



**PERMIT INFORMATION**

<b>Permit Number:</b> C-1981-018 <b>Mine Name:</b> Deserado Mine <b>Operator:</b> Blue Mountain Energy, Inc. <b>Operator Address:</b> Mr. Kurtis Blunt 3607 County Road 65 Rangely, CO, 81648	<b>County:</b> Moffat, Rio Blanco <b>Operation Type:</b> Underground <b>Permit Status:</b> Active <b>Ownership:</b> Private
	<b>Operator Representative Present:</b>  Kurtis Blunt
<b>Operator Representative Signature: (Field Issuance Only)</b>  	

**INSPECTION INFORMATION**

<b>Inspection Start Date:</b> March 12, 2020 <b>Inspection Start Time:</b> 12:00 <b>Inspection End Date:</b> March 12, 2020 <b>Inspection End Time:</b> 14:10		<b>Inspection Type:</b> Coal Complete Inspection <b>Inspection Reason:</b> Normal I&E Program <b>Weather:</b> Clear	
<b>Joint Inspection Agency:</b>  None		<b>Joint Inspection Contacts:</b>  None	
<b>Post Inspection Agency:</b>  None		<b>Post Inspection Contacts:</b>  None	
<b>Inspector(s):</b>  Clayton Wein	<b>Inspector's Signature:</b>  <i>Clayton Wein</i>		<b>Signature Date:</b>  3/19/2020

**Inspection Topic Summary**

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

N - Air Resource Protection

R - Availability of Records

N - Backfill &amp; Grading

N - Excess Spoil and Dev. Waste

N - Explosives

Y - Fish &amp; Wildlife

R - Hydrologic Balance

Y - Gen. Compliance With Mine Plan

N - Other

R - Processing Waste

R - Roads

N - Reclamation Success

N - Revegetation

N - Subsidence

N - Slides and Other Damage

R - 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 complete inspection of the Deserado Mine conducted on March 12, 2020. The inspection was completed by Clayton Wein of the Division. Kurt Blunt of Blue Mountain Energy, Inc. attended the inspection. The weather was clear with a temperature of 50 degrees F. The ground conditions were damp and muddy. Due to the ground and road conditions, some portions of the mine site were inaccessible.

**AVAILABILITY OF RECORDS – Rule 5.02.4(1):**

The records for the Deserado Mine are located in the mine office with Kurt Blunt. The records were well kept and up to date. Please see the Availability of Records Form attached to the end of this report for more details.

**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:

There is one pond, RR-1, and a sump, RS-1 (Photo 1), located on the south side of the train loadout. The pond was receiving a small amount of water from the culvert inlet during the inspection. The inlets to the pond were in good condition. There was a small puddle of water impounded in the pond. No discharge was occurring. The outlets for the pond were stable and clear of obstructions. The embankment for the pond was vegetated and stable. There were no erosional features. The sump was dry. The outlet for the sump was stable and clear of obstructions. The embankments for the sump were stable with vegetation. There were no indications of erosion. A ditch leading from the loadout to the RR-1 Pond was dry. The ditch was clear of obstructions and stable. The embankments of the ditch are vegetated and there were no erosional features.

There are two ponds, The SS-1 and SS-2 pond, located on the north side of the Slot Storage facility. The SS-1 pond is located directly north of the facility. The pond was holding a small amount of water. There was no discharge from the pond. The outlet for the pond was clear of debris. The embankments were vegetated and stable. No erosional features were observed. The SS-2 Pond is located to the northwest of the facility. The pond

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was dry at the time of the inspection (Photo 2). The outlets were in good repair. The pond's embankments were vegetated and stable. There were no erosional concerns.

The B Seam Dewatering System No. 2 is located to the southeast of the Slot Storage. The system is composed of three cells, of which only the first two cells were being used. The system was not pumping water into the first cell at the time of the inspection. Only the first cell was impounding water (Photo 3), there was no discharge to the second cell. The embankments of the cells were stable with vegetation. There were no indications of erosion. The outlets were clear of debris.

The B Seam Dewatering System No. 1 was inactive. All cells of the dewatering system were impounding water. The last Chance Pond was discharging water to Red Wash (Photo 4). The Outlet of the pond was in good repair. The embankments of the system were vegetated and stable. There were no erosional features observed.

An attempt was made to reach the RP-1, RP-2/3, RP-4 and RP-5 ponds. Due to road conditions only the RP-2/3 pond was able to be inspected. The RP-2/3 Pond is located on the northeast corner of the RP-2/3/4 Refuse Pile. The pond consists of three individual cells. All cells of the pond were holding water. The main cell did not have enough water impounded in it to discharge to Red Wash. The outlet of the pond was clear of debris. The spillways between the other two cells and the main cell were in good repair. The embankments of all three cells were stable with vegetation. There were no indications of erosional features.

The RP-A Pond is located at the southeast end of the RP-A Refuse Pile Area. The construction of the refuse area was initiated in late 2019. The refuse pile has not yet begun to receive refuse material. The pond was not holding water at the time of the inspection. The embankment is relatively new and did not yet have vegetative growth on it. The embankment was stable and there were no erosional features. The outlet of the pond was clear of obstructions.

The Raw Water Lagoon is located at the southern portion of the permit area next to the White River. The pond was frozen during the inspection. The embankment was stable with vegetation. There were no indications of erosional features.

Three ponds are located at the portals/main facilities area. The DP-1 Pond is located on the south side of the main facilities area. The pond was receiving runoff from melted snow during the inspection. The pond was partially frozen (Photo 5). The outlet to the pond was unobstructed. The embankment was vegetated and stable. There were no erosional concerns identified. The PP-1 Pond is located on the Prep Plant bench north of the DP-1 Pond. The pond was impounding water. There was no discharge from the pond. The embankments were vegetated and stable. No erosional features were noted. The PP-2 Pond is located on the upper bench and to the west of the PP-1 Pond. The pond was holding water and mostly frozen (Photo 6). There was no discharge from the pond. The embankment was stable and vegetated. There were no erosional features.

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

Drainage Control; Surface Stabilization; Placement:

During the inspection refuse on the RP-2/3/4 Pile was being spread out. The pile's slopes were stable with minor amounts of volunteer vegetation on them. The slopes of the pile had rills on them. These rills have been

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noted in previous Division inspections. If these rills increase to the size of gullies, the Division will recommend that the slopes be regraded.

Refuse was being actively placed on the RP-5a Pile. The pile was stable and the slopes had minor amounts of volunteer vegetation on them. There were rills on the slopes of the pile. If the rills increase in size to gullies, the Division will recommend regrading the slopes. The rills on the pile's slopes have been noted in previous Division inspections.

Work on the RP-A Refuse area was not occurring during the inspection due to the soft and damp ground conditions. The area was stable and there were no indications of erosion (Photo 7). No off-site impacts were observed.

#### 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 Haul Road was in good condition during the inspection. No concerns of erosion or instability were noted. The portion of the Haul Road ditch extending from the intersection with County Road 65 to the portals/main facilities area has begun to fill with sediment. **Cleaning the ditch during the normal spring maintenance/cleaning is recommended.**

Access roads throughout the mine site were in good repair. Due to the soft and damp conditions many access roads were not driven on to ensure that rutting does not occur.

#### SUPPORT FACILITIES - Rule 4.04:

Access to some of the support facilities was limited due to soft ground and road conditions. Facilities inspected included;

The Slot Storage was well kept. The berms surrounding the facility were vegetated and stable. The slopes of the facility were vegetated and stable. There were no erosional features observed.

The pad for the Nitrogen Plant No. 2 was stable. There were no erosional features on the pad or leading off of the pad.

The pad for RDH-2 was stable. The pad had no erosional features on it or leading off of it.

The pad for the Water Storage Tanks is located above the portals area. The pad was in good repair and stable. There were no off-site impacts observed.

The Pad For the West Main Vent Shaft was stable. There were no erosional features on or leading off of the pad. The safety fence around the vent shaft was in good condition.

The pad for the B Vent Shaft No. 1 was stable and in good condition. The cut-slope on the north side of the pad was stable with no erosional issues. There were no off-site impacts from the pad. The safety fence surrounding the vent shaft was in good repair.

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The fuel storage area was stable and well kept. The berms surrounding the storage tanks were stable with no erosion. The pad had no off-site impacts.

The Haul Road blisters were well kept. There were no observed indications of instability or off-site impacts.

The Main Facilities are consists of three benches. The lower bench contains the mine office, shop and portals. This bench was stable and well kept. Water from runoff was being directed to the DP-1 Pond. There were no off-site impacts observed. The middle bench is dedicated to the prep plant. This bench was observed to be stable with no erosional concerns. Water from runoff was being properly directed to the DP-1 Pond. The ditches on the bench have partially filled with sediment. Conversations with the operator's representative has assured the Division that the ditches are included on the items for spring maintenance. The slopes of the bench were vegetated and stable (Photo 8). There were no erosional features observed. The upper bench has an equipment laydown area, power substation and the PP-2 Pond. The bench was maintained and stable. The berms were vegetated with no erosional concerns. The safety fence surrounding the substation was in good condition. The slopes of the bench were stable and vegetated. There were no erosional concerns.

#### **SIGNS AND MARKERS – Rule 4.02:**

The mine identification sign was displayed to the right of the entrance to the permit area on County Road 65. The sign was unobstructed and displayed the required information regarding the permit, the permittee and the Division.

Topsoil markers were located on top of topsoil pile located throughout the mine site. The signs were in good condition and in unobstructed locations.

#### **TOPSOIL – Rule 4.06**

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

Topsoil piles seen during the inspection were covered with vegetation and stable. There were no indications or erosion. The perimeter berms were also vegetated and stable.

**DOCUMENTS RECEIVED: None**

**OTHER (SPECIFY): None**

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**ENFORCEMENT ACTIONS/COMPLIANCE**

No enforcement actions were initiated as a result of this inspection, nor are any pending.

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## **PHOTOGRAPHS**

**Note: The red arrow in the photos indicates the direction of north.**



**Photo 1: The RS-1 Sump.**



**Photo 2: The SS-2 Pond.**

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**Photo 3:** The Upper cell of the B Seam Dewatering System No. 2.



**Photo 4:** The outlet of the Last Chance Pond at the B Seam Dewatering System No. 1.

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**Photo 5:** The DP-1 Pond.



**Photo 6:** The PP-2 Pond on the upper bench of the Main Facilities Area.

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**Photo 7:** An overview of the RP-A Refuse Area construction.



**Photo 8:** The slopes of the middle bench at the Main Facilities Area.

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**AVAILABILITY OF RECORDS****PERMIT RECORDS**

DRMS Permit	RN-7
Permit Application w/Revisions	OK
Findings Document	RN-7
Insurance Certificate	Exp. 12/30/2020
Bond Document	RN-7
Phased Bond Release	NA
Documents/Findings	
Air Emission Permits	OK
County Special Use Permits	OK
UG Mining Landowner Notification	OK
Subsidence Monitoring Reports	4 <sup>th</sup> Q 2019
Subsidence Monitoring Data	PAP
Rill & Gully Survey	NA
Vegetation Monitoring Data	2019 ARR
Specific Variance Approvals	NA
Annual Reclamation Reports	2019
Midterm Review Documents	MT-7
DRMS/OSM Inspection Reports/Enforcement Actions (3 Years)	Up to February 2020
Transfers/Succession of Operator	OK
Temporary Cessation Notification	NA
Reclamation Cost Estimate	RN-7
<b>CERTIFICATIONS</b>	
Pond Certifications	OK
Annual Certifications for Impoundments	OK
Fill Certifications for Excess Spoil or Underground Development Waste	OK
• Quarterly Inspections	4 <sup>th</sup> Q 2019
• Compaction Testing	4 <sup>th</sup> Q 2019
• Final Certification	RP-1
Coal Processing Waste Banks	4 <sup>th</sup> Q 2019
Haul Road Certifications	OK
Access Road Certifications	OK

**HYDROLOGIC RECORDS**

NPDES Permit	Admin. Extension
NPDES Records	4 <sup>th</sup> Q. 2019
Stormwater Management Plan	OK
SPCC Plan	2008
MSHA Pond Inspections	NA
	DP-1
State Engineer's Pond Inspection	
Quarterly Pond Inspections	4 <sup>th</sup> Q. 2019
Annual Hydrology Reports	2019
• Ground Water Monitoring	AHR
• Surface Water Monitoring	AHR
• Spring & Seep Monitoring	NA
• Mine Water Discharge Monitoring	AHR
• Mine Inflow Study	AHR
• Water Consumption Records	AHR
Well Permits	OK

**BLASTING RECORDS**

Blasting Publication	NA
Blasting Records (3 years)	NA
ATFE Explosives Permit	Exp. 2021
Blasting Variances	NA
Pre-Blast Surveys	NA

**ADDITIONAL RECORDS (specify)**


**COMMENTS:**


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