



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: September 23, 2021 Inspection Start Time: 09:58 Inspection End Date: September 23, 2021 Inspection End Time: 13:00		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): Clayton Wein Travis Marshall	Inspector's Signature: <i>Clayton Wein</i>		Signature Date: 9/28/2021

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

R - 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

Y - 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 September 23, 2021. The inspection was completed by Clayton Wein and Travis Marshall of the Division. BME was represented during the inspection by Kurt Blunt. The weather was clear with a temperature of 79 degrees F. The ground conditions were dry at the time of the inspection

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

The records are located in the mine office with Kurt Blunt. The records were well kept. Some 2nd quarter 2021 documents were missing from the records. Kurt Blunt updated the records during the inspection to include the required documents. For more details, please see the Availability of Records Form attached to the end of this report.

EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09

Placement; Drainage Control; Surface Stabilization:

The Halandras Landfill is located to the north of the main facilities area on the west side of County Road 65 (CR-65). The site was stable and there were no indications of erosional issues. The sump for the site was dry. The subsoil and topsoil piles were stable with vegetative cover. There were no off site impacts observed.

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; the DP-1 pond, the PP-1 pond and the PP-2 pond. The DP-1 pond is located on the lower bench of the facilities area. The pond was impounding water during the inspection. Discharge through the primary spillway was occurring (Photo 1). The spillway was clear of debris and functional. The embankment for the pond was vegetated and stable. There were no observed erosional features. The PP-1 pond is located on the middle bench next to the prep plant. The pond was being cleaned during the inspection. There was no discharge from the pond. The embankment was stable with no erosion. The

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PP-2 pond was holding water during the inspection. The pond's embankment was stable with vegetative cover. The discharge outlet was clear of debris.

On the south side of the rail loadout, there is one pond (RR-1) and one sump (RS-1). The RR-1 pond was dry (Photo 2). The outlet for the pond was clear of debris. The embankment was vegetated and stable. No indications of erosion were noted. The RS-1 sump was also dry. The outlet was clear. The sump's embankments were stable with vegetative cover. There were no erosional issues observed. The Ditch along the south side of the loadout connected to the sump and pond was dry. Vegetation is becoming dense within the ditch. The Ditch may need to be cleaned in the future.

Two ponds, SS-1 and SS-2, are associated with the Slot Storage facility. The SS-1 pond was not holding any water. The outlet for the pond was clear. The embankments were vegetated and stable. No indications of erosion were seen. The SS-2 pond was dry. The outlet for the ponds was unobstructed. The pond's embankment was stable with vegetation. There were no erosional issues.

The B Seam Dewatering System No. 2 was inactive during the inspection. Both the upper (Photo 3) and middle cell of the system were dry. The Lower cell off the system is not used even when the system is active. The embankments for the cells had no indications of instability or erosion. There is sufficient vegetative cover on the cells' embankments. No obstructions were observed in the cells' outlets.

The B Seam Dewatering System No. 1 was impounding water in all of the cells in the system. The outlet at the last Chance pond was discharging to Red Wash. The outlet was clear and functional (Photo 4). The embankments of the system were stable with vegetative cover. There were no indications of erosional features.

One pond is associated with the RP-1 refuse pile. The RP-1 pond was dry during the inspection (Photo 5). The embankment was stable and vegetated. The outlet was unobstructed.

Two ponds are associated with the RP-2/3/4 refuse Pile. The RP-2/3 pond consists of three cells. The East Cell, West Cell and the Main Cell were dry. The discharge outlet at the main cell was clear of debris. The embankments for the cells were vegetated and stable. There were no erosional concerns. The RP-4 pond was also dry. The outlet for the pond was clear of debris. The embankment had no indications of instability or erosion. The embankment is sufficiently vegetated.

The RP-5 pond is located at the northern base of the RP-5a refuse pile. The pond was not holding any water during the inspection. The outlet was observed to be unobstructed. The embankment was stable with vegetative cover. There were no indications of erosional features.

The RP-A pond is located at the eastern base of the RP-A refuse pile. The pond was dry. The outlet for the pond was vegetated and stable. No erosional concerns were identified.

The Raw Water Lagoon was holding water (Photo 6). The embankment was vegetated and stable. There were no erosional issues observed.

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

Drainage Control; Surface Stabilization; Placement:

The RP-1 refuse pile has been reclaimed for several years. The reclaimed pile was observed to be stable

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with sufficient vegetative cover. There were no indications of erosional features. The ditches along the base of the pile were stable and vegetated.

The RP2/3/4 and RP-5a (Photo 7) refuse piles were stable with no erosional concerns. The slopes of the piles had no major rills or gullies on them. The perimeter ditches were dry and stable. No erosional features were observed.

The RP-A refuse pile is the newest refuse disposal area at the mine. The base of the pile has progressed since the previous Division inspection. The site was stable with no indications of erosion. 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 well maintained at the time of the inspection. There were no sections with erosional features or indications of instability. The access roads throughout the mine were in good condition. No issues were observed. CR-65 was also observed to be in good repair. There were no sections with visible surface cracking.

SUPPORT FACILITIES - Rule 4.04:

Support Facilities inspected included;

- Portals/Prep Plant/Facilities
- Explosives Storage
- Fuel Storage
- B Vent Shaft No. 1 (Photo 8)
- Halandras Landfill
- Slot Storage
- Nitrogen Plant #2
- RDH 2
- West Mains Vent Shaft
- Water Storage Tanks
- Radio Tower
- Conveyor Corridor/Transfer Buildings

All Support Facilities inspected had stable pads with no erosional issues. The berms on the pads were intact and vegetated. No off site impacts were observed.

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SIGNS AND MARKERS – Rule 4.02:

The mine identification sign was displayed at the entrance to the permit boundary near the intersection of State Highway 64 and CR-65. The sign displayed the required information regarding the mine permit, the Permittee and the Division.

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 located throughout the mine site were stable with vegetative cover. There were no erosional features identified. The perimeter ditches were vegetated and stable. There were no indications of a loss of topsoil resource.

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 outlet of the DP-1 Pond.



Photo 2: The embankment of the RR-1 pond.

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



Photo 4: The outlet of the Last Chance Pond.

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Photo 5: The embankment of the RP-1 pond.



Photo 6: The Raw Water Lagoon.

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Photo 7: The north slope of the RP-5a refuse pile.



Photo 8: The B Seam Vent Shaft No. 1.

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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	NA
Documents/Findings	
Air Emission Permits	OK
County Special Use Permits	OK
UG Mining Landowner Notification	OK
Subsidence Monitoring Reports	2 nd Q 2021
Subsidence Monitoring Data	PAP
Rill & Gully Survey	NA
Vegetation Monitoring Data	2020 ARR
Specific Variance Approvals	NA
Annual Reclamation Reports	2020
Midterm Review Documents	MT-7
DRMS/OSM Inspection	Up to date
Reports/Enforcement Actions (3 Years)	
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	2 nd Q 2021
Stormwater Management Plan	OK
SPCC Plan	2008
MSHA Pond Inspections	NA
	DP-1
State Engineer's Pond Inspection	
Quarterly Pond Inspections	2 nd Q 2021
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:
