



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

January 29, 2018

Jason Tuttle
Blue Mountain Energy, Inc.
3607 County Road #65
Rangely, CO 81648

**RE: Blue Mountain Energy, Inc., Deserado Mine, Permit C-1981-018
Fourth Quarter 2018 Coal Waste Pile Inspection Report Review**

Dear Mr. Tuttle:

The Colorado Division of Reclamation, Mining, and Safety (CDRMS) have found the above referenced report to be in compliance with CDRMS Regulations: 4.09.1(11) and 4.10.2(2), unless noted below.

The above referenced report was prepared by Blue Mountain Energy personnel for the Deserado Mine. Bi-weekly inspections were conducted throughout the fourth quarter of 2017. Based on the report, BME did not observe any apparent points of seepage, signs of instability, structural weakness or hazardous conditions at the active piles.

The fourth quarter 2017 inspection identified the following items:

- Refuse was spread and compacted on Area 5.

The observations reflect observations with on-site inspections conducted by the Division of the Waste Pile. The report states that approximately 11,100,805 tons of wet refuse has been placed on the active refuse piles to date (6,054,336 on 2/3/4 and 5,046,469 on 5A).

During the fourth quarter 2017, a total of 12 compaction tests were conducted. All tests completed during the quarter met the minimum compaction requirement of 90% of the maximum standard Proctor density (Field Density test information was not included).

The Division has no additional adequacy comments based on this report

If you have any questions feel free to contact me. (303) 866-3567 ext 8134



Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Musick". The signature is fluid and cursive, with the first name "Jason" and last name "Musick" clearly distinguishable.

Jason Musick
Environmental Protection Specialist

