




**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: December 19, 2013 Inspection Start Time: 11:30 Inspection End Date: December 19, 2013 Inspection End Time: 14:00	Inspection Type: Coal Complete Inspection Inspection Reason: Normal I&E Program Weather: Sunny
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: 1/7/14

Inspection Topic Summary

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

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

COMMENTS

This was a complete inspection of the Deserado Mine by Zach Trujillo of Colorado Division of Reclamation, Mining and Safety (DRMS) conducted on December 19, 2013. Scott Wanstedt of Blue Mountain Energy, Inc. (BME) accompanied the inspection. The weather was clear with the ground snow covered. Recent snow event had occurred prior to the inspection. Temperatures for the day were around twenty degrees fahrenheit. This was a special focus inspection on the mine's sediment ponds.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

All records are kept on site at the Deserado Mine's office building with Scott Wanstedt. Please see the Division's Availability of Records checklist at the end of this inspection report for more detailed information.

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;

Pond DP-1 is the primary pond for the entire facility area. The pond's embankments were stable. The primary discharge is a riser pipe with the inlet was clear of debris. Cattails have been recently removed around the inlet to this spillway. The emergency spill way was well armored with rip rap and a concrete cutoff wall. The main channel from the intermediate facility bench was stabilized with rip rap. No cutting or instability was observed. The secondary channel for the same facility bench was also stable and showed no signs of cutting. The beginning of the secondary ditch is constructed with a rock check dam as additional sediment control prior to entering Pond DP-1.

Ponds PP-1 and PP-2 collect partial runoff from the facility area. PP-1 is an in situ pond located just below the refuse bin and truck loadout. Pond PP-2 is semi-in situ with its main embankment appears stable but was snow covered at the time of the inspection. The spillway is a combination primary/emergency riser pipe spillway. No

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issues were observed for either of the ponds.

B-Seam Dewatering Pond pump was not operating during the time of the inspection. The B-Seam Dewatering Pond consists of series of 6 primary ponds that leads into an artificial wetland before reaching a final pond called the Last Chance Pond. At the time of the inspection, water had been previously pumped up to the 6th pond where it is then allowed to settle out. Water was not being pumped into the artificial wetlands. The water within the wetlands section settles out over time.. The Last Chance Pond was held minimal water and was snow covered. To the date of this inspection, no water has been discharged from the Last Chance Pond.

Ponds SS-1 and SS-2 collect runoff from the Slot Storage. Both ponds' primary spillways are trickle tubes. Spillway inlets were clear of debris with stable. Pond SS-1 held no water. Pond SS-2 held minimal amounts of water with no discharge. Both ponds were snow covered at the time of the inspection.

Ponds RR-1 and RRS-1 are located south of the railroad loop. Both ponds collect runoff and wash down water from the train loadout. Both ponds were stable. Both ponds were dry at the time of the inspection.

All refuse pile ponds were inspected. RP-1 collects runoff from the reclaimed Refuse Pile 1. RP-1 was dry and snow covered. The riser pipe primary spillway inlet and outlet were clear of any debris. Embankments were stable and no signs of instability. Pond RP-2/3 consists of three cells. Runoff from Refuse Pile 2/3/4 are directed into two upper cells. Once water fills to the spill way of these two upper cells, water then enters the larger third cell. The primary discharge is a riser pipe. The emergency spillway was armored with rip rap. The pond was dry at the time of the inspection. RP-4 was dry at the time of the inspection. Primary discharge is a riser pipe with a rip rap armored channel as its emergency spillway. Both spillways were clear. No issues with the embankments were noted. Pond RP-5 was also dry. RP-5 has a combination primary/emergency spillway and was armored with rip rap. Embankments were stable and vegetated.

The Raw Water Lagoon was inspected with no issues noted.



Pond DP-1.



Primary spillway for pond RP-1.

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GENERAL MINE PLAN COMPLIANCE:

The rock dust tank along the access road to the rail road loop was being installed during the time of inspection. No issues were observed.



Rock dust tank being installed.

During the inspection, it was observed that the power plant train was being loaded with coal.

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

Drainage Control; Surface Stabilization; Placement:

Refuse was being stockpiled on the top of Refuse Pile 5A for the winter. Refuse will be spread and compacted once weather allows. It was mentioned that more refuse was being produced more than normal due to increase of clay found within the coal seam.

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ENFORCEMENT ACTIONS/COMPLIANCE

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

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AVAILABILITY OF RECORDS**PERMIT RECORDS**

DRMS Permit	Exp. 7/27/14
Permit Application w/Revisions	Ok
Findings Document	MT-6
Insurance Certificate	Exp 12/30/13
Bond Document	\$5,711,474
Phased Bond Release	N/A
Documents/Findings	
Air Emission Permits	12RB802-1F
County Special Use Permits	Rio Blanco Co ¹
	00-43
UG Mining Landowner Notification	Ok
Subsidence Monitoring Reports	3 rd Qrt 2013
Subsidence Monitoring Data	3 rd Qrt 2013
Rill & Gully Survey	N/A
Vegetation Monitoring Data	N/A
Specific Variance Approvals	N/A
Annual Reclamation Reports	2012
Midterm Review Documents	2012
DRMS/OSM Inspection	Thru Nov. 2013
Reports/Enforcement Actions (3 Years)	
Transfers/Succession of Operator	Ok 1997
Temporary Cessation Notification	N/A
Reclamation Cost Estimate	MT-6
CERTIFICATIONS	
Pond Certifications	OK
Annual Certifications for Impoundments	OK
Fill Certifications for Excess Spoil or Underground Development Waste	OK
• Quarterly Inspections	3 rd Qrt 2013
• Compaction Testing	3 rd Qrt 2013
• Final Certification	RP-1 2011
Coal Processing Waste Banks	3 rd Qrt 2013
Haul Road Certifications	Ok
Access Road Certifications	Ok

HYDROLOGIC RECORDS

NPDES Permit	Exp. 2012 ²
NPDES Records	3 rd Qrt 2013
Stormwater Management Plan	2012
SPCC Plan	Mar. 2008
MSHA Pond Inspections	N/A
	N/A
State Engineer's Pond Inspection	
Quarterly Pond Inspections	3 rd Qrt 2013
Annual Hydrology Reports	2012
• Ground Water Monitoring	Ok
• Surface Water Monitoring	Ok
• Spring & Seep Monitoring	N/A
• Mine Water Discharge Monitoring	Ok
• Mine Inflow Study	Ok
• Water Consumption Records	Ok
Well Permits	Ok

BLASTING RECORDS

Blasting Publication	N/A
Blasting Records (3 years)	N/A
ATFE Explosives Permit	July 1 st 2015
Blasting Variances	N/A
Pre-Blast Surveys	N/A

**ADDITIONAL RECORDS
(specify)**

COMMENTS: 1) Application is extended by county.

2) Extended. Updated NPDES permit currently under review.

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