




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



PERMIT INFORMATION

Permit Number: C-1981-018 Mine Name: Deserado Mine Operator: Blue Mountain Energy, Inc Operator Address: Mr Scott Wanstedt 3607 County Road 65 Rangely, CO 81648	County: Rio Blanco Operation Type: Underground Permit Status: Active Ownership: Federal
Operator Representative Present: Scott Wanstedt	
Operator Representative Signature: (Field Issuance Only) 	

INSPECTION INFORMATION

Inspection Start Date: October 17, 2013 Inspection Start Time: 11:30 Inspection End Date: October 17, 2013 Inspection End Time: 14:30	Inspection Type: Coal Partial Inspection Inspection Reason: Normal I&E Program Weather: Clear
Joint Inspection Agency: None	Joint Inspection Contacts: None
Post Inspection Agency: None	Post Inspection Contacts: None
Inspector(s): Zach T. Trujillo	Inspector's Signature:  Signature Date: 10/23/13

Inspection Topic SummaryNOTE: **Y**=Inspected **N**=Not Inspected **R**=Comments Noted **V**=Violation Issued **NA**=Not Applicable

N - Air Resource Protection
N - Availability of Records
R - Backfill & Grading
N - Excess Spoil and Dev. Waste
N - Explosives
N - Fish & Wildlife
R - Hydrologic Balance
N - Gen. Compliance With Mine Plan
R - Other
R - Processing Waste

R - Roads
N - Reclamation Success
N - Revegetation
N - Subsidence
N - Slides and Other Damage
Y - Support Facilities On-site
R - Signs and Markers
N - Support Facilities Not On-site
N - Special Categories Of Mining
R - Topsoil

COMMENTS

This was a partial inspection of the Deserado Mine by Zach Trujillo of Colorado Division of Reclamation, Mining and Safety (DRMS) conducted on October 17, 2013. Scott Wanstedt of Blue Mountain Energy, Inc. (BME) accompanied the inspection. The weather was clear with the ground dry. A recent precipitation event had occurred a couple days prior to the inspection. Temperatures for the day were around fifty five degrees fahrenheit.

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:

Drill pad was constructed and graded for construction of rock dust tank and blower. Two levels of pads were constructed. The east pad for the rock dust tank and the west pad for the blower. The site was fresh and still being constructed. Erosion control measures will be included as construction continues.



Constructed pad for rock dust tank and blower.

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;

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Number of Complete Inspections this Fiscal Year: 1

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:

Ponds HSL-1 held little water from recent rainfall. No issues were noted.

The facility pond DP-1 held water with no discharge. Water levels in the pond have been reduced for future cattail management around the embankments. Pond and associated spillways were stable with no issues noted. The two channels from the facility benches were stable. The main channel was well armored with rip rap and the secondary channel was showed no signs of erosion or cutting.

Both PP-1 and PP-2 held water and were not discharging. Pond PP-1 is in situ with no embankments. PP-2's embankments were stable. No issues were observed with either pond.

The mine dewatering pump was not operating at the time of the inspection. Water was being held up to the first five ponds in the series. Water was then being pumped from the 5th pond into the artificial wetlands section. Water was pumped up to the final cell of the artificial wetland section. Water from the mine dewatering pump had not entered the Last Chance Pond although minimal water was being held in the pond from recent rainfall. To the date of this inspection, no water has been discharged from the Last Chance Pond. All related pond embankments and transfer points were stable. No issues were observed.

Ponds RR-1, RRS-1, SS-1 and SS-2 were dry. Embankments were stable and spillways were in working condition.

Pond RP-1 was dry and stable. Refuse pile ponds RP-2/3, RP-4 and PR-5 all held water. None of the ponds were discharging. No issues were observed with the refuse pile ponds.

Numerous SAE's were inspected for proper sediment control structures and for erosion and sediment leaving the site. Sites included rock dust tank, vent shafts, nitrogen injection holes, haul road blisters, water tank storage and radio tower. No issues were observed at any of the sites inspected.



Pond DP-1.



Refuse pile pond PR-4.

OTHER (SPECIFY):

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The Halandras Landfill was inspected. Trash and debris was observed to be outside of the landfill pit, most notably on the eastern side of the landfill. Please ensure all trash and debris is properly disposed of within the containment area of the landfill pit.

The interior of the water tank was recently cleaned. A temporary lifted gravel pad was constructed next to the tank within the SAE containment area for a water bladder as they cleaned the interior of the tank. Now the tank's cleaning has been completed, Scott Wanstedt mentioned the pad will be removed and the gravel will be used elsewhere.

PROCESSING WASTE/COAL MINE WASTE PILES – Rule 4.10 and 4.11

Drainage Control; Surface Stabilization; Placement:

Refuse Pile 1 has been reclaimed. The pile was stable and well vegetated.

Active refuse piles were stable and properly graded to ensure runoff is directed to sediment ponds from perimeter ditches. Refuse was actively being transported, stacked and spread during the time of the inspection. Spreading and compaction was occurring in approximately 6" lifts. No issues were noted with both Refuse Pile 2/3/4 and RP 5A.

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):

Roads were stable and well maintained. No signs of fugitive dust were observed.

SIGNS AND MARKERS – Rule 4.02:

Three mine identification signs were inspected. Signs were located at the intersection of County Road 65 and the permit boundary, County Road 65 and the Deserado Mine entrance road and at the intersection of County Road 65 and Highway 64. All signs were in compliance with all required information.

TOPSOIL – Rule 4.06

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

All topsoil/subsoil piles observed were marked properly with signs designating each pile as such. No instability issues were noted for soil piles.

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ENFORCEMENT ACTIONS/COMPLIANCE

No enforcement actions were necessary as a result of this inspection.

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