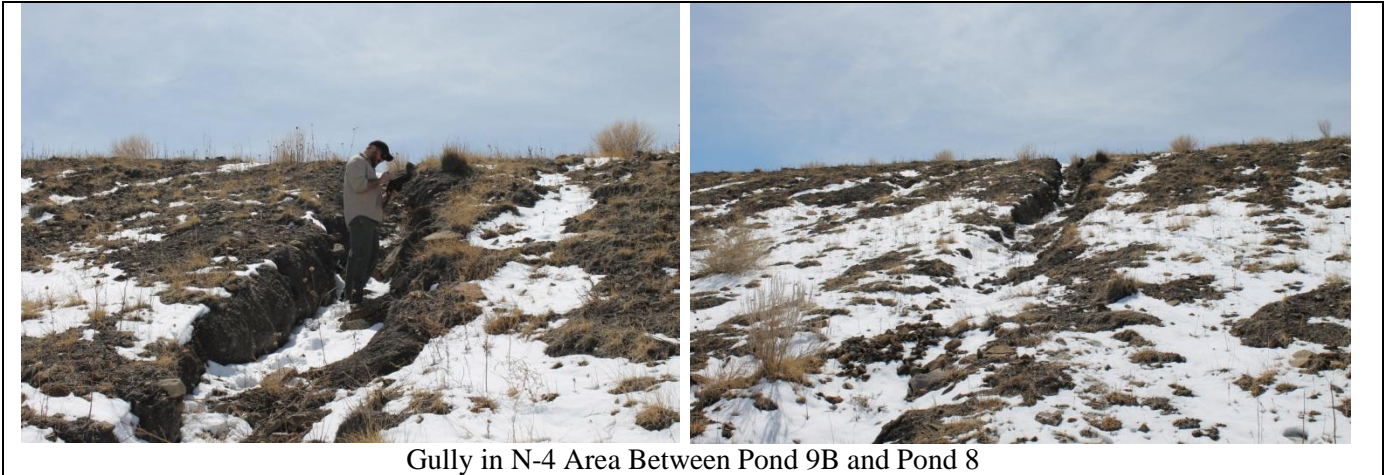
RECLAMATION SUCCESS - Rule 4.15, Rule 3:

Monitoring and maintenance of rills and gullies on reclamation continues to be required. The reclamation of the site remains stable, with the following exceptions:

- As noted in the January and February inspection reports, a gully has formed along the north facing slope in the area between Pond 8 and Pond 9A near the top of the drainage in the area identified as N-4 on Map 2.05.3-5. This erosional feature has not been repaired as of the date of this inspection. Equipment for repair and maintenance of the site was in the process of mobilization from the New Elk Mine to the Lorencito Mine. It is noted that the Division has established March 31, 2013 as a repair date for the gully.

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Gully in N-4 Area Between Pond 9B and Pond 8

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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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