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: June 3, 2021 **Inspection Start Time:** 10:30 **Inspection End Date:** June 3, 2021 **Inspection End Time:** 13:45	**Inspection Type:** Coal Complete 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	Clayton Wein	6/9/2021

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
R - Availability of Records
N - Backfill & Grading
N - Excess Spoil and Dev. Waste
N - Explosives
Y - Fish & Wildlife
R - Hydrologic Balance
Y - Gen. Compliance With Mine Plan
N - Other
R - Processing Waste
R - Roads
N - Reclamation Success
R - 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 June 3, 2021. The inspection was completed by Clayton Wein of the Division. Kurt Blunt of Blue Mountain Energy (BME) was present for the inspection. The weather was clear with a temperature of 88 degrees F. The ground conditions were dry.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

The records for the Deserado Mine are located in the mine office. 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:

Three ponds are located at the main mine facilities area. The DP-1 Pond, the PP-1 Pond and the PP-2 Pond. The DP-1 Pond was impounding water at the time of the inspection. The level of water in the pond had reached the primary spillway and was observed to be discharging. The trash rack over the spillway was clear of obstructions and functioning as designed. The embankment for the pond was stable with vegetative cover. There were no indications of erosional features. The PP-1 Pond was holding water. There were no indications of instability or erosion. The PP-2 Pond was also holding water. The outlet structure has cattails growing around it; however, the concrete structure around the outlet remains unobstructed and is designed to keep debris from entering the outlet. The embankment was vegetated and stable. No erosional concerns were identified.

Ditches throughout the main facilities area were observed to be in good condition. The ditch located on the lower bench across from the shop had begun to fill with sediment. This ditch transports runoff from the lower and middle benches to the DP-1 Pond. Please include this ditch on the spring maintenance list.

There is a ditch on the south side of the haul road. The ditch extends from the haul road CR-65 intersection to the main facilities area. This ditch has been noted to have partly filled with sediment. Conversations with Kurt Blunt

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during the inspection indicated that the ditch was included on the spring maintenance list and will be cleaned in the next couple of weeks.

One pond is located to the east of the RP-A refuse pile. The pond was dry during the inspection. The outlet of the pond was clear of debris. The embankment was vegetated and stable. There were no indications of erosion.

The RP-1 Pond is located at the northern base of the RP-1 Refuse Pile (Photo 1). The pond was dry. The trash rack over the spillway was clear of debris. The embankment was stable with vegetative cover. No erosional features were identified.

Two ponds are associated with the RP- 2/3/4 Refuse Pile. The RP-2/3 pond is located at the northeastern base of the pile. All three cells of the pond were observed to be dry. The trash rack on the spillway was unobstructed. The embankment was stable with vegetation. There were no erosional features. The RP-4 pond is located at the northwestern base of the pile. The pond was also dry. The spillway was clear of debris. The embankment was stable with vegetative cover. No erosional features were observed.

There is on pond located to the north of the RP-5a Refuse Pile. The RP-5 pond was dry. The outlet for the pond was observed to be unobstructed. The embankment was stable with vegetation. No erosional features were noted.

The B Seam No. 1 Dewatering system was impounding water in all of its cells during the inspection. The outlet at the Last Chance Pond was discharging. The concrete outlet structure was in good condition and unobstructed. The embankments for the cells were vegetated and stable. There were no erosional features.

The B Seam No. 2 Dewatering System was inactive during the inspection (Photo 2). The system utilizes the first two cells, the third cell is not used when the system is active. All cells were dry. The outlet of the second cell was clear of debris. The embankments for the cells were stable and vegetated. No erosional features were observed.

Two ponds are located to the north of the Slot Storage facility. The SS-1 pond is located to the northeast of the facility. The pond was dry. The embankment was vegetated and stable. No erosional features were noted. The SS-2 pond is located to the northwest of the facility. The pond was also dry. The embankment was stable with vegetative cover. The outlet for the pond was clear of debris. There were no erosional concerns.

One pond and one sump are located on the south side of the coal loadout. The RS-1 sump is located on the northwest side of the loadout. The sump was dry during the inspection. The outlet was clear of debris. The embankment was vegetated and stable. There were no erosional features identified. The RR-1 pond is located to the northeast side of the loadout. The pond was dry (Photo 3). The outlet for the pond was unobstructed. The embankment was stable with vegetative cover. No erosional features were observed.

The SDH-3 D Seam Dewatering system is located in the southeast portion of the permit area. The system was inactive during the inspection. A new dewatering pump was being installed during the inspection. All cells of the system were dry. Only the lower cell is used during dewatering operations. The embankment was vegetated and stable. No erosional features were noted.

The Raw Water Lagoon, located at the southern edge of the permit area, was impounding water during the inspection. The embankment was vegetated and stable. No erosional concerns were identified. A feature noted in the Division's May 2021 aerial inspection report was located near the pond's embankment. This feature was

visited during this inspection and was identified as a feature made by wildlife, likely a beaver (Photo 4). The feature was not up against the pond's embankment and was not affecting the stability of the embankment.

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

The RP-A refuse pile is the newest refuse disposal area at the Deserado Mine. During the inspection, refuse material was being spread out. The base of the pile is still being constructed (Photo 5). There were no indications of erosional features or signs of instability. No off site impacts were observed.

The RP-2/3/4 had windrows of refuse material stockpiled on top of it. The pile's slopes had been recently graded to remove the erosional features noted in the Division's May 2021 Inspection Report. The slopes of the pile were stable with no erosional features. There were no off site impacts.

The ditch along the access road to the East of RP-2/3/4 has filled with sediment. Kurt Blunt informed the Division that the ditch was on the list of maintenance items and will be addressed in the next couple of weeks.

Refuse material was actively being placed on top of the RP-5a refuse pile. The slopes of the pile had been recently regarded (Photo 6). The slopes were stable and there were no indications of erosional features. 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 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 in good condition during the inspection. There were no indications of erosion or instability. The Division observed a water truck was spraying the road for dust suppression.

Access roads throughout the mine site were in good repair. There were no roads with erosional concerns or indications of instability.

REVEGETATION – Rule 4.15
Vegetative Cover; Timing:

The topsoil and subsoil stockpiles to the east/northeast of the RP-A had vegetation starting to grow on them. Due to the arid climate at the mine site vegetation can take a couple of seasons to begin to grow in. Some vegetation was growing on the stockpiles during 2020. During this inspection more vegetation was noted than during the previous year.

SUPPORT FACILITIES - Rule 4.04:

Support Facilities inspected included: Portals/Main Facilities Area, Fuel Storage Area, B Vent Shaft No. 1, RDH-2 (Photo 7), 13L Return Shaft (Photo 8), RDH-4, Nitrogen Plant No. 2, Slot Storage, and the Conveyor Corridor. Pads for the support facilities were stable with no erosional features noted. Berms on the pads were stable with vegetative cover. No off site impacts were observed. The pad for the 13L return shaft was beginning to undergo reclamation. The bulk of the facility structure has been removed. Only the concrete footings remain with the return shaft. Reclamation activities at the site will continue.

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SIGNS AND MARKERS – Rule 4.02:

The mine identification sign is located at the entrance to the permit boundary off to the right hand side of County Road 65. The sign displays the required information about the permit, the permittee and the Division, including contact information.

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 are located in various locations throughout the permit area. Topsoil piles had markers placed on top of them in unobstructed locations. The piles were noted to be stable with vegetative cover. There were no erosional features identified. The perimeter ditches at the base of the topsoil piles were intact 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 embankment and outlet of the RP-1 Pond.

Photo 2: The inlet of the first cell of the B Seam No. 2 Dewatering System.

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Photo 3: The embankment and outlet of the RR-1 Pond.

Photo 4: The feature created by wildlife just south of the Raw Water Lagoon. Photo was taken looking to the south from a short distance from the pond's embankment.

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Photo 5: The RP-A Refuse Pile. The photo was taken at the base of the pile looking west.

Photo 6: The slopes of the RP-5a Refuse Pile.

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Photo 7: The RDH-2 Support facility and pad.

Photo 8: The 13L Return Shaft Pad.

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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. 12/30/2021
Bond Document	OK
Phased Bond Release Documents/Findings	NA
Air Emission Permits	OK
County Special Use Permits	OK
UG Mining Landowner Notification	OK
Subsidence Monitoring Reports	1st Q 2021
Subsidence Monitoring Data	PAP
Rill & Gully Survey	NA
Vegetation Monitoring Data	2020 ARR
Specific Variance Approvals	NA
Annual Reclamation Reports	2019
Midterm Review Documents	MT-7
DRMS/OSM Inspection Reports/Enforcement Actions (3 Years)	Up to May 2021 Aerial
Transfers/Succession of Operator	OK
Temporary Cessation Notification	NA
Reclamation Cost Estimate	RN-7
CERTIFICATIONS	
Pond Certifications	OK
Annual Certifications for Impoundments	OK
Fill Certifications for Excess Spoil or Underground Development Waste	OK
• Quarterly Inspections	Up to date
• Compaction Testing	Up to date
• Final Certification	RP-1
Coal Processing Waste Banks	Up to date
Haul Road Certifications	OK
Access Road Certifications	OK

HYDROLOGIC RECORDS	
NPDES Permit	Admin. Extension
NPDES Records	Up to date
Stormwater Management Plan	OK
SPCC Plan	2008
MSHA Pond Inspections	NA
State Engineer's Pond Inspection	DP-1
Quarterly Pond Inspections	Up to date
Annual Hydrology Reports	2020
• 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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