



DESERADO MINE

BLUE MOUNTAIN ENERGY

3607 County Rd. 65
Rangely, CO 81648
(970)675-4300
fax (970)675-4399

January 19, 2022

Mr. Clayton Wein
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Denver, CO 80203

RE: Sediment Pond Inspection Report for 4th Quarter 2021.
County Road 65 Subsidence Monitoring Report
Blue Mountain Energy, Inc., Deserado Mine (Permit C-1981-018).

Dear Clayton:

Enclosed is the Sediment Pond Inspection Report for the 4th quarter 2021 for the Deserado Mine. The only discharges that occurred during the quarter was from the D-seam dewatering system, B-seam dewatering system, and Raw Water Lagoon.

Pumping to the 'D-seam' dewatering pond system were reinitiated during late November 2017. Pumping from the 'B-seam' continued to the old system (BD-1-7 and BD-LC) and should continue that direction until we get a discharge permit at BD2-4.

COUNTY ROAD 65 SUBSIDENCE REPORT

Longwall mining under County Road 65 did not occur during the quarter. Virtually no settlement is visible since the last report. Monitoring of the area is done daily as the area is traversed for other duties around the mine property.

If you have any questions, please call me at (970) 675-4347.

Sincerely,



Jason Tuttle P.E.
Project Engineer

enc.:

Blue Mountain Energy, Inc. - Deserado Mine
Quarterly Sediment Pond Inspection Report
Fourth Quarter 2021

Inspector: Kurtis Blunt - Sr. Environmental Engineer

Operational Status

#	Type of Ponds	Name	Description	Date	Approx H ₂ O Level %	Sediment Level %	Outflow		H ₂ O Samp.		Comments
							Yes	No	Yes	No	
1	Sed Ponds	DP-1	D-Portal	10/11	100	40	X		X		
2	"	RP-1	Refuse Area 1	10/11	0	10		X		X	
3	"	RP-2/3	Refuse Area 2/3	10/11	0	15		X		X	
4	"	RP-4	Refuse Area 4	10/11	0	30		X		X	
5	"	RP-5	Refuse Area 5A	10/11	0	25		X		X	
6	"	RR-1	Railroad Fill Slope Pond 1	10/11	0	5		X		X	
7	"	RRS	Railroad Loadout Washdown Sump	10/11	0	5		X		X	
8	"	SS-1	Slot Storage Building Access Road Pond	10/11	0	10		X		X	
9	"	SS-2	Slot Storage Bldg Emerg. Coal Storage Area Pond	10/11	0	6		X		X	
10	"	HSL-1	Halandras Sanitary Land Fill Pond	10/11	0	5		X		X	
11	"	SDH-2U	Down Hole Sump Upper Influent Pond	inactive	inactive	5		X		X	Shut off 2/96 due to mine sealing
12	"	SDH-2L	Down Hole Sump Lower Effluent Pond	inactive	inactive	5		X		X	Shut off 2/96 due to mine sealing
13	"	SDH-3L	Down Hole Sump Discharge 2 - Lower	10/11	0	10		X		X	Pumping restarted late November 2017
14	"	SDH-3M	Down Hole Sump Discharge 2 - Middle	10/11	0	0		X		X	New 10/2015
15	"	SDH-3U	Down Hole Sump Discharge 2 - Upper	10/11	0	0		X		X	New 10/2015
16	"	TS-1	Transfer Building 1	10/11	0	20		X		X	
17	"	TS-2	Transfer Building 2	10/11	0	20		X		X	
18	"	TS-2a	Temp Coal Storage by Transfer 2	10/11	0	5		X		X	
19	"	BD-1	B-Dewatering Pond #1	10/11	90	40		X		X	Outflow weekly
20	"	BD-2	B-Dewatering Pond #2	10/11	95	25		X		X	Outflow weekly
21	"	BD-3	B-Dewatering Pond #3	10/11	95	0		X		X	Outflow weekly
22	"	BD-4	B-Dewatering Pond #4	10/11	95	0		X		X	Outflow weekly
23	"	BD-5	B-Dewatering Pond #5	10/11	95	0		X		X	Outflow weekly
24	"	BD-6	B-Dewatering Pond #6	10/11	95	0		X		X	Outflow weekly
25	"	BD-7	B-Dewatering Pond #7	10/11	95	0		X		X	Outflow weekly
26	"	BD-LC	B-Dewatering Last Chance Pond	10/11	95	0	X		X		Outflow weekly
27	"	BD2-3	BD2-Dewatering Pond #3 (lower large pond)	10/11	0	0		X		X	
28	"	BD2-4	BD2-Dewatering Pond #4 (discharge pond)	10/11	0	0		X		X	
29	"	BD2-5	BD2-Dewatering Pond #5 (initial small pond)	10/11	0	5		X		X	
30	Proc Pond	PP-1	Prep Plant Process Pond	10/11	50	40		X		X	
31	"	PP-2	Prep Plant Process Pond	10/11	70	50		X		X	
32	"	RW-1	Raw Water Lagoon @ White River	10/11	100	25	X			X	Freshwater storage pumped from river

Inspection Categories

Erosional

Fourth Quarter 2021

#	Name	Date	Rills & Gullies on Embankment		Adequate Vegetation		Channel Erosion		Embankment Burrows		Other		Comments/ Maintenance Required
			Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	
1	DP-1	6/10		X	X			X		X		X	
2	RP-1	6/10		X	X			X		X		X	
3	RP-2/3	6/10		X	X			X		X		X	
4	RP-4	10/11		X	X			X		X		X	
5	RP-5	10/11		X	X			X		X		X	
6	RR-1	10/11		X	X			X		X		X	
7	RRS	10/11		X	X			X		X		X	
8	SS-1	10/11		X	X			X		X		X	
9	SS-2	10/11		X	X			X		X		X	
10	HSL-1	10/11		X	X			X		X		X	
11	SDH-2U	inactive		X	X			X		X		X	Shut off 2/96 due to mine sealing
12	SDH-2L	inactive		X	X			X		X		X	Shut off 2/96 due to mine sealing
13	SDH-3L	10/11		X	X			X		X		X	Pumping straight to SDH-3L
14	SDH-3M	10/11		X	X		X			X		X	Eroded - No longer active
15	SDH-3U	10/11		X	X			X		X		X	No longer active
16	TS-1	10/11		X	X			X		X		X	
17	TS-2	10/11		X	X			X		X		X	
18	TS-2a	10/11		X	X			X		X		X	
19	BD-1	10/11		X	X			X		X		X	Seeded Fall 2012
20	BD-2	10/11		X	X			X		X		X	Seeded Fall 2012
21	BD-3	10/11		X	X			X		X		X	Seeded Spring 2014
22	BD-4	10/11		X	X			X		X		X	Seeded Fall 2012
23	BD-5	10/11		X	X			X		X		X	Seeded Fall 2012
24	BD-6	10/11		X	X			X		X		X	Seeded Fall 2012
25	BD-7	10/11		X	X			X		X		X	Seeded Fall 2014
26	BD-LC	10/11		X	X			X		X		X	Seeded Fall 2014
27	BD2-3	10/11		X	X			X		X		X	Seeded Spring & Fall 2017
28	BD2-4	10/11		X	X			X		X		X	Seeded Spring & Fall 2017
29	BD2-5	10/11		X	X			X		X		X	Seeded Spring & Fall 2017
30	PP-1	10/11		X	X			X		X		X	
31	PP-2	10/11		X	X			X		X		X	
32	RW-1	10/11		X	X			X		X		X	

Structural

#	Name	Date	Differential Settling		Cracks or Slides		Seepage		Other		Comments/Maintenance Required
			Yes	No	Yes	No	Yes	No	Yes	No	
1	DP-1	6/10		X		X		X		X	
2	RP-1	6/10		X		X		X		X	
3	RP-2/3	6/10		X		X		X		X	
4	RP-4	10/11		X		X		X		X	
5	RP-5	10/11		X		X		X		X	
6	RR-1	10/11		X		X		X		X	
7	RRS	10/11		X		X		X		X	
8	SS-1	10/11		X		X		X		X	
9	SS-2	10/11		X		X		X		X	
10	HSL-1	10/11		X		X		X		X	
11	SDH-2U	inactive		X		X		X		X	Shut off 2/96 due to mine sealing
12	SDH-2L	inactive		X		X		X		X	Shut off 2/96 due to mine sealing
13	SDH-3L	10/11		X		X		X		X	
14	SDH-3M	10/11		X		X		X		X	
15	SDH-3U	10/11		X		X		X		X	
16	TS-1	10/11		X		X		X		X	
17	TS-2	10/11		X		X		X		X	
18	TS-2a	10/11		X		X		X		X	
19	BD-1	10/11		X		X		X		X	
20	BD-2	10/11		X		X		X		X	
21	BD-3	10/11		X		X		X		X	
22	BD-4	10/11		X		X		X		X	
23	BD-5	10/11		X		X		X		X	
24	BD-6	10/11		X		X		X		X	
25	BD-7	10/11		X		X		X		X	
26	BD-LC	10/11		X		X		X		X	
30	BD2-3	10/11		X		X		X		X	
31	BD2-4	10/11		X		X		X		X	
32	BD2-5	10/11		X		X		X		X	
30	PP-1	10/11		X		X		X		X	
31	PP-2	10/11		X		X		X		X	
32	RW-1	10/11		X		X		X		X	

Inspection Categories

Fourth Quarter 2021

Appurtenant Structures

#	Name	Date	Defective Spillways		Dewatering Device Clogged		Faulty Gates, Baffles, Pumps		Other		Comments/Maintenance Required
			Yes	No	Yes	No	Yes	No	Yes	No	
1	DP-1	10/11		X		X		X		X	
2	RP-1	10/11		X		X		X		X	
3	RP-2/3	10/11		X		X		X		X	
4	RP-4	10/11		X		X		X		X	
5	RP-5	10/11		X		X		X		X	
6	RR-1	10/11		X		X		X		X	
7	RRS	10/11		X		X		X		X	
8	SS-1	10/11		X		X		X		X	
9	SS-2	10/11		X		X		X		X	
10	HSL-1	10/11		X		X		X		X	
11	SDH-2U	inactive		X		X		X		X	Shut off 2/96 due to mine sealing
12	SDH-2L	inactive		X		X		X		X	Shut off 2/96 due to mine sealing
13	SDH-3L	10/11		X		X		X		X	Pumping straight to SDH-3L
14	SDH-3M	10/11	X			X		X		X	Eroded -no longer active
15	SDH-3U	10/11		X		X		X		X	no longer active
16	TS-1	10/11		X		X		X		X	
17	TS-2	10/11		X		X		X		X	
18	TS-2a	10/11		X		X		X		X	
19	BD-1	10/11		X		X		X		X	
20	BD-2	10/11		X		X		X		X	
21	BD-3	10/11		X		X		X		X	
22	BD-4	10/11		X		X		X		X	
23	BD-5	10/11		X		X		X		X	
24	BD-6	10/11		X		X		X		X	
25	BD-7	10/11		X		X		X		X	
26	BD-LC	10/11		X		X		X		X	
27	BD2-3	10/11		X		X		X		X	
28	BD2-4	10/11		X		X		X		X	
29	BD2-5	10/11		X		X		X		X	
30	PP-1	10/11		X		X		X		X	
31	PP-2	10/11		X		X		X		X	
32	RW-1	10/11		X		X		X		X	

Notes:

I am a professional engineer registered in the State of Colorado and my experience fulfills the requirements of the Colorado Surface Coal Mining Reclamation Act.

My certification fulfills the requirements for an annual inspection for impoundments required by Section 4.05.9(14) and quarterly inspections of such by Section 4.05.9(17) of the Rules and Regulations of the Colorado Mined Land Reclamation Board Pursuant to the Colorado Surface Coal Mining Reclamation Act.

I certify, based on my field observations and those observations of my qualified designates and professional investigations, as detailed above, that the each pond referenced above, at Blue Mountain Energy, Inc., Deserado Mine, located in Rio Blanco County, Colorado, was constructed and maintained in accordance with the approved plan and to comply with the requirements of Section 4.05.9.

Jason L. Tuttle
Project Engineer
Colorado Registered P.E. No. 42606

