




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



**PERMIT INFORMATION**

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

**INSPECTION INFORMATION**

<b>Inspection Start Date:</b> April 8, 2013 <b>Inspection Start Time:</b> 12:45 <b>Inspection End Date:</b> April 8, 2013 <b>Inspection End Time:</b> 16:00	<b>Inspection Type:</b> Coal Partial 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>  Jason D. Musick	<b>Inspector's Signature:</b>  <b>Signature Date:</b>  4/11/2013

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

### COMMENTS

#### 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 Pecoco Pond, Upper Sump, Lower Sump, and Pond 002 were observed during the inspection. Pond 002, which receives discharge from Pecoco Pond and the upper and lower sumps, was discharging at the time of the inspection. The problems were noted, with the exception of the following:

- The primary spillway of the Lower Sump has been damaged due to ice. The riser pipe has become detached from the straight pipe. No off site impacts were observed as the discharge of the Lower Sump discharges to Pond 002. Discharge through the Lower Sump was ~ 1/4 full through the pipe. Discharge through Pond 002 was clear and ~.2 through the flume. This pipe will require repair by April 30th, 2013.



Number of Partial Inspection this Fiscal Year: 8

Number of Complete Inspections this Fiscal Year: 3

Lower Sump Outlet



Lower Sump Damaged Riser Pipe



Lower Sump Riser Pipe

Lower Sump

- The crest of the embankment of Lower Sump displayed surface cracking due to settling. The Lower Sump construction/reconstruction was completed in the Fall of 2012. The embankment should be monitored for any structural issues throughout the spring and summer.

Ditches and culverts throughout the main facilities area are stable and functioning as designed with the exception of the following:

- Ditch RC-D3 flows into culvert SC-16. The inlet of SC-16 has been built up to prohibit proper flow of RC-D3. This area should be addressed to provide adequate flow from RC-D3 to SC-16.
- Ditches FA-D1 and FA-D1A have been damaged due to the construction activities of the power poles. This area is extremely saturated. The ditches will need to be re-established as approved.
- The west side of the substation pad containment ditch has breached the upper portion of the ditch and created a small gully to the compressor building pad. This area should be addressed to avoid the collection of water and provide adequate run-off of the pad.
- The entrance to the Pond 003 gate displayed erosion. This area will need to be addressed to prevent erosion from the road run-off.

#### GENERAL MINE PLAN COMPLIANCE:

The Peabody Sage Creek site is currently in negotiations with CDPHE concerning a NOV of its discharge permit with regard to selenium. In order to help address the issue Peabody Sage Creek has installed straw bales at the outlet of culvert 9A which is the continuation of Little Grassy Creek. The purpose of the straw bales is to help distribute the water from centralized channel to a naturally established wetlands area. No disturbance was observed. However, This activity may require permitting with the Division.

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Installed Straw Bales

**SUPPORT FACILITIES - Rule 4.04:**

The construction of the compressor building pad is near completion. The main facilities area is stable with no problems noted with the exception of the following:

- The areas of the compressor building pad and the substation pad was littered with non-coal waste. This area should be cleared of non-coal waste to ensure waste does not leave the site.

**SIGNS AND MARKERS – Rule 4.02:**

Signs and markers were in place as permitted with no problems noted, with the exception of the following:

- Topsoil markers were not observed to delineate the permitted topsoil piles.
- The Mine ID sign displayed the name “Sage Creek Mine” rather than the permitted and approved “Peabody Sage Creek Mine”.

**DOCUMENTS RECEIVED – 2013 Midterm Review Responses**

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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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