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: Kurt Blunt
Operator Representative Signature: (Field Issuance Only)	

INSPECTION INFORMATION

Inspection Start Date: July 22, 2020 **Inspection Start Time:** 11:15 **Inspection End Date:** July 22, 2020 **Inspection End Time:** 13:20	**Inspection Type:** Coal Partial Inspection **Inspection Reason:** Normal I&E Program **Weather:** Cloudy
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	Clayton Wein	7/30/2020

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

COMMENTS

This was a partial inspection of the Deserado Mine conducted on July 22, 2020. The inspection was completed by Clayton Wein of the Division. Kurt Blunt of Blue Mountain Energy, Inc. (BME) was present for the inspection. The weather was cloudy with a temperature of 82 degrees F. The ground Conditions were dry.

FISH and WILDLIFE – Rule 4.18:

During the inspection of the refuse pile ponds, a group of antelope were seen on the north facing side of the RP-5a refuse pile.

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:

The pond (RR-1) and Sump (RS-1) located on the south side of the rail loadout were inspected. The RR-1 Pond was dry during the inspection (Photo 1). The embankment was vegetated and stable. There were no indications of erosional features. The spillway was clear of debris. The RS-1 Sump was also dry during the inspection. The embankments of the sump were stable with vegetation. There were no indications of erosion. The outlet for the sump was in good repair and was unobstructed.

The SS-2 Pond (Photo 2) located at the northwest base of the Slot Storage was dry at the time of the inspection. The embankment for the pond was vegetated and stable. There were no erosional features identified. The outlet for the pond was clear of debris.

The B Seam No. 2 Dewatering System was inactive during the inspection. The first cell was not holding any water. The embankment was vegetated and stable. No erosional concerns were identified. The second cell of the system was holding water. The level of the water in the cell had not reached the primary spillway. The embankment of the cell was stable with vegetation. There were no erosional features. The outlet of the spillway was free of debris. The third cell of the system is not used. Water impounded in the second cell does not discharge.

Number of Partial Inspection this Fiscal Year: 1
Number of Complete Inspections this Fiscal Year: 0

All Cells of the B Seam No. 1 Dewatering system were impounding water. The embankments between the cells were vegetated and stable. There were no erosional features. The Last Chance Pond was completely full and discharging through the primary spillway (Photo 3). The embankment of the pond was stable with vegetation. There were no indications of erosion. The primary spillway was clear of debris.

One pond is located north of the base of the reclaimed RP-1 refuse pile. The RP-1 Pond was dry during the inspection. The embankment was stable with vegetation. There were no indications of erosional features. The spillways was clear from debris.

Two ponds are located at the northern base of the RP-2/3/4 refuse pile. The RP-2/3 Pond is located at the northeastern base of the pile. The pond consists of three cells, a west cell, an east cell and the main cell. During the inspection, only the east cell was holding water. The level of the water impounded in the east cell was not great enough to discharge to the main cell. The embankments of the cells were vegetated and stable. There were no indications of erosion. The outlet of the main cell was clear of debris. The RP-4 Pond is located at the northwest base of the pile. The pond was dry at the time of the inspection. The embankments for the pond were stable with vegetation. No erosional features were identified. The outlet for the pond was in good condition.

One pond, RP-5, is located at the northern base of the RP-5a refuse pile. The pond was observed to be dry. The embankment was vegetated and stable. There were no indications of erosional features. The spillway was clear of debris.

The Raw Water Lagoon is located near the south entrance to the mine site next to County Road 65 and the White River. The pond was holding water during the inspection. The embankments were stable with vegetation. There were no indications of erosion.

PROCESSING WASTE/COAL MINE WASTE PILES – Rule 4.10 and 4.11
Drainage Control; Surface Stabilization; Placement:

The RP-A refuse pile has progressed since the June 2020 Inspection. Refuse has continued to be stockpiled and spread at the site. The amount of refuse placed on the site has not yet reached a point where compaction testing can begin. The site was stable and there were no erosional concerns identified.

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):

County Road 65 was in good condition during the inspection. The paved portion remained stable and there were no concerns. The dirt portion of the road that extends north was also in good condition. There were no erosional features noted. The road had no visible indications of subsidence damage.

Access roads throughout the mine site were in good condition. There were no areas with erosional concerns or problems with instability.

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

The reclaimed RP-1 refuse pile was visited during the inspection. The pile was stable with mature vegetation. There were no indications of erosional features. The perimeter ditches were clear from debris.

Number of Partial Inspection this Fiscal Year: 1
Number of Complete Inspections this Fiscal Year: 0

SUPPORT FACILITIES - Rule 4.04:

Several nitrogen injection pads and one return shaft were inspected. Inspected injection pads included; 12-L XC-67 (Photo 4), 12-l XC-53 (Photo 5), 13-L XC-60, 13-L XC-47 and a couple others. The pads for the sites were stable. The gravel on the pads was intact and well distributed. There were no erosional features identified at the sites. No off- site impacts had occurred. The 13 L shaft (Photo 6) was included in the inspection. The pad was stable There were no erosional features on the pad. The cut-slope for the pad was stable and there were no signs of sloughage. The fill slope of the pad was stable with vegetation. There were no erosional features.

DOCUMENTS RECEIVED: None

OTHER (SPECIFY): None

Number of Partial Inspection this Fiscal Year: 1
Number of Complete Inspections this Fiscal Year: 0

ENFORCEMENT ACTIONS/COMPLIANCE

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

Number of Partial Inspection this Fiscal Year: 1
Number of Complete Inspections this Fiscal Year: 0

PHOTOGRAPHS

Photo 1: The embankment of the RR-1 Pond.

Photo 2: The SS-2 Pond.

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Number of Complete Inspections this Fiscal Year: 0

Photo 3: The discharging outlet of the Last Chance Pond.

Photo 4: The 12-L XC-67 Pad.

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Number of Complete Inspections this Fiscal Year: 0

Photo 5: The 13-L XC-53 Pad.

Photo 6: The 13 L Return Shaft and pad.

Number of Partial Inspection this Fiscal Year: 1
Number of Complete Inspections this Fiscal Year: 0