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: December 9, 2020 **Inspection Start Time:** 10:00 **Inspection End Date:** December 9, 2020 **Inspection End Time:** 10:05	**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	12/10/2020

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
N - 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
N - Signs and Markers
N - Support Facilities Not On-site
N - Special Categories Of Mining
R - Topsoil

COMMENTS

DThis was an aerial inspection of the Deserado Mine conducted on December 9, 2020. The photos were taken by Brock Bowles of the Division, and this report was writen by Clayton Wein of the Division. The weather was clear and the ground conditions were dry.

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:

Ponds DP-1, PP-1 and PP-2 are located at the main facilities area. DP-1 receives all runoff from the 3 facilities benches. The pond is located on the south side of the lowest bench. The pond appeared to be partially frozen during the inspection. The embankment was vegetated and stable. There were no indications of erosional features. The PP-1 pond is located on the middle bench. The pond was obscured by the processing plant in the aerial photos. The PP-2 pond is located on the upper bench. The embankment was stable with vegetative cover. No erosional features were identified.

The RP-A pond is located on the eastern base of the RP-A refuse pile Photo 1). The pond was dry during the inspection. The embankment had vegetative cover and the embankment was stable. There were no indications of erosion.

All cells of the B Seam Dewatering System No. 1 were holding water (Photo 2). The water was frozen in all of the cells. The level of water impounded in the Last Chance Pond appeared to be below the level of the primary spillway. The embankments for the cells were stable and vegetated. There were no erosional features identified.

Two ponds are located to the north of the Slot Storage. The SS-1 Pond, to the Northeast, was dry. The embankment was vegetated and stable. No erosional features were seen. The SS-2 Pond, located to the northwest, was also dry. The embankment was stable with vegetative cover. There were no erosional concerns identified.

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The B Seam Dewatering System No. 2 was holding a small amount of water in its first two cells. The third cell was dry. The water impounded in the cells was frozen. The embankments of the cells were stable with vegetative cover. There were no erosional features identified.

One sump, RS-1, and one pond, RR-1, are located on the south side of the rail loadout (Photo 3). RS-1 was dry. The embankments were vegetated and stable. No indications of erosion were observed. RR-1 was also observed to be dry. The embankment was stable with vegetation. No erosional features were observed.

The RP-2/3, RP-4 and RP-5 ponds are located at the active eastern refuse disposal area. The RP-2/3 and RP-4 ponds are located at the northern base of the RP-2/3/4 refuse pile. The RP-2/3 pond, located at the northeastern base of RP-2/3/4, consists of three cells. All three cells were dry at the time of the inspection. The embankments were stable with vegetative e cover. No indications of erosional features were seen. The RP-4 pond, located at the northwestern base of RP-2/3/4, was also dry. The embankment for the pond was vegetated and stable. There were no erosional features. The RP-5 pond is located at the northern base of the RP-5a refuse pile. The pond was observed to be dry. The embankment was stable with vegetation. No erosional concerns were identified.

The RP-1 pond is located at the northern base of the reclaimed RP-1 refuse pile. The pond was dry. The embankment for the pond was stable with vegetative cover. There were no observed erosional features.

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

During the inspection earth moving work was being conducted at the RP-A refuse site (Photo 4). The western footprint of the pile was being prepared for the extension of the base. Equipment was also observed working on placing material on the subsoil stockpiles. The refuse material on the RP-A pile was spread and compacted. There were no indications of instability or erosion. The perimeter ditches were clear of debris and stable.

The RP-5a refuse pile was stable (Photo 5). The refuse on the pile was observed to be spread and compacted. There was no material drying on the top. The slopes were stable, but had localized erosion. There are rills and gullies on the slopes of the pile. These features have been noted in previous Division inspections. The slopes of RP-5a are included on the spring maintenance list for 2021. The rills and gullies do not appear to have enlarged since the previous inspection.

Refuse was seen stockpiled and drying on the eastern portion of the RP-2/3/4 refuse pile. There was only a small amount of material drying at the time of the inspection. The pile was stable. Localized erosion was observed on the slopes of the pile. These rills and gullies have been noted in previous Division inspections. The erosional features did not appear to have enlarged since the previous inspection. These erosional features do not appear to affect the stability of the pile.

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):

Access roads throughout the mine site were in good condition. There were no roads with erosional concerns or indications of instability. The Haul Road was well maintained. There were no portions with erosional

issues and there were no concerns of stability. The haul road ditch was clear of debris and dry during the inspection.

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

The RP-1 refuse pile is the only reclaimed refuse pile at the mine site. The pile was observed to be stable with vegetative cover (Photo 6). There were no concerns of erosional features. The perimeter ditches were dry and clear from blockages. The large rocks placed on top of the pile are there to promote habitat for wildlife.

SUPPORT FACILITIES - Rule 4.04:
Support facilities inspected include;

- Main Facilities and Portals
- Explosives Storage
- Fuel Storage Station
- Radio Tower
- Water Storage Tanks
- West Mains Vent Shaft
- B Vent Shaft No. 1
- Conveyor Corridor and Transfer Stations
- Slot Storage
- Nitrogen Plant No. 2
- Rock Dust Tank No. 4

Support facilities inspected were in good repair with no erosional concerns identified. The pads for the facilities were graveled and stable.

TOPSOIL – Rule 4.06
Removal 4.06.2; Substitute Materials 4.06.4(4); Storage and Protection 4.06.3; Redistribution 4.06.4:

The topsoil pile for the main facilities area was stable with vegetative cover. There were no erosional features observed. The perimeter ditches were dry and clear of blockages. The topsoil piles located to the south of the RP-2/3/4 and RP-5a refuse piles were stable and vegetated. No erosional concerns were identified. The perimeter ditches were unobstructed 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

Photo 1: The RP-A refuse pile pond.

Photo 2: The B Seam Dewatering System No. 1

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Photo 3: the rail loadout sump and pond.

Photo 4: The RP-A refuse disposal site.

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Photo 5: The RP-5a refuse disposal site.

Photo 6: The reclaimed RP-1 refuse pile.

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