



STATE OF
COLORADO

Wein - DNR, Clayton <clayton.wein@state.co.us>

Deserado Mine, C-1981-018, September Complete Inspection Report

1 message

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Thu, Oct 5, 2023 at 2:02 PM

To: Kurt Blunt <kblunt@deserado.com>

Cc: Todd Jesse - DNR <todd.jesse@state.co.us>

Good afternoon Kurt,

Attached is the Division's report for the complete inspection of the Deserado Mine conducted on September 26, 2023. Please note the maintenance items in the report highlighted in bold text. Please feel free to contact me if you have any questions,

Sincerely,

Clayton Wein

Environmental Protection Specialist



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

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Deserado Mine, C-1981-018, September Complete Inspection Report_CCW.pdf

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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: Kurtis Blunt
Operator Representative Signature: (Field Issuance Only) 	

INSPECTION INFORMATION

Inspection Start Date: September 26, 2023 Inspection Start Time: 11:30 Inspection End Date: September 26, 2023 Inspection End Time: 15:00		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	Inspector's Signature: <i>Clayton Wein</i>		Signature Date: 10/5/2023

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

R - Backfill & Grading

R - Excess Spoil and Dev. Waste

Y - Explosives

Y - Fish & Wildlife

R - Hydrologic Balance

Y - Gen. Compliance With Mine Plan

N - Other

R - Processing Waste

R - Roads

R - 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 report documents the Division's observations taken during a complete inspection of the Deserado Mine conducted on September 26, 2023. The inspection was conducted as a part of the Division's routine monitoring frequency. The inspection was conducted by Clayton Wein of the Division. Blue Mountain Energy was represented during the inspection by Kurt Blunt. The weather was clear with a temperature of 70 degrees F. The ground conditions were dry.

During the inspection two maintenance items were identified:

1. Waste debris was spotted outside the excavated pits at the Halandras Landfill. **Please clean up all waste debris and return it to the landfill.**
2. A small pile of material was found stockpiled against the southwestern berm at the Slot Storage. **Please clean up the materials and remove them to an appropriate laydown area (Photo 1).**

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

The records for the Deserado Mine are located at the mine office off of County Road 65 (CR 65). 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.**

BACKFILL and GRADING – Rule 4.14

Contemporaneous Reclamation 4.14.1; Approximate Original Contour 4.14.2; Highwall Elimination 4.14.1(2)(f); Steep Slopes 4.14.2, 4.27; Handling of Acid and Toxic Materials 4.14.3; Stabilization of Rills and Gullies 4.14.6:

The Division inspected the recently reclaimed LWC-16 (Photo 2) and LWC-17 drill pads. The pads had been backfilled with topsoil replaced. The pads were returned to approximate original contour and were ripped to roughen the soil surface. The pads, along with other 2023 drill pads, are scheduled to be seeded this fall. The reclaimed pads were observed to be stable with no erosional features.

EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09

Placement; Drainage Control; Surface Stabilization:

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The Halandras Landfill is located to the north of the main facilities area and just west off of CR 65. The landfill was generally well maintained. Waste debris was spotted outside the excavated pits at the Halandras Landfill. **Please clean up all waste debris and return it to the landfill.** The subsoil stockpiles were stable with vegetative cover. There were no indications of erosion. The topsoil stockpiled at the site was also vegetated and stable. There were no indications of the loss of topsoil resource. One sump is located at the southern end of the landfill area. The sump was dry at the time of the inspection. The sump was stable and the outlet was observed to be unobstructed.

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 sediment ponds are located within the main facilities area. The DP-1 pond is located at the southern end of the lower facilities pad. The pond received and treats all runoff from the main facilities area. The pond was impounding water. The trash rack covering the discharge outlet was clear of debris and functioning as designed. The pond was observed to be discharging to Scullion Gulch. The pond's embankment was stable with vegetative cover (Photo 3). There were no indications of erosion. The PP-1 Pond is located on the prep plant bench. The pond was holding water during the inspection (Photo 4). No discharge was observed. The discharge outlet was unobstructed. The pond was stable and there were no erosional concerns identified. The PP-2 Pond is located on the upper facilities bench. PP-2 was also holding water with no discharge occurring. The pond's embankment was vegetated and stable. No erosional concerns were observed. The operator stated during the inspection that the facilities ponds were scheduled to be cleaned in the near future.

A sump, RS-1, and a pond, RR-1, are located below the south embankment of the rail loadout. The RS-1 sump was dry at the time of the inspection. The sump's embankments were stable with no erosion. The outlet for the sump was observed to be clear. The RR-1 pond was also dry. The pond's embankment was covered with vegetation and stable. The inlet to the pond has been previously documented to have minor erosion (Photo 5). The erosion has down-cut the inlet into the south embankment of the rail loadout. This erosional feature has been documented in previous DRMS inspections and is not thought to cause any structural instability. The pond's outlet was clear. There is a ditch running along the face of the rail loadout south embankment that transports runoff to RS-1 and RR-1. The ditch was dry and stable. During the inspection vegetation was noted to have grown in the bottom of the ditch. Evidence of flow through the ditch demonstrated that there has been no blockages or channel escapement. **The Division recommends the ditch be cleaned out during the normal spring maintenance in 2024.**

Two ponds are associated with the Slot Storage Facility, the SS-1 Pond and the SS-2 Pond. The SS-1 pond was holding a small amount of water in it. There was no discharge from the pond occurring. The pond's embankments were vegetated and stable. No erosional features were identified. The SS-2 pond was observed to be dry. The outlet for the pond was clear. Vegetation covered the embankment and no erosional features were noted.

The B Seam No. 2 Dewatering System is located to the east/southeast of the Slot Storage Facility. The dewatering system consists of three cells; an upper, middle and lower. The lower cell is not utilized currently with the

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dewatering system. The middle cell was holding water below the level of the primary spillway, no discharge was occurring (Photo 6). The upper cell was dry. The east embankment of the upper cell had been recently repaired. (Photo 7) Embankments for the system were stable with vegetative cover. There were no indications of erosional features.

The B Seam No. 1 Dewatering System was active during the inspection. All cells of the dewatering system were impounding water. Discharge from the concrete flume at the Last Chance Pond was observed. The discharge outlet was clear of obstructions. The embankments of the dewatering system were stable with vegetative cover. No indications of erosion were observed.

The RP-1 Pond is located at the northern base of the reclaimed RP-1 Refuse Pile. The pond was dry at the time of the inspection. The embankment was vegetated and stable. The primary discharge outlet's trash rack was clear of debris. The embankment was vegetated and stable. No erosional concerns were identified.

The RP-2/3 Pond receives runoff from the eastern portion of the RP-2/3/4 Refuse Pile. The pond consists of an east cell, a west cell and a main cell. Only the east cell was holding water during the inspection. There was no discharge observed from the east cell's outlet into the main cell. The trash rack over the main cell's outlet was clear. The embankments for the pond were stable with vegetative cover. There were no indications of erosion.

The RP-4 Pond received runoff from the western portion of the RP-2/3/4 Refuse Pile. RP-4 was dry at the time of the inspection. The outlet's trash rack was unobstructed. The pond's embankment was vegetated and stable. No erosional features were seen.

The RP-5 Pond is located at the Northern base of the RP-5a Refuse Pile. The pond was dry. The outlet was clear of debris. No indications of erosion or instability were identified on the embankment. The embankment was covered with vegetation.

The RP-A Pond is located at the eastern end of the RP-A Refuse Disposal Area. The pond was dry. The outlet for the pond was clear of obstructions. The embankment was stable with vegetation. No erosional concerns were noted.

The SDH-3/5 D Seam Dewatering System is located in the southeastern portion of the permit area, on the east side of Red Wash. The dewatering system was active during the inspection (Photo 8). Only the lower cell is utilized to impound and treat water pumped from the D Seam workings. The pond was discharging through an unobstructed spillway. The embankment was vegetated and stable. There were no erosional features.

The Raw Water Lagoon is located in the southern permit area on the north side of the White River. The pond was holding water during the inspection. The discharge outlet was clear and functional. No indications of erosion or instability were identified on the embankment. The pond's embankment was covered with vegetative growth.

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

Drainage Control; Surface Stabilization; Placement:

Refuse material had been placed and spread on top of the RP-2/3/4 and RP-5a Refuse Piles. The piles were observed to be stable with minor localized erosion. The erosion was identified on the slopes of the refuse piles in the form of rills. The rills have been noted and documented in previous DRMS inspection reports. The

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size and depth of the rills are not thought to compromise the stability of the refuse piles. The operator periodically will re-surface the slopes of the piles when the rills enlarge to the point of gullies. All material transported through these rills ends up in the perimeter ditches and subsequently the refuse pile ponds. The refuse pile ditches were clear of blockages and were dry. No off-site impacts had occurred.

Refuse Material was actively being placed on the RP-A Refuse Pile. Material was being stockpiled in windrows to allow the material to dry before it will be spread and compacted (Photo 9). The RP-A refuse pile was stable with no erosional concerns. The ditches associated with the refuse pile were clear and dry.

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 extends from the Main Facilities Area to the Refuse Disposal Piles. The haul road was stable and in good condition. There were no indications of erosion. The portion of the access road extending from the haul road at the intersection of the conveyor belt, to the Rail Loadout was well maintained. There were no sections with instability or erosion. A culvert located just east of the Nitrogen Plant No. 2 had been replaced (Photo 10). The culvert had become plugged and had deteriorated to the point where the operator deemed it necessary to replace the culvert over clearing it. Various access roads throughout the mine site were traversed during the inspection. Access roads were observed to be well maintained and stable. No erosional concerns were identified.

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

The RP-1 Refuse Pile has been fully reclaimed. The Pile was observed to be stable with vegetative cover. There were no concerns of erosion. The perimeter ditches for the pile were observed to be stable and clear. There were no sections with erosional issues.

The reclaimed D Portals Haul Road was also vegetated and stable. The reclaimed area showed no indications of erosional features.

SUPPORT FACILITIES - Rule 4.04:

Support Facilities inspected included; Main Facilities/B Portals, Haul Road Blisters, RDH-2, Halandras Landfill, Slot Storage Facility, RDH-4, Conveyor Corridor, 2023 Drilling Program Pads LWC 16/17, B Vent Shaft No. 1 (Photo 11), and the Explosives Storage (Photo 12). Pads for the support facilities were found to be stable with no erosional concerns. Pads with berms were stable with vegetative cover. No off-site impacts were observed. A small pile of material was found stockpiled against the southwestern berm at the Slot Storage. **Please clean up the materials and remove them to an appropriate laydown area.**

Fuels are stored at the Main Facilities Area. The fuel tanks are located in an area with secondary containment berms. The pad was stable and the berms were in good condition. No fuel spills were identified. Hydrocarbons are stored on a containment pallet south of the shop. Hydrocarbons were noted to be stored properly and no spills were observed.

SIGNS AND MARKERS – Rule 4.02:

A mine identification sign was posted at the entrance to the permit area on CR 65. The posted sign displayed information regarding the DRMS permit and contact information for the operator and the Division. The sign was posted in an unobstructed location.

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Throughout the inspection. T posts with the tops painted white were identified on the Topsoil Stockpiles.

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 is stockpiled in various locations throughout the permit area. The stockpiles are placed adjacent to disturbances to minimize the transportation of the resource. Topsoil stockpiles were observed to be stable with vegetative cover. No indications of erosion were found. The topsoil pile perimeter ditches were observed to be stable and covered with vegetation. No loss of topsoil resource was identified.

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 materials stockpiled against the berm at the Slot Storage.



Photo 2: The reclaimed LWC-16 drill pad.



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Photo 3: The DP-1 Pond's embankment.

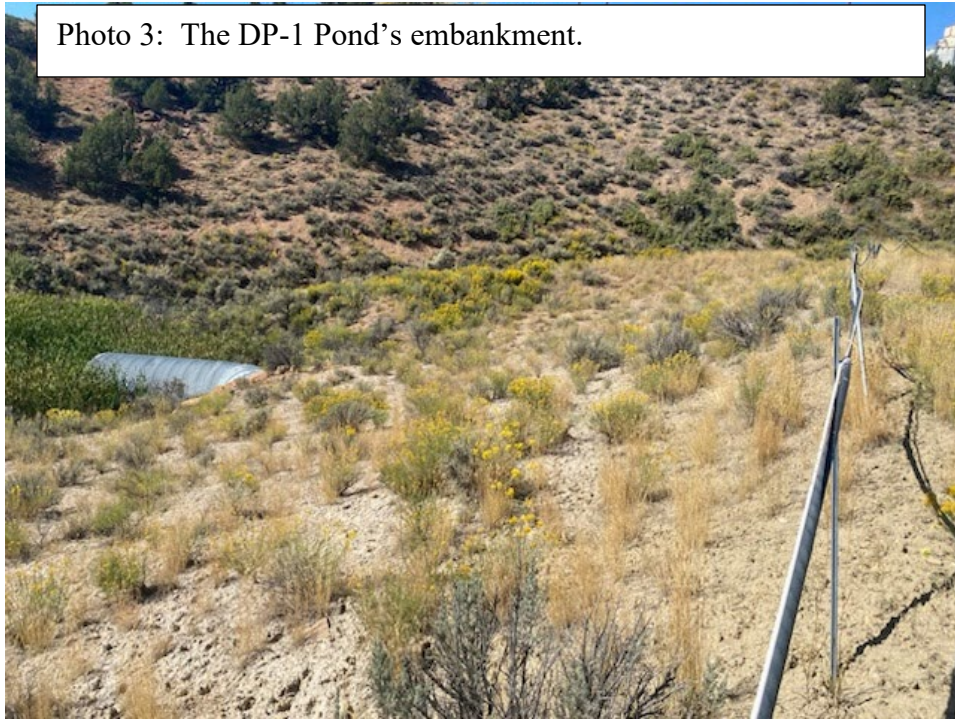
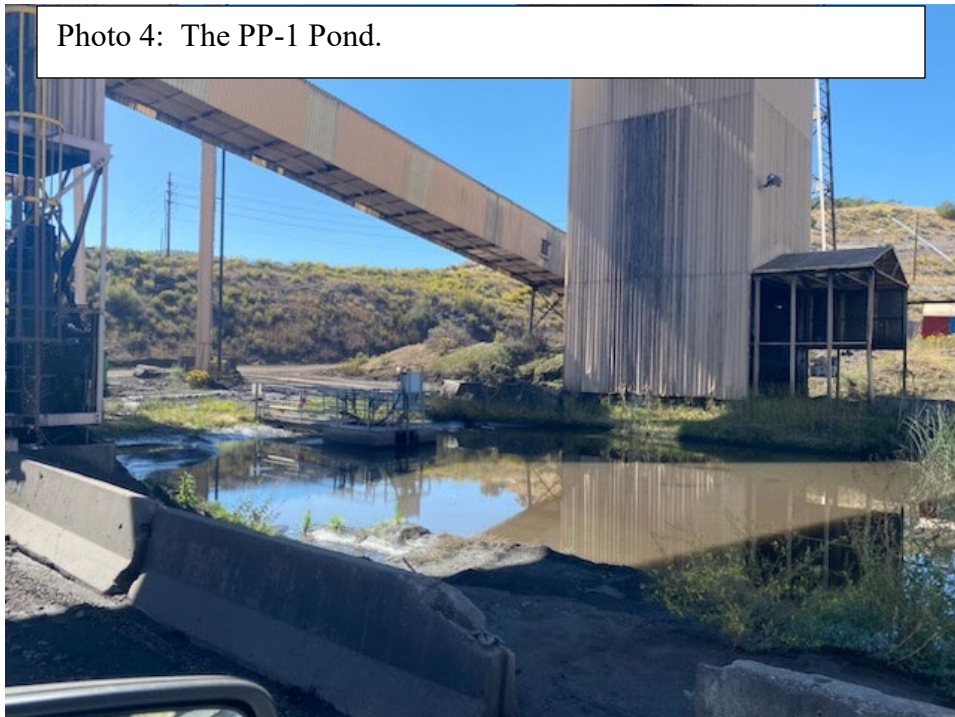


Photo 4: The PP-1 Pond.



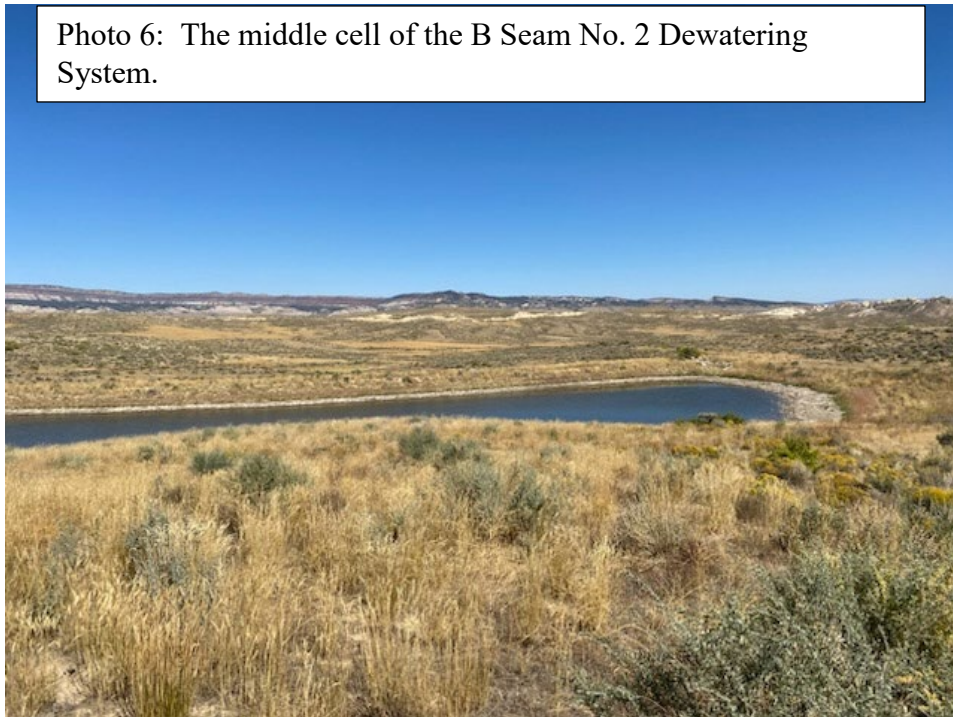
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Photo 5: The inlet to the RR-1 Pond.



Photo 6: The middle cell of the B Seam No. 2 Dewatering System.



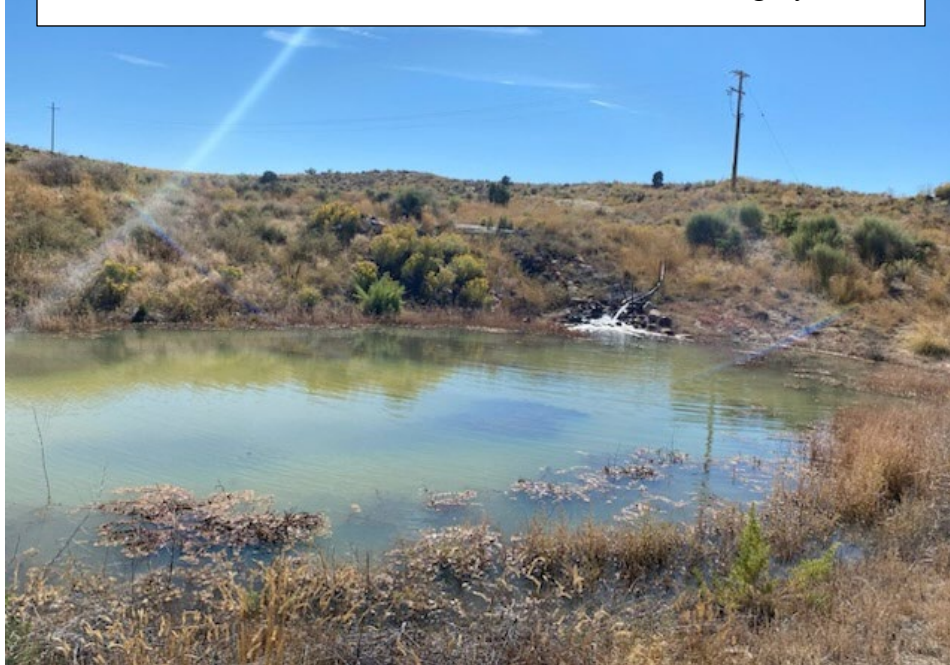
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Photo 7: The repaired section of the B Seam No. 2 Dewatering System's upper cell.



Photo 8: The Inlet to the SDH-3/5 D Seam Dewatering System.



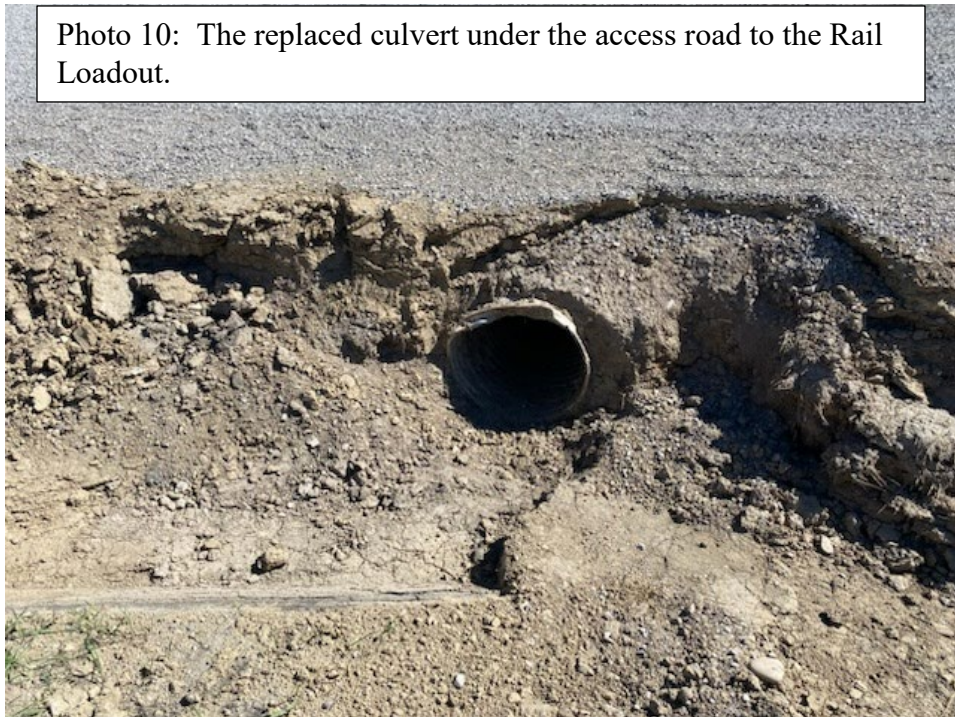
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Photo 9: The RP-A Refuse Pile.



Photo 10: The replaced culvert under the access road to the Rail Loadout.



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Photo 11: The B Vent Shaft No. 1 and pad.



Photo 12: The Explosives Storage Area.



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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. 12/30/2023
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 2023
Subsidence Monitoring Data	PAP
Rill & Gully Survey	NA
Vegetation Monitoring Data	2022 ARR
Specific Variance Approvals	NA
Annual Reclamation Reports	2022
Midterm Review Documents	MT-8
DRMS/OSM Inspection Reports/Enforcement Actions (3 Years)	Up to date, Aug. of 2023
Transfers/Succession of Operator	OK
Temporary Cessation Notification	NA
Reclamation Cost Estimate	MT-8
CERTIFICATIONS	
Pond Certifications	OK
Annual Certifications for Impoundments	OK
Fill Certifications for Excess Spoil or Underground Development Waste	OK
• Quarterly Inspections	2 nd Q 2023
• 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 2023
Stormwater Management Plan	OK
SPCC Plan	2008
MSHA Pond Inspections	NA
	DP-1
State Engineer's Pond Inspection	
Quarterly Pond Inspections	2 nd Q 2023
Annual Hydrology Reports	2022
• 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. 2024
Blasting Variances	NA
Pre-Blast Surveys	NA

ADDITIONAL RECORDS (specify)

COMMENTS:

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