

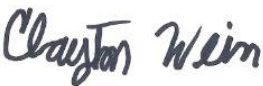


**COLORADO**  
Division of Reclamation,  
Mining and Safety  
Department of Natural Resources

**PERMIT INFORMATION**

<b>Permit Number:</b> C-1981-018 <b>Mine Name:</b> Deserado Mine <b>Operator:</b> Blue Mountain Energy, Inc. <b>Operator Address:</b> Mr. Kurtis Blunt 3607 County Road 65 Rangely, CO, 81648	<b>County:</b> Moffat, Rio Blanco <b>Operation Type:</b> Underground <b>Permit Status:</b> Active <b>Ownership:</b> Private
	<b>Operator Representative Present:</b>  NA
<b>Operator Representative Signature:</b> (Field Issuance Only)  	

**INSPECTION INFORMATION**

<b>Inspection Start Date:</b> January 10, 2022 <b>Inspection Start Time:</b> 11:00 <b>Inspection End Date:</b> January 18, 2022 <b>Inspection End Time:</b> 11:05	<b>Inspection Type:</b> Aerial Inspection <b>Inspection Reason:</b> Normal I&E Program <b>Weather:</b> Clear
<b>Joint Inspection Agency:</b>  None	<b>Joint Inspection Contacts:</b>  None
<b>Post Inspection Agency:</b>  None	<b>Post Inspection Contacts:</b>  None
<b>Inspector(s):</b>  Clayton Wein  Brock Bowles	<b>Inspector's Signature:</b>  <b>Signature Date:</b>  1/19/2022

**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

Y - Backfill &amp; Grading

N - Excess Spoil and Dev. Waste

N - Explosives

Y - Fish &amp; Wildlife

R - Hydrologic Balance

Y - Gen. Compliance With Mine Plan

N - Other

R - Processing Waste

Y - Roads

N - Reclamation Success

N - Revegetation

N - Subsidence

N - Slides and Other Damage

Y - Support Facilities On-site

N - Signs and Markers

N - Support Facilities Not On-site

N - Special Categories Of Mining

R - Topsoil

**COMMENTS**

This was an aerial inspection of the Deserado Mine conducted on January 10, 2022. This report was written by Clayton Wein of the Division. The photographs were taken by Brock Bowles of the Division. The Weather was partly cloudy with a temperature of 32 degrees F. The ground was covered with snow at the time of the inspection.

**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 three ponds, DP-1, PP-1 and PP-2, located at the portals/facilities area were observed to be frozen and covered with snow. The embankments for the ponds were also snow covered. The embankments were stable with no indications of erosional features. Many of the ditches within the facilities area were covered with snow. The inlet to the DP-1 Pond was the only ditch indicating water flow. The ditches were stable with no concerns of channel escape or erosion.

The Slot Storage facility has two ponds associated with it. Both the SS-1 and SS-2 ponds were covered with snow during the inspection. The embankments were stable and there were no erosional features identified. No discharge was observed from the ponds (Photo 1).

The RR-1 Pond and the RS-1 Sump were both snow covered. There were no indications of instability or erosion on the embankments. There was no discharge observed from the sump or pond.

The B Seam Dewatering System No. 2 was inactive at the time of the inspection. There was no water impounded in the cells of the system. The cells of the dewatering system were covered with snow. The embankments were stable with no erosional concerns.

Number of Partial Inspection this Fiscal Year: 3

Number of Complete Inspections this Fiscal Year: 2

The B Seam No. 1 Dewatering System was impounding water in all of its cells. All but the first four cells were frozen over (Photo 2). The embankments of the cells were covered with snow. There were no indications of embankment failure or erosion.

The RP-A Pond was covered with snow. The embankment was stable with no erosional concerns. There was no discharge from the pond.

The RP-1 Pond was also covered with snow. The embankment for the pond was stable. There were no indications of erosional features. There was no discharge from the pond observed.

The RP- 2/3 Pond, the RP-4 Pond and the RP-5 Pond were all covered with snow. The embankments of the three ponds showed no signs of instability or erosion. There was no indication of discharge from any of the three ponds. The level of snow in the ponds was not at the primary spillways.

The Raw Water Lagoon was impounding water during the inspection. The majority of the pond was frozen. The embankment was covered with snow and stable. 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- 2/3/4 refuse pile was the only active pile at the time of the inspection. Refuse material was placed on top of the pile for drying. The slopes of the pile were covered with snow. There were no indications of instability or major erosion. **There was one rill in the snow observed. This rill led directly into the RP-4 Pond. Please keep an eye on this location, if the rill widens and/or deepens it will require maintenance (Photo 3).** The perimeter ditch was also covered with snow. There were no erosional concerns identified. No off site impacts were observed.

The RP-5a refuse pile was completely covered with snow. The top of the pile was observed to be prepared for windrows. The slopes of the pile were stable with no observed erosional features. The perimeter ditches were snow covered and stable. No off site impacts were identified.

No activity was observed at the RP-A refuse pile. The pile was covered with snow. There were no indications of erosion or instability at the site. The perimeter ditches were covered with snow and observed to be unobstructed. There were no off site impacts identified.

#### 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 located above the main facilities/portals area was covered with snow. The pile was stable and there were no indications of erosional features on the pile. **There was a large rill observed on the eastern slope below the topsoil pile. The rill appears to lead up-slope to the perimeter ditch. This rill needs to be included on the spring maintenance list to ensure the perimeter ditch retains its functionality (Photo 4).**

Small topsoil piles are located throughout the mine site. All the piles observed were stable with snow cover. The perimeter ditches for the piles were in good condition and no off site impacts were observed.

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**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 Slot Storage facility and the associated ponds, SS-1 and SS-2.



**Photo 2:** The B Seam Dewatering System No. 1 is in the center of the photo above.

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**Photo 3:** The RP-2/3/4 refuse pile. The large rill is shown next to the red arrow in the photo above.

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**Photo 4:** The large rill located on the slope below the main facilities/portals area topsoil pile. The rill is just below the perimeter ditch, shown above the red arrow in the photo above.

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