

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



PERMIT INFORMATION

Permit Number: C-2010-089 Mine Name: New Horizon North Mine Operator: Western Fuels-Colorado, LLC Operator Address: Mr. David G Anderson	County: Montrose Operation Type: Surface Permit Status: Active Ownership: Private	
12050 N. Pecos St., Suite 100	Operator Representative Present:	
Westminster, CO 80234	None (Aerial Inspection)	
Operator Representative Signature: (Field I	ssuance Only)	
This inspection was issued electronically from t	he Division's Durango Field Office.	
INSPECTION INFORMATION		
Inspection Start Date: April 19, 2013 Inspection Start Time: 11:52	Inspection Type: Aerial Inspection Inspection Reason: Normal L&F Program	

Inspection Start Time: 11:52 Inspection End Date: April 19,	, 2013	Inspection Reason: Normal I&E Program Weather: Clear
Inspection End Time: 11:53		
Joint Inspection Agency:		Joint Inspection Contacts:
None		
Post Inspection Agency:		Post Inspection Contacts:
None		
Inspector(s):	Inspector	's Signature: Signature Date:
Marcia L. Talvitie, P.E.	Marcia Labrilie 23 April 2013	

Inspection Topic Summary

NOTE: Y=Inspected N=Not Inspected R=Comments Noted

V=Violation Issued NA=Not Applicable

N - Air Resource Protection N - Roads

N - Availability of Records NA - Reclamation Success

N - Backfill & Grading NA - Revegetation

NA - Excess Spoil and Dev. Waste NA - Subsidence

NA - Explosives Y - Slides and Other Damage
N - Fish & Wildlife NA - Support Facilities On-site

R - Hydrologic Balance N - Signs and Markers

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

NA - Processing Waste **R** - Topsoil

COMMENTS

An aerial inspection of the New Horizon North Mine was conducted by the Division in April, 2013. Photographs were taken by Harry Ranney on Friday, April 19, 2013 beginning at 11:50 a.m.., and were subsequently analyzed by Marcia Talvitie. Skies were clear for the inspection.

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 bottom of Pond NHN-001 was partially covered with water.
- Pond NHN-001 features are shown in Photo 1.

OTHER (IRRIGATION)

- The CCC Ditch, which brings irrigation to the Nucla area from the San Miguel River, was scheduled to start flowing for the season on April 15th.
- Water for the area immediately surrounding this mine is provided by the Second Park Lateral, which is confined to a HDPE pipeline around the southern end of the permit area.
- Irrigation of lands to the west of the permit area had commenced as of the time of the inspection (Photo 2).

TOPSOIL – Rule 4.06

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

• Two soil stockpiles were constructed in late 2012 along the eastern side of the disturbed area (Photo 2). Progresso soils are in the northern pile, while the southern pile consists of "REC" soils that had been previously salvaged and redistributed during Peabody's operation of the Nucla Mine in the 1980s.

ENFORCEMENT ACTIONS/COMPLIANCE

Infraction Number: CV2013003

Inspection Date: March 29, 2013

Date Issued: April 9, 2013

Primary Topic: Off-site Damage

Secondary Topic: None Tertiary Topic: None

Description: Failure to confine surface coal mining and reclamation operations to lands within the permit area.

Abatement #: 1

Abatement Due Date: 4/26/2013

Abatement Description: In accordance with 2.08.4(2)(c), submit a Technical Revision application for an incidental permit boundary revision to incorporate the disturbed area into the permit. The application shall comply with the requirements set for in 2.03.6.

NOTE: The Division received an application for Technical Revision No. 3 on April 12, 2013. The infraction was therefore abated on that date.

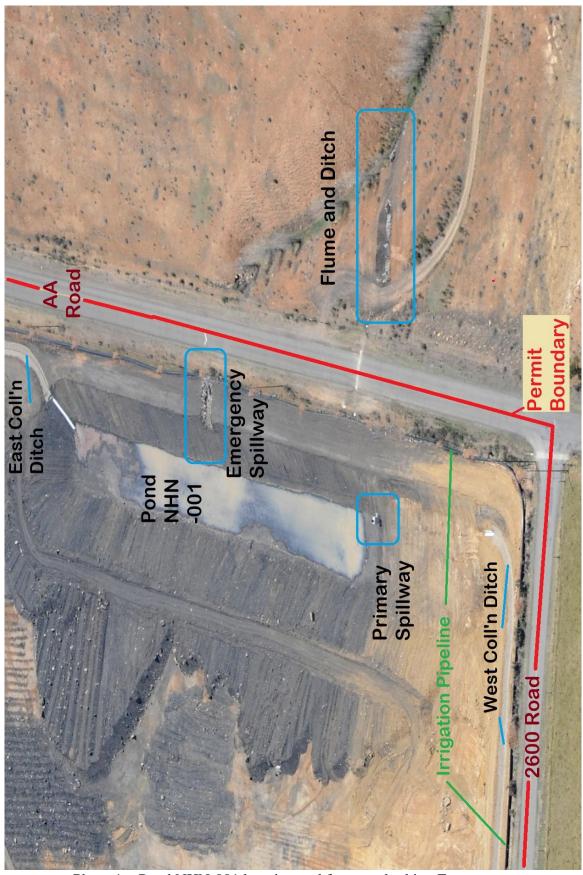


Photo 1 – Pond NHN-001 location and features, looking East

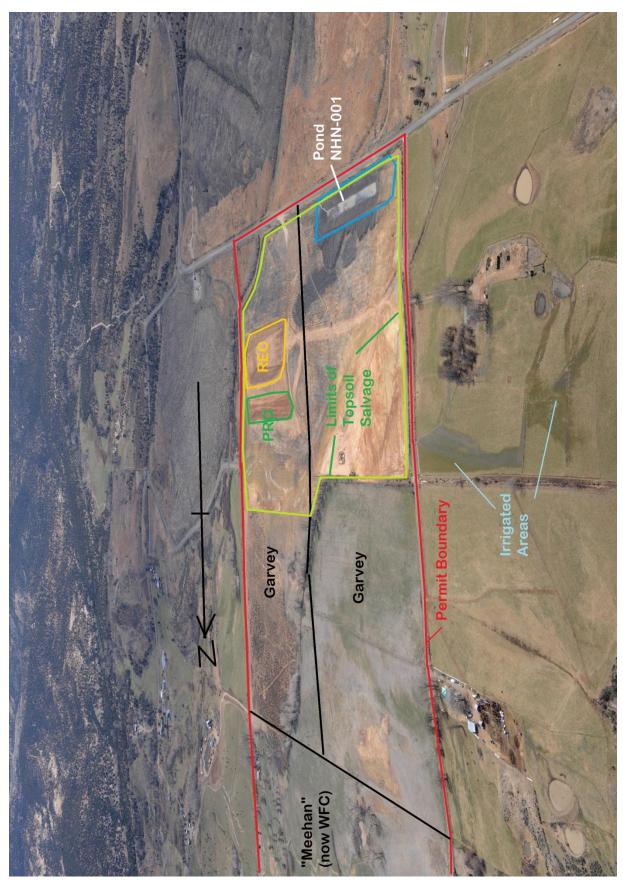


Photo 2 – Southern portion of permit area, looking East