

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



PERMIT INFORMATION

Permit Number: C-1981-014	Country Frances			
	County: Fremont			
Mine Name: Southfield Mine	Operation Type: Underground			
Operator: Energy Fuels Coal, Inc.	Permit Status: Permanent Cessation			
Operator Address:	Ownership: Private			
Mr George Patterson				
P.O. Box 459	Operator Representative Present:			
Florence, CO 81226				
,	George Patterson			
Operator Representative Signature: (Field Issuance Only)				

INSPECTION INFORMATION

Inspection Start Date: March 21, Inspection Start Time: 11:00 Inspection End Date: March 21, 2 Inspection End Time: 17:00			Inspection Type: Coal Complete Inspection Inspection Reason: Normal I&E Program Weather: Windy		
Joint Inspection Agency:		Joint Inspection Contacts:			
None					
Post Inspection Agency:		Post	Post Inspection Contacts:		
None					
Inspector(s):	Inspector's Signature:		nature: Signature Date:		
Janet H. Binns	3/22/2013				

Inspection Topic Summary

NOTE: Y=Inspected N=Not Inspected R=Comments Noted V=Violation Issued NA=Not Applicable

NA - Air Resource Protection R - Roads

Y - Backfill & Grading Y - Revegetation

NA - Excess Spoil and Dev. Waste
 NA - Explosives
 R - Subsidence
 R - Slides and Other Damage

Y - Fish & Wildlife
Y - Support Facilities On-site
V Signs and Markers

R - Hydrologic Balance Y - Signs and Markers

R - Gen. Compliance With Mine Plan
 R - Support Facilities Not On-site
 NA - Special Categories Of Mining

R - Processing Waste **Y** - Topsoil

COMMENTS

This was a complete inspection conducted by Janet Binns of DRMS. The weather was partly cloudy and very windy. A military airplane was flying patterns over the area. The mine site and load out were very dry.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

Records were checked in the mine office in Florence. George Patterson met the inspector at the office, but did not accompany the inspector on the mine site. Records were found to be in compliance at the mine office.

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 inspection initiated at intersection of Newlin Creek and the Thompson Driveway culvert. Newlin Creek was not flowing at this point. Newlin Creek was also not flowing at the upstream surface water monitoring point at NC-2.

At the North end of MW-NW disturbance area there is a green metal casing. (Photo 2) This feature is not shown on Map 12. Photo taken.

Pond 5 is dry.

Pond 4 is dry.

Pond Ll spillway riser has been cleaned out and metal plate secured to the old valve location as designed. (Photo 10) Pond L2 was dry.

GENERAL MINE PLAN COMPLANCE:

NOV-CV-2013-002 remains unabated. The abatement due date is April 1, 2013.

Number of <u>Partial</u> Inspection this Fiscal Year: 6 Number of Complete Inspections this Fiscal Year: 3

OTHER (SPECIFY):

Dr. Corley's red van was observed parked at the Thompson driveway Newlin Creek crossing. The inspector did not see the landowner, Dr. Corley, at that time. Later during the inspection, Dr. Corley stopped his vehicle and spoke with the inspector.

The landowner, Dr. Corley, has installed a new 3-wire fence on the north side of Fremont County Road 15. This fence has blocked the access road to MW-8. (Photo 1) MW-8 is no longer included in the monitoring plan for the Southfield mine, but it still is required to be sealed and properly abandoned.

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

Drainage Control; Surface Stabilization; Placement:

The RDA continues to have a stable vegetative cover. Some of the shrubs on the top of the RDA have died Other shrubs outside of the fenced enclosures remain healthy and viable.

No noticeable rills were observed on RDA during this 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):

The roads through the mine site were dry. EFCI has not graded the roads yet this spring. No significant rilling had occurred on the RDA access road or Fremont County Road No. 92 through the mine site.

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

Observation of the reference areas noted that the Grassland reference area appears to be in good condition. The PPJ reference area (plot B) appears to have experienced considerable natural die off. (photo 9) Observations along County road 15 and the general mine area has observed patchy die off throughout the area, possibly from the droughty conditions experienced the last few years.

Reclaimed waterline access road by MW-NW has fairly good vegetative cover on most of this area. (Photo 3) The track to MW-NW still appears as a two-track road. No erosional features were noted with this reclaimed portion of roadway

SLIDES and DAMAGE - Rule 4.12:

The operator has graded sediment away from the NW corner of the truck tunnel. (Photo 4) This material has been stored west of the backhoe. Silt fence has been anchored near the top of the slope above the repaired rill next to the truck tunnel. (Photos 5 and 6) This area has been seeded according to the operator.

OFFSITE SUPPORT FACILIITES - Rule 4.04, 4.28:

At the load out an ATV has drive in Pond L1, and the wheels have dug into side slopes. (Photos 11 & 12) Train

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There was evidence of trespass access across the western portion of the loadout, and it appears that dirt bike tracks have crossed the trench. There were beer cans and bottles left near Pond L2.

DOCUMENTS RECEIVED NA

OTHER (SPECIFY)

ENFORCEMENT ACTIONS/COMPLIANCE

Infraction Number: CV2013002

Inspection Date: January 23, 2013 Date Issued: January 28, 2013 Primary Topic: Hydrologic Balance

Secondary Topic: Tertiary Topic:

Description: Failure to ensure that water monitoring well MW-NW continues to function as

designed.

Abatement #: 1

Abatement Due Date: 4/1/2013

Abatement Description: Remove the obstruction from MW-NW or establish a replacement water monitoring well that intercepts the Southfield Mine workings in the Red Arrow or Jack O' Lantern Coal seam.

Abatement #: 2

Abatement Due Date: 4/1/2013

Abatement Description: Provide evidence to the Division that Energy Fuels Coal Inc. has applied for a monitoring well permit with CDWR in accordance with Rule 2.03.10.

Neither abatement step 1 or 2 had been completed at the time of the inspection. The proposed civil penalty was received by Energy Fuels on March 4, 2013. EFCI has requested an assessment conference. The date of the assessment conference has not yet been scheduled.

PHOTOGRAPHS





Photo 1: fenced off access road to MW-8

photo 2: casing on reclaimed road NE of MW-NW



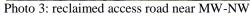




Photo 4: Sediment removed from NW of truck tunnel



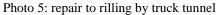




Photo 6: Silt fence well anchored at truck tunnel

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Photo 7: reclaimed portal area from truck tunnel

Photo 8: North slope of RDA

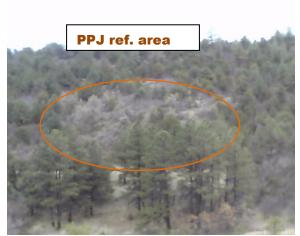




Photo 9: PPJ ref area vegetation appears to be dying out Photo 10: Pond L1 repaired primary riser & sealed gate.



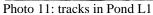




Photo 12: tire "divots" dug into pond L1 slope

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AVAILABILITY OF RECORDS

PERMIT RECORDS		HYDROLOGIC RECORDS	
DRMS Permit	Exp 7/30/2014	NPDES Permit	Exp 6/30/13
Permit Application w/Revisions	Thru 40	NPDES Records	THRU 4 TH 1/4 12
Findings Document	RN5 5/21/2009	Stormwater Management Plan	MR-57
Insurance Certificate	Exp. 10/1/2013	SPCC Plan	terminated 5/25/04
Bond Document	16-66-96	MSHA Pond Inspections	NA
Phased Bond Release	<u>SL-2</u>	•	
Documents/Findings	RN5	State Engineer's Pond Inspection	
Air Emission Permits	cancelled	Quarterly Pond Inspections	1 st 1/4 2013
County Special Use Permits	CUP-98-3	Annual Hydrology Reports	2011
UG Mining Landowner Notification	1998	 Ground Water Monitoring 	11-28-12
Subsidence Monitoring Reports	TO BE DONE	 Surface Water Monitoring 	11-30-12
	2013		
Subsidence Monitoring Data	Due in 2013	 Spring & Seep Monitoring 	
Rill & Gully Survey	ARR	Mine Water Discharge Monitoring	
Vegetation Monitoring Data	2010	Mine Inflow Study	-
Specific Variance Approvals	NA	Water Consumption Records	
Annual Reclamation Reports	2012	Well Permits	
Midterm Review Documents	1	Well I clinits	
Whaterin Review Documents	MT6		
DRMS/OSM Inspection	THRU2/13 &cv-		
Reports/Enforcement Actions (3	2013-002		
Years)		BLASTING RECORDS	
Transfers/Succession of Operator	SO-1 7/30/1984	Blasting Publication	NA
Temporary Cessation Notification	X	Blasting Records (3 years)	NA
Reclamation Cost Estimate	MT6	ATFE Explosives Permit	NA
CERTIFICATIONS		Blasting Variances	NA
Pond Certifications	X	Pre-Blast Surveys	NA
Annual Certifications for	3/7/2013		-
Impoundments			
Fill Certifications for Excess Spoil	NA	ADDITIONAL RECORDS	
or Underground Development Waste		(specify)	
Quarterly Inspections			
Compaction Testing			
• Final Certification			
Coal Processing Waste Banks	RDA Term.2010		-
Haul Road Certifications	X		
Access Road Certifications	X		
112235 Itous Certifications			
COMMENTS:			

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