COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources

PERMIT INFORMATION

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

INSPECTION INFORMATION

Inspection Start Date: May 6, 2020 **Inspection Start Time:** 10:08 **Inspection End Date:** May 6, 2020 **Inspection End Time:** 10:11	**Inspection Type:** Aerial 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):	**Inspector's Signature:**	**Signature Date:**
Clayton Wein Brock Bowles	Clayton Wein	5/8/2020

1313 Sherman St. Room 215
Denver, CO 80203
(303) 866-3567

Inspection Topic Summary
NOTE: **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
Y - Gen. Compliance With Mine Plan
N - Other
R - Processing Waste
R - Roads
Y - Reclamation Success
R - Revegetation
N - Subsidence
N - Slides and Other Damage
R - Support Facilities On-site
N - Signs and Markers
N - Support Facilities Not On-site
N - Special Categories Of Mining
Y - Topsoil

COMMENTS

This was an aerial inspection of the Deserado Mine conducted on May 6, 2020. The photographs were taken by Brock Bowles of the Division and the report was written by Clayton Wein of the Division. No company representative was present for the inspection. The weather was clear and the ground conditions were dry during the inspection.

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 are three ponds located at the main facilities area of the mine site. The DP-1 Pond (Photo1), the PP-1 Pond and the PP-2 Pond (Photo2). The DP-1 pond is located on the south end of the lower facilities bench. The pond receives all runoff from the facilities benches. The pond was impounding water during the inspection. The inlets to the pond were observed to be clear of obstructions and functioning. The embankment of the pond was vegetated and stable. There were no indications of erosion. The primary outlet of the pond is a riser pipe covered with a trash rack. The outlet appeared to be clear of debris. The emergency spillway was stable and clear of obstructions. The PP-1 Pond is located on the middle facilities bench. The pond was holding water during the inspection. The pond embankments were stable with no erosional features. The PP-2 Pond is located on the western end of the upper facilities bench. The pond was holding water at the time of the inspection. The embankment was vegetated and stable. No erosional features were identified. The spillways for the pond were unobstructed.

The RP-1 Pond is located to the north of the reclaimed RP-1 refuse pile (Photo 3). The pond was dry during the inspection. The inlets to the pond were clear. The embankment for the pond was stable with vegetation and there were no indications of erosion. The spillways were clear of debris.

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There are two ponds located at the RP-2/3/4 refuse pile, the RP-2/3 Pond and the RP-4 Pond. The RP-2/3 Pond is located at the base of the northeast corner of the RP-2/3/4 pile (Photo 4). The pond consists of three cells, the west cell, the main cell and the east cell. The east and west cells appeared to be damp during the inspection. There was no indication of discharge into the main cell. The embankments of the east and west cells were vegetated and stable. There were no erosional features seen. The main cell of the pond was dry. The spillways were clear of debris. The embankments of the main cell were stable with vegetation and there were no erosional features identified. The RP-4 pond is located at the northwest corner of the RP-2/3/4 pile (Photo 4). The pond was observed to be dry during the inspection. The inlets to the pond were free of debris. The embankments of the pond were stable and vegetated. No indications of erosional features were observed.

There is one pond located to the northwest of the RP-5a refuse pile. The RP-5 pond was dry Photo 5). The inlets to the pond were clear and stable. The embankments of the pond were vegetated and stable. There were no erosional features. The spillways for the pond were also clear of obstructions.

There is on pond located at the RP-A refuse disposal area (Photo 6). The pond was observed to be dry. The pond is relatively new and has not had time for mature vegetation to grow on the embankment. The embankment was stable and there were no observed erosional features. The spillways appeared to be in good condition. The inlets to the pond were clear of debris.

All cells of the B Seam Dewatering System #1 were holding water during the inspection (Photo 7). The series of cells create an artificial wetland. The embankments of the cells in the system were stable with vegetation. There were no observed indications of erosion. The outlet of the Last Chance Pond was clear of debris.

The B Seam Dewatering System No. 2 was holding water in the first two of its three cells. The third cell has been deemed unfit to impound water; therefore, water does not discharge from the second cell. The embankments of the first two cells were stable and vegetated. There were no erosional features. The spillway between the first and second cell was in good condition.

There are two ponds located at the Slot Storage Facility. SS-1 is located at the northeast corner. The pond appeared to be damp during the inspection. The embankments for the pond were vegetated and stable. There were no indications of erosion. The spillways were clear of obstructions. The SS-2 Pond is located at the northwest corner of the facility. The pond was dry. The embankment was stable and vegetated. There were no indications of erosion. The spillways were clear of debris.

There is one pond and one sump located at the rail loadout facility. The RS-1 Sump is located on the southwest corner of the loadout. The sump was dry during the inspection. The embankments of the sump were stable and vegetated. There was no evidence of erosion. The RR-1 Pond is located to the south of the loadout. The pond was dry. The embankments were vegetated and stable. There were no erosional features seen. The spillways for the pond were clear of debris.

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

Drainage Control; Surface Stabilization; Placement:

The Deserado Mine has three active refuse piles, The RP-2/3/4 Pile (Photo 8), the RP-5a Pile (Photo 9) and the RP-A Pile (Photo 10). The refuse on RP-2/3/4 appeared to be spread out and compacted. The slopes of the pile were stable with only minor erosional features on it. The slopes of the pile has many rills. These rills have

been documented in previous division inspections. The rills do not impact the stability of the pile. Any material that has eroded off the slopes is caught by the perimeter ditches and routed to either the RP-2/3 Pond or the RP-4 Pond. Material cleaned out from these ponds is placed on the refuse piles. The RP-4 refuse pile Appeared to have the majority of the refuse stockpiled on it spread out. The slopes of the pile are similar to those on RP-2/3/4. They are stable with minor rills. The rills on the slopes are not affecting the stability of the pile. Material was being actively placed on the RP-A Refuse Pile. Refuse material has only recently started to be placed at the site. The material appeared to be stable and no off-site impacts were observed.

The RP-1 Refuse Pile is the only reclaimed refuse pile at the mine site (Photo 8). The pile was stable and vegetated during the inspection. There were no indications of erosion. The perimeter ditches were dry and stable. No obstructions were observed.

The subsoil and topsoil piles for RP-2/3/4 and RP-5a were vegetated and stable. There were no erosional features identified.

The subsoil and topsoil piles for the RP-A pile had been constructed within the last 6-8 months. The piles did not have mature vegetation on them yet. The piles were observed to be stable and no erosional concerns were identified. No off-site impacts were seen.

ROADS – Rule 4.03
Construction 4.03.1(3)/4.03.2(3), Drainage 4.03.1(4)/4.03.2(4), Surfacing and Maintenance4.03.1(5) and (6)/4.03.2(5) and (6), Reclamation 4.03.1(7)/4.03.2(7):

The Haul Road was observed to be in good repair. There were no portions with erosional concerns or off-site impacts. Access roads throughout the site appeared to be stable. There were no indications of off-site impacts.

SUPPORT FACILITIES - Rule 4.04:

Support Facilities inspected include;

- The Slot Storage (Photo 11)
- Nitrogen Plant #2 (Photo 11)
- RDH-4
- Conveyor transfer buildings
- Water storage tanks (Photo 12)
- Radio Tower and the West Mains Vent Shaft (Photo 12)

Support facilities on the site were well kept. There were no erosional features observed on the site's pads. No off-site impacts were observed.

DOCUMENTS RECEIVED: None

Number of Partial Inspection this Fiscal Year: 8
Number of Complete Inspections this Fiscal Year: 3

OTHER (SPECIFY): None

Number of Partial Inspection this Fiscal Year: 8
Number of Complete Inspections this Fiscal Year: 3

ENFORCEMENT ACTIONS/COMPLIANCE

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

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PHOTOGRAPHS

Red Arrow in Photographs indicates the direction of north.

Photo 1: The DP-1 Pond outlined in the blue circle.

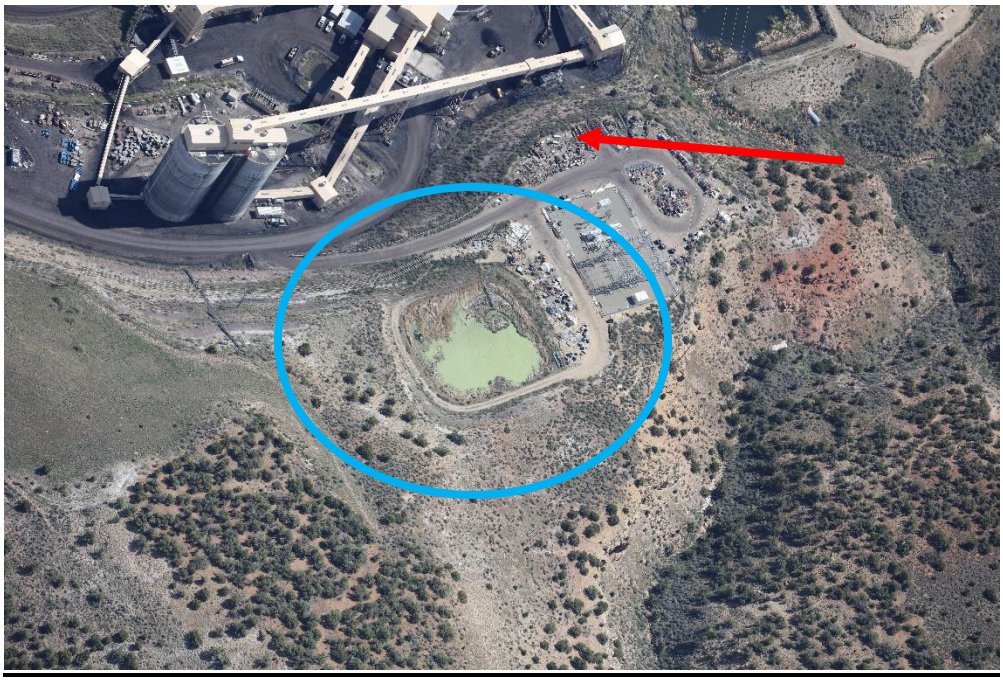

Photo 2: The PP-2 Pond outlined in the blue circle.

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Photo 3: The RP-1 Pond outlined in the blue circle.

Photo 4: The RP- 2/3 Pond and the RP-4 Pond outlined in blue circles.

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Photo 5: The RP-5 Pond outlined in the blue circle.

Photo 6: The RP-A Pond outlined in the blue circle.

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Photo 7: The B Seam Dewatering System No. 1.

Photo 8: The RP- 1 Pile in green circle and the RP-2/3/4 Pile in the blue circle.

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Photo 9: The RP- 5a refuse pile outlined in the blue circle.

Photo 10: The RP-A Refuse Pile.

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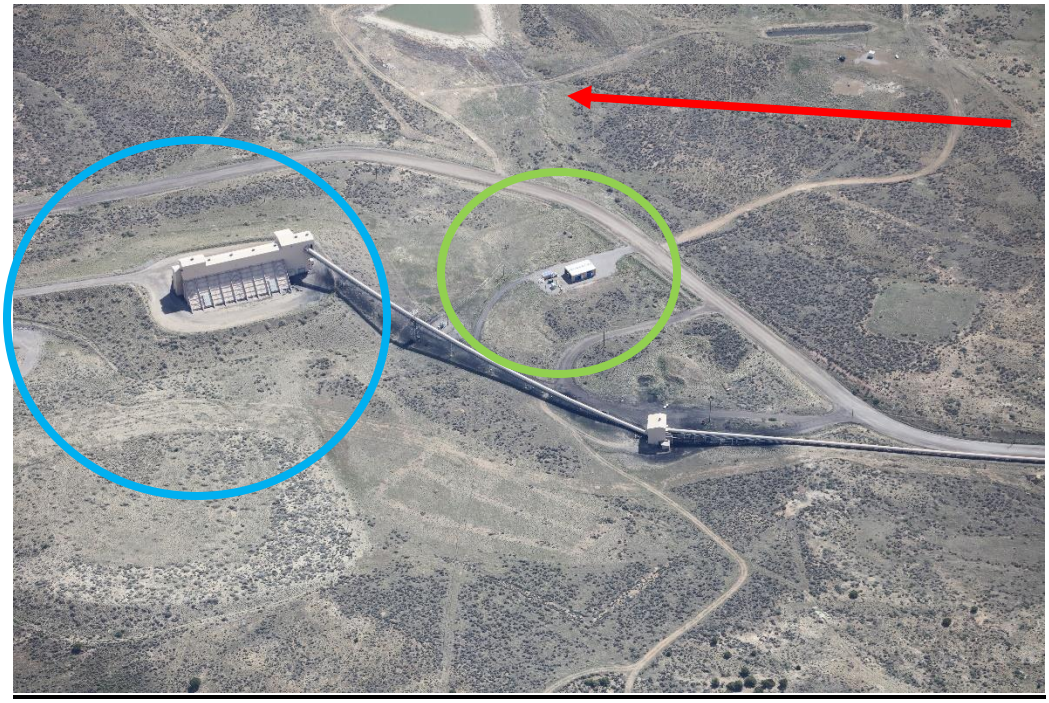

Photo 11: The Slot Storage facility in the blue circle and the Nitrogen Plant #2 in the green circle.

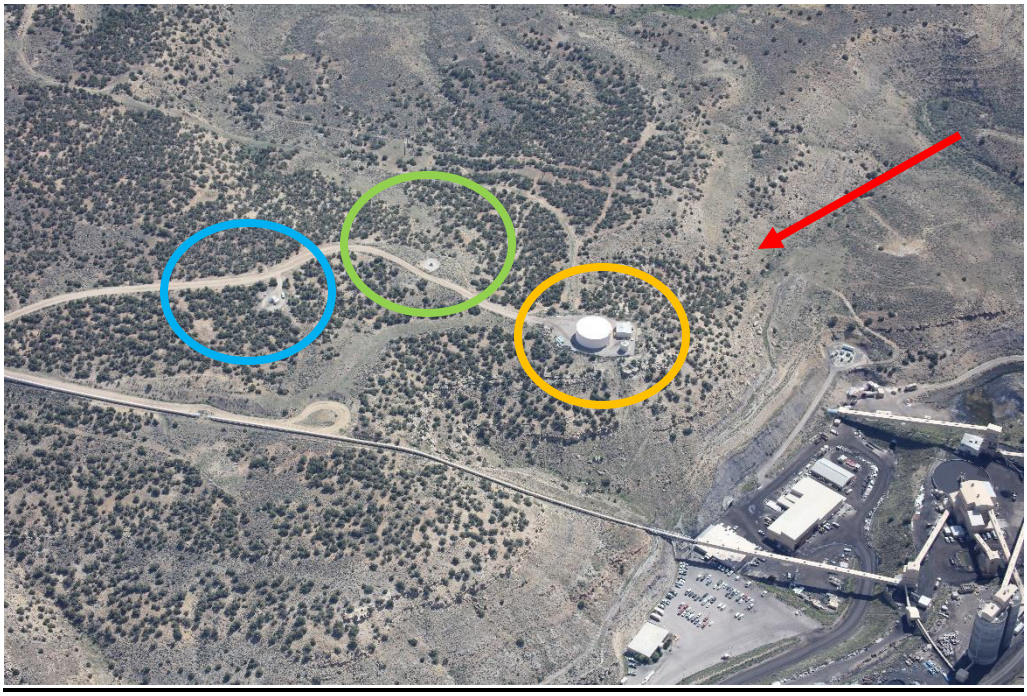

Photo 12: The Radio Tower (blue circle), the West Mains Vent Shaft (green Circle and the Water Storage Tanks (Orange circle).

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