




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



### PERMIT INFORMATION

<b>Permit Number:</b> C-1981-008 <b>Mine Name:</b> New Horizon Mine <b>Operator:</b> Western Fuels-Colorado, LLC <b>Operator Address:</b>  Mr. Ross L Gubka, P.E. P.O. Box 628 Nucla, CO 81424	<b>County:</b> Montrose <b>Operation Type:</b> Surface <b>Permit Status:</b> Active <b>Ownership:</b> Private
	<b>Operator Representative Present:</b>  Ross Gubka
<b>Operator Representative Signature: (Field Issuance Only)</b>  This report was issued electronically from the Division's Durango Field Office.	

### INSPECTION INFORMATION

<b>Inspection Start Date:</b> June 10, 2013 <b>Inspection Start Time:</b> 12:25 <b>Inspection End Date:</b> June 10, 2013 <b>Inspection End Time:</b> 16:50		<b>Inspection Type:</b> Coal Complete Inspection <b>Inspection Reason:</b> Normal I&E Program <b>Weather:</b> Clear	
<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>  Marcia L. Talvitie, P.E.	<b>Inspector's Signature:</b>  		<b>Signature Date:</b>  14 June 2013

**Inspection Topic Summary**

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

R - Air Resource Protection

R - Availability of Records

R - Backfill & Grading

NA - Excess Spoil and Dev. Waste

R - Explosives

R - Fish & Wildlife

R - Hydrologic Balance

R - Gen. Compliance With Mine Plan

R - Other

NA - Processing Waste

R - Roads

Y - Reclamation Success

R - Revegetation

NA - Subsidence

NA - Slides and Other Damage

R - Support Facilities On-site

Y - Signs and Markers

NA - Support Facilities Not On-site

R - Special Categories Of Mining

Y - Topsoil

**COMMENTS**

A Complete inspection of the New Horizon Mine was conducted by me, Marcia Talvitie of the Division, on Monday, June 10, 2013. Temperatures were in the 90's, and skies were clear.

The inspection began with a check of the records, and concluded with an inspection of the permit area. Ross Gubka was available to escort me during the site inspection.

**PERMITTING UPDATE:**

**RN-06:** The Division issued a Preliminary Adequacy Review on April 12, 2013.

**PR-07:** WFC submitted a request to withdraw the application on June 10, 2013.

**SL-13:** The Division has not yet issued a decision regarding this bond release application.

**SL-14:** WFC will be submitting a request to withdraw the application.

**MR-86:** The application was called complete on June 12, 2013.

**AIR RESOURCE PROTECTION – Rule 4.17:**

- Rick Wolney, mine manager, introduced me to a representative of Walsh Environmental who has been contracted to be an independent observer for fugitive dust emissions at the site.
- For the past several years, the elevated water tank as been situated at the northeast corner of Pond 011. On this inspection, I observed that the tank has been relocated north onto the WFC property, south of Pond 013. The tank, which contains water used for dust control, is being filled with water pumped from Tuttle Draw.

**AVAILABILITY OF RECORDS – Rule 5.02.4(1):**

- Records for public review are posted at the Montrose County Courthouse Nucla Annex. I visited the Nucla Annex, and found that the building was unlocked, as was the room where information is made available for public review. It was lunch time, so the County Clerk's window was closed. A sign posted outside provided advance notice that the building would be closed on June 12 from 11:30 to 1:30 for County meetings.

- An 8-volume set containing the full Permit Application Package was on the shelf. For RN-06, the Application and the Division's Adequacy Review / Cost Estimate were available. For PR-07, WFC's application and the objections transmitted to WFC by the Division were present.
- Permit records are kept at the mine office facilities. At the time of the inspection, WFC was in the process of consolidating all of the records from Mr. Gubka's office and the training room into a single room of an adjacent building.
- A DRMS Availability of Records form is attached to this report.

#### 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 of the final pit on the Morgan property has been completed, and the OB1 stockpile has been entirely depleted. Mr. Gubka said they are still fine-grading the Bench 1 Surface Spoil, to attain appropriate grades prior to redistribution of the subsoil and topsoil.
- On the WFC property, the northwestern corner has yet to be backfilled. There is some Bench 2 and Bench 1 overburden material stockpiled further east on the property, that will be used for backfill; the balance will come from the boxcut overburden stockpile constructed 20 years ago at the far southeastern corner of the permit area (a distance of approximately 2.5 miles, one way).
- Mr. Gubka said that WFC is considering requesting a variance to the 180-day requirement for backfilling and grading of the final pit.

#### EXPLOSIVES – Rule 4.08

Distance Prohibitions 4.08.4; Warnings 4.08.4; Control of Adverse Effects 4.08.4:

- Blasting operations at the New Horizon Mine have been completed. The drill rig was parked on the WFC property, and will be used in future drilling and blasting operations at the New Horizon North Mine.

#### FISH and WILDLIFE – Rule 4.18:

- A handful of waterfowl were spotted at Pond 007, and a few mule deer were seen in the Staats field just north of 5th Road.

#### 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 Nucla area, together with much of Colorado's western slope, continues to endure a dry spell. The ground surface was dry everywhere within the permit area.
- The Second Park Lateral Ditch was flowing at approximately 29 cfs at the 60" Parshall flume located upstream of the Division Box modified by WFC earlier this year.

- Pond 007 was full, and discharging at a fairly low rate.
- Water in Pond 008 was high enough to just cover the concrete structure at the primary spillway, but the valves were closed and no discharge was occurring. Some sediment has collected in the open-topped concrete box that joins the downstream end of the Pond 008 spillway to the culvert which passes beneath 2700 Road. The box is in need of routine maintenance.
- Pond 009 was entirely dry.
- Pond 011 was essentially dry. Mr. Gubka and I shared some ideas on how surface runoff will be handled between now and the time final bond release for the Morgan property is achieved. It will be some time before topsoil is redistributed, and the pond inlets at present sit somewhat higher than a portion of the flow can easily reach.
- Pond 013 was discharging at a steady rate. Although the amount of water being pumped from what remains of the WFC pit is relatively insignificant, the pond is also receiving flow from pump which draws water from the adjacent Tuttle Draw.

#### GENERAL MINE PLAN COMPLIANCE:

- WFC has completed extraction of the coal at the NH2 mine.
- There are two stockpiles of coal still located on the WFC property.
- Mr. Gubka said that the Nucla Generating Station has been recently put back into service, after having being shut down in March. Contract haulers are once again trucking the stockpiled coal to the plant, although this activity was not occurring at the time of the 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):

- Survey stakes have been placed along the projected future alignment for BB Road, west of 2700 Road.
- Mr. Gubka said the company would be using their civil engineering consultant to ensure that the roadway is reconstructed in accordance with Montrose Country standards.

#### REVEGETATION – Rule 4.15

Vegetative Cover; Timing:

- Mr. Gubka said that the mine's 2013 vegetation sampling effort had begun earlier that morning. We did not see the contractor during our site visit. The sampling process is expected to take approximately three days.
- Landowners are eager to commence with the first cutting of hay on the reclaimed Irrigated Pasture southeast of the county road intersection. The sideroll sprinklers were not in operation, in order to allow the hay to dry out prior to being cut.
- The IP reference area appeared to be in good condition. Mr. Gubka said this area would be sampled after the reclaimed areas were completed.
- The reference area had not yet been mowed or grazed.

Number of Partial Inspection this Fiscal Year: 10

Number of Complete Inspections this Fiscal Year: 4

**SUPPORT FACILITIES - Rule 4.04:**

- Mr. Gubka said the mine had conducted a clean-up of areas within the permit where miscellaneous equipment, parts and metal had been stored. This included sites east and west of Pond 007 and the top of the boxcut spoil pile. A 40-yard dumpster had been set up in the facilities area, in which scrap metal could be collected, and then be hauled away for recycling.
- The fuel storage area was clean, and there was no oil or water on the ground within the bermed area. Gravel has been pulled away from the frame which supports the large diesel tank. Mr. Gubka explained that this was done at the request of Tri-State in order to make it easier to inspect the tank.
- Material storage areas were neat and organized, and petroleum drums were stored in the covered building, with specialize pallets for secondary containment.

**SPECIAL CATEGORIES OF MINING – Rules 4.22 through 4.27:****Rule 4.25 - Prime Farmland**

- The OB1 stockpile has been distributed across the backfilled surface on the Morgan property.
- The topsoil and subsoil stockpiles have not been disturbed or redistributed. They appear to be stable with respect to erosion by wind or water. The surfaces are crusted, and partially vegetated. Containment berms have been constructed around the perimeters of the piles.

**ENFORCEMENT ACTIONS / COMPLIANCE**

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

**AVAILABILITY OF RECORDS****PERMIT RECORDS**

DRMS Permit *	Yes(Exp.05/26/2013)
Permit Application w/Revisions	Yes
Findings Document	Yes (RN-05)
Insurance Certificate	Yes(Exp.01/01/2014)
Bond Document	Yes(SB-003)
Phased Bond Release Documents/Findings	Yes (SL-01thru SL-14)
Air Emission Permits **	Yes
County Special Use Permits	Yes (SU-99-0834)
UG Mining Landowner Notification	n/a
Subsidence Monitoring Reports	n/a
Subsidence Monitoring Data	n/a
Rill & Gully Survey	n/a
Vegetation Monitoring Data	Yes
Specific Variance Approvals	n/a
Annual Reclamation Reports	Yes (thru 2012)
Midterm Review Documents	Yes (thru MT-06)
DRMS/OSM Inspection Reports / Enforcement Actions (3 Years)	Yes
Transfers/Succession of Operator	Yes
Temporary Cessation Notification	n/a
Reclamation Cost Estimate	Yes (RN-05/SL-11)
<b>CERTIFICATIONS</b>	
Pond Certifications	Yes
Annual Certifications for Impoundments	Yes
Fill Certifications for Excess Spoil or Underground Development Waste	n/a
• Quarterly Inspections	n/a
• Compaction Testing	n/a
• Final Certification	n/a
Coal Processing Waste Banks	n/a
Haul Road Certifications	Yes
Access Road Certifications	n/a

**HYDROLOGIC RECORDS**

NPDES Permit	Yes(Exp.06/30/2013)
NPDES Records	Yes
Stormwater Management Plan	Yes
SPCC Plan	Yes
MSHA Pond Inspections	n/a
State Engineer's Pond Inspection	n/a
Quarterly Pond Inspections	Yes
Annual Hydrology Reports	Yes (thru 2012)
• Ground Water Monitoring	Yes
• Surface Water Monitoring	Yes
• Spring & Seep Monitoring	Yes
• Mine Water Discharge Monitoring	n/a
• Mine Inflow Study	n/a
• Water Consumption Records	Yes
Well Permits	Yes

**BLASTING RECORDS**

Blasting Publication	Yes
Blasting Records (3 years)	Yes
ATFE Explosives Permit	n/a
Blasting Variances	Yes
Pre-Blast Surveys	Yes

**ADDITIONAL RECORDS  
(specify)**


**COMMENTS:**


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\* Permit Renewal No. 6 is in progress

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\*\* APEN Renewal was submitted to APCD by WFC in Oct-2012

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