




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: August 22, 2013 Inspection Start Time: 08:30 Inspection End Date: August 22, 2013 Inspection End Time: 15:00		Inspection Type: Coal Partial 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: 03 September 2013

Inspection Topic Summary

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

R - Air Resource Protection**N** - Availability of Records**N** - Backfill & Grading**R** - Excess Spoil and Dev. Waste**R** - Explosives**Y** - Fish & Wildlife**R** - Hydrologic Balance**R** - Gen. Compliance With Mine Plan**N** - Other**NA** - Processing Waste**Y** - Roads**NA** - Reclamation Success**NA** - Revegetation**NA** - Subsidence**Y** - Slides and Other Damage**R** - Support Facilities On-site**Y** - Signs and Markers**NA** - Support Facilities Not On-site**NA** - Special Categories Of Mining**Y** - Topsoil**COMMENTS**

A partial inspection of the New Horizon North Mine was conducted on Thursday, August 22, 2013 by me, Marcia Talvitie, of the Division. Ross Gubka was available to represent the operator, Western Fuels-Colorado, LLC, throughout the inspection.

The temperature was approximately 90 degrees, and humid. Storm clouds had passed through the area the night before, but it did not appear that the mine site had received any overnight precipitation.

PERMITTING UPDATE:

TR-02 (Overburden Blasting) was approved on July 12 and formally issued on August 6, 2013.

TR-03 (Incidental Boundary Revision) - The Division issued a Preliminary Adequacy Review on July 17, and WFC submitted a response package on August 26. The Division issued a proposed decision to approve this revision on August 30, the due date. It is anticipated that the public notice will appear in the September 5 edition of the Forum, and that the revision will be formally issued on or around September 16, 2013

TR-04 (As-Built Info for NHN-001 Ditches) - The Division issued a Preliminary Adequacy Review on July 22, 2013. An adequacy response package was received on August 30. The Decision Due Date has been extended from August 30 to September 30, 2013.

MR-07 (Dewatering and Pit Well Permits) - The Division issued a decision to Approve MR-07 on July 19, 2013.

MR-08 (CDPHE APCD Construction Permit) - The application was submitted on August 20, deemed complete on August 21, with an adequacy review on the same date. A response was received on August 26, and the Division issued a decision to Approve the revision on the same day.

AIR RESOURCE PROTECTION – Rule 4.17:

- On August 12, 2013, the Air Pollution Control Division issued Initial Approval of the mine's Construction Permit. Permit No. 10MO2275F was formally incorporated into the DRMS permit under MR-08. Issuance of this permit will allow the operator to expand mining

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activities beyond what has been possible under the intervening Compliance Orders on Consent.

- Conduit has been installed beneath AA Road, just west of the mine entrance (Photo 1), in order to connect the water line (originating at NH1 Pond 001) to the overhead water tank, from which the water will be used for dust control.

EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09

Placement; Drainage Control; Surface Stabilization:

- Significant progress has been made in the construction of the boxcut overburden stockpile, immediately north of Pond NHN-001 (Photo 2).
- Free-dig overburden material excavated from the area to be blasted is being placed in the lower portion of the pile. The lower overburden, once it has been shattered by blasting, will then be trucked and dumped in the upper portions of the pile.

EXPLOSIVES – Rule 4.08

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

- Drilling and blasting has commenced this week at the mine. A pattern of holes had been recently drilled, and appeared to be ready for loading with explosives (Photo 3).

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:

- Mr. Gubka and I arrived at the site shortly after drilling of a Dewatering Well (DW12-1) had been completed (Photo 4). This well was one of three permitted by the Division of Water Resources for the purpose of dewatering the spoil used to backfill the former highwall of the Nucla/NH1 Mine.
- George O'Hara, consulting geologist, oversaw the drilling operation. Himes drilling was contracted to do the work. A 20' 10-inch surface casing was used. Mr. O'Hara said no groundwater was encountered, and that the drill rig hit a hard sandstone layer at a depth of 70.5 feet, which was the estimated depth of backfill. Because the hole was dry, no dewatering of the spoil will be necessary, and the operator will not drill the other two dewatering wells, which were to have been located up-gradient of this well.
- Mr. O'Hara said this well would not be mined through; rather, the overburden stockpile will cover this area. Reclamation of the well will be accomplished by filling the bottom of the hole with bentonite pellets (using whatever amount was available at the local Co-Op), and then filling the remainder of the well and casing with Portland cement. The casing would be cut off at three feet below the surface.
- There is a permitted domestic well at the Meehan homesite (Photo 5). The well was transferred to Western Fuels with the purchase of the former Meehan property. Because the well will be mined through, permission to abandon the well must be obtained from the Division of Water Resources.

GENERAL MINE PLAN COMPLIANCE:

- The mine plan, as illustrated on permit Map 2.05.2-1, consists of a series of cuts oriented in an East-West direction. Mining will begin at the south, and move northward. Each cut is designed to be 115 feet in width.
- For the western side of the current mining area, Western Fuels has determined that the old Peabody highwall will not be exposed for commencement of mining. Instead, a quantity of coal, together with the overburden, will be left in place (Photo 6).
- Free-dig, or “Bench 1”, overburden has been removed from an area 230 feet (two cuts) in width on the western side of the mining area. Drilling and blasting will follow. The Bench 1 highwall surrounding the area on three sides appears to be approximately 20 feet in height (Photo 7).

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):

- Entrance to the active mining area is gained from Montrose County’s AA Road, which forms the southern boundary of the main permit area.
- As a condition of the mine’s Special Use Permit with the County, 2700 Road and AA Road between the New Horizon and New Horizon North Permit areas are being reconstructed and/or resurfaced. County crews were working on the AA Road portion during our inspection.

SUPPORT FACILITIES - Rule 4.04:

- In the southeast corner of the permit, east of the entrance from AA Road, a rectangular area has been surfaced with gravel and a number of poles have been installed to provide power and overhead lighting.

ENFORCEMENT ACTIONS/COMPLIANCE

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



Photo 1 - Conduit



Photo 2 – Looking WSW at Boxcut Overburden Sockpile

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Photo 3 – Drill rig and pattern of holes



Photo 4 – DW12-1 casing

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Photo 5 – Well house – Meehan property

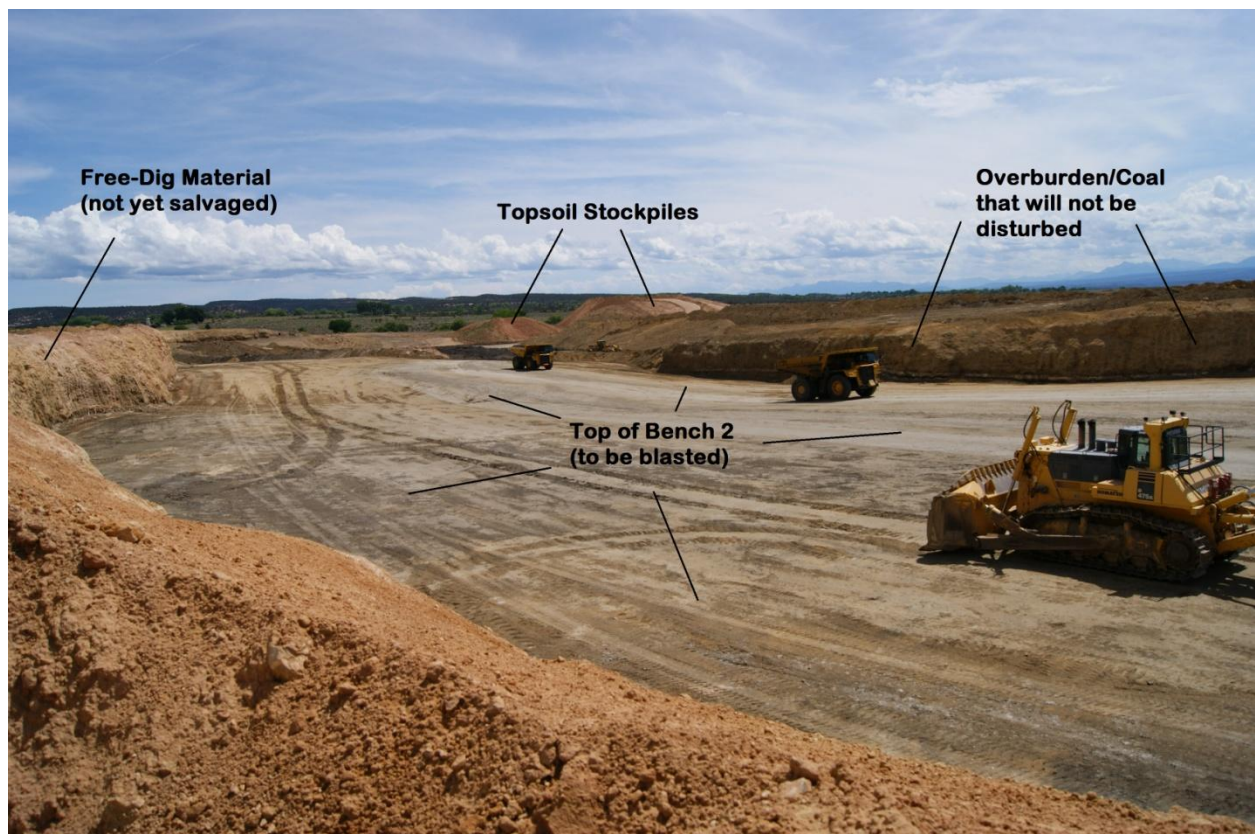


Photo 6 – Surface ready for blasting, looking SE

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Photo 7 – West end of cuts, shovel for scale