



**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 12050 N. Pecos St., Suite 100 Westminster, CO 80234	County: Montrose Operation Type: Surface Permit Status: Active Ownership: Private
	Operator Representative Present: Ross Gubka
Operator Representative Signature: (Field Issuance Only) This report was issued electronically from the Division's Durango Field Office.	

INSPECTION INFORMATION

Inspection Start Date: June 10, 2013 Inspection Start Time: 12:20 Inspection End Date: June 10, 2013 Inspection End Time: 16:30		Inspection Type: Coal Complete 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): Marcia L. Talvitie, P.E.	Inspector's Signature: 		Signature Date: 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**NA** - Backfill & Grading**NA** - Excess Spoil and Dev. Waste**NA** - Explosives**Y** - Fish & Wildlife**R** - Hydrologic Balance**R** - Gen. Compliance With Mine Plan**NA** - Other**NA** - Processing Waste**R** - Roads**NA** - Reclamation Success**NA** - Revegetation**NA** - Subsidence**NA** - Slides and Other Damage**R** - Support Facilities On-site**Y** - Signs and Markers**NA** - Support Facilities Not On-site**NA** - Special Categories Of Mining**R** - Topsoil**COMMENTS**

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

The inspection began with a check of the records, and concluded with a site visit. Ross Gubka was available to escort me on the field portion of the inspection.

PERMITTING UPDATE:

TR-01: This TR, replaced MR-02, was approved on May 3, 2013 and was issued on May 23rd.

TR-02: Thus application was called complete on March 21, 2013. The Division has not yet issued an adequacy review letter for this TR, which replaced MR-03.

TR-03: This revision was called complete on May 10, 2013. The Division will issue an adequacy review shortly.

TR-04: This revision was called complete on May 23, 2013. The Division will issue an adequacy review later this month.

MR-05: The Division issued an adequacy review on June 6, a response was submitted on June 11, and a second adequacy review was issued on June 12, 2013.

MR-06: This application was received on May 16, then called complete and approved on May 17, 2013.

AIR RESOURCE PROTECTION – Rule 4.17:

- Western Fuels has been issued a second Compliance Order on Consent (COC) by the APCD which allows “Phase 2” work at the site to be accomplished. The COC was incorporated into the permit with MR-06. It addresses topsoil salvage and stockpiling from additional areas and excavation of backfilled spoil to expose the former Peabody highwall. No blasting is permitted at this time.
- An elevated water tank and two water trucks have been brought to the site to assist with dust control during the course of the Phase 2 work.

Number of Partial Inspection this Fiscal Year: 10

Number of Complete Inspections this Fiscal Year: 4

- At the Western Fuels office, I was introduced to an employee of Walsh Environmental who will be on site as an independent observer of emissions.

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.
- A 4-volume set of 3-ring binders containing the full Permit Application Package was on the shelf.
- For MR-03/TR-02, the Feb. 25 application was available. I did not observe any TR-02 items. The MR-04 application was posted. This can be removed, since it was approved on April 10, 2013. (Note: The rules do not require that Minor Revisions be posted for public viewing; they are available at the Division's office.)
- The applications for TR-03 (May 14, 2013) and TR-04 (Jun 7, 2013) were posted.
- Permit records are kept at the New Horizon 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.

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. A pressure regulator was installed this season on the irrigation pipeline segment immediately west of 2600 Road (where the pipeline leaves the permit area). The gauge read 44 psi at the time of the inspection.
- Pond NHN-001 was completely dry. The east and west collection ditches that feed the pond appeared to be stable.

GENERAL MINE PLAN COMPLIANCE:

- Phase 2 development work was just preparing to get under way. WFC has hired a contractor to do the topsoil stripping and excavation of the boxcut.
- Rental equipment seen at the site included the following: two 65-ton haul trucks; two water trucks; a water storage tank; and a large front-end loader. There were also pieces of WFC-owned equipment stationed at the site: two bulldozers and a motor grader.

- The boxcut spoil, which consists of blasted overburden / spoil backfill generated from Peabody's Nucla Mine, will be excavated using the bulldozers, then placed into the haul trucks by the front-end loader. The material will be end-dumped in the designated temporary spoil pile north of Pond NHN-001.

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 County Road and Bridge crews have made significant progress on the realignment of 2700 Road north of the Tuttle Draw crossing.
- Mr. Gubka said they will probably need to gravel the surface of the existing two-track road that proceeds south of the permit area, west of Nygren Draw, to the old Nucla Mine Sediment Pond 001. We discussed whether or not this track should be included in the permit as a light use road, since it may be used to access a water pump throughout the life of the mine. The Division will research this issue, and inform WFC of its findings.

SUPPORT FACILITIES - Rule 4.04:

- A gravel pad has been constructed in the facilities area for placement of the fuel depot.

TOPSOIL – Rule 4.06

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

- The limits of the Phase 2 topsoil salvage have been delineated on the ground by a shallow cut running from east to west. Mr. Gubka said that Phase 2 soils situated north of the former irrigation ditch alignment are classified as Progresso, and will be handled and stockpiled accordingly. The remainder of the soils are not Progresso.

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.6/20/2017)
Permit Application w/Revisions	Yes
Findings Document	Yes
Insurance Certificate	Yes(Exp.1/1/2014)
Bond Document	Yes
Phased Bond Release Documents/Findings	n/a
Air Emission Permits*	Yes
County Special Use Permits	Yes (SU-10-0020)
UG Mining Landowner Notification	n/a
Subsidence Monitoring Reports	n/a
Subsidence Monitoring Data	n/a
Rill & Gully Survey	n/a
Vegetation Monitoring Data	n/a
Specific Variance Approvals	n/a
Annual Reclamation Reports	Yes (2012)
Midterm Review Documents	n/a
DRMS/OSM Inspection Reports / Enforcement Actions (3 Years)	Yes
Transfers/Succession of Operator	n/a
Temporary Cessation Notification	n/a
Reclamation Cost Estimate	Yes

CERTIFICATIONS

Pond Certifications	Yes (NHN-001)
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	n/a
Access Road Certifications	n/a

HYDROLOGIC RECORDS

NPDES Permit	Yes
NPDES Records	Yes
Stormwater Management Plan	Yes
SPCC Plan	n/a
MSHA Pond Inspections	n/a
State Engineer's Pond Inspection	n/a
Quarterly Pond Inspections	Yes (2012-Q2)
Annual Hydrology Reports	Yes (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	n/a
Blasting Records (3 years)	n/a
ATFE Explosives Permit	n/a
Blasting Variances	n/a
Pre-Blast Surveys	n/a

ADDITIONAL RECORDS (specify)

COMMENTS:

* COCs for Phase 1 and Phase 2
