



June 9, 2023

Kurt Blunt
Blue Mountain Energy, Inc.
3607 County Road 65
Rangely, CO 81648

RE: Deserado Mine, Permit No. C-1981-018
2022 Annual Reclamation Report Review

Dear Kurt,

The Division of Reclamation, Mining and Safety (the Division) has completed its review of the 2022 Annual Reclamation Report (ARR) for the Deserado Mine. The Division finds the report to be in compliance with the following Rules:

2.04.13(1) – The ARR was received by the Division on February 15, 2023.

2.04.13(1)(a) – The cover of the ARR includes the name of the permittee, the address and the permit number.

2.04.13(1)(b) – The report indicates there were a cumulative total of 639.4581 acres disturbed at the mine site. There were 1.11 acres of new disturbance in the calendar year of 2022. The total acreage approved to be disturbed in 2022 at the Deserado Mine was 651.71 acres.

2.04.13(1)(c) – The report indicated that 2.09 acres were backfilled and graded in 2022. The cumulative total reported 177.62 acres for the backfilled and graded field.

2.04.13(1)(d) – The report listed 2.09 acres were topsoiled in 2022. The cumulative total reported 177.62 acres for the topsoiled category.

2.04.13(1)(e) – The report indicated that 2.09 acres were revegetated in 2022. The total acreage reseeded at the mine site is 177.62 Acres.

2.04.13(1)(f) – A total of 175.53 acres have been reseeded prior to 2022.

2.04.13(2) – Additional documentation provided with the 2021 ARR included; a map showing the record of reclamation activities at the Deserado Mine, a summary of the reclamation at the mine site, and a copy of the seed mix tag used for the reclaimed areas.



Adequacy Item No. 1:

In the 2022 ARR, the report indicates that 639.4581 acres are in the long-term facilities category. The acreage in that field should not include acreages that have been backfilled and graded (177.62 2022 B & G). Therefore the acreage listed in the long-term facilities should be the total number of acres disturbed minus the acres that have been backfilled and graded. **The total number of acres in long-term mining facilities should be 461.8381 acres. This value also indicates that 2.09 acres that were backfilled and graded in 2022 and were removed from the total of acres in long term mining facilities.** 2021's cumulative total for acres in long term mining facilities was 462.8181 acres. Please revise the 2022 ARR form to reflect these changes.

The Division has no further comments. This concludes the review of the 2022 Annual Reclamation Report for the Deserado Mine. If you have any questions, please contact me at (303)-866-3567 x8185.

Sincerely,

A handwritten signature in dark ink that reads "Clayton Wein". The signature is written in a cursive, slightly slanted style.

Clayton Wein
Environmental Protection Specialist