



DESERADO MINE

BLUE MOUNTAIN ENERGY

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

April 18, 2024

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

RE: Sediment Pond Inspection Report for First Quarter 2024.
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 first quarter 2024 for the Deserado Mine. The only discharges that occurred during the quarter was from the B-seam dewatering system, D-seam dewatering system, DP-1, and Raw Water Lagoon.

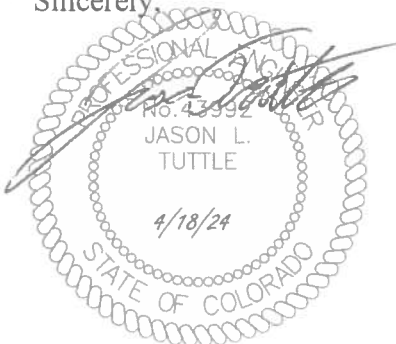
Pumping to the 'D-seam' dewatering pond system was reinitiated during late November 2017. Pumping from the 'B-seam' continued to the old system (BD-1-7 and BD-LC) and should continue that direction until we get a discharge permit at BD2-4.

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 First Quarter 2024

Inspector: Kurtis Blunt - Sr. Environmental Engineer

Operational Status

#	Type of Ponds	Name	Description	Date	Approx H ₂ O Level %	Sediment Level %	Outflow Yes	Outflow No	H ₂ O Samp. Yes	H ₂ O Samp. No	Comments
1	Sed Ponds	DP-1	D-Portal	3/26	100	25	X		X		Sediment removed October, 2023
2	"	RP-A	Refuse Area A	3/26	25	10		X		X	
3	"	RP-1	Refuse Area 1	3/26	0	10		X		X	
4	"	RP-2/3	Refuse Area 2/3	3/26	0	20		X		X	Outfall structure replaced October, 2023
5	"	RP-4	Refuse Area 4	3/26	5	35		X		X	
6	"	RP-5	Refuse Area 5A	3/26	0	25		X		X	
7	"	RR-1	Railroad Fill Slope Pond 1	3/26	0	5		X		X	
8	"	RRS	Railroad Loadout Washdown Sump	3/26	0	5		X		X	
9	"	SS-1	Slot Storage Building Access Road Pond	3/26	0	10		X		X	
10	"	SS-2	Slot Storage Bldg Emerg. Coal Storage Area Pond	3/26	0	6		X		X	
11	"	HSL-1	Halandras Sanitary Land Fill Pond	3/26	0	5		X		X	
12	"	SDH-2U	Down Hole Sump Upper Influent Pond	inactive	inactive	5		X		X	Shut off 2/96 due to mine sealing
13	"	SDH-2L	Down Hole Sump Lower Effluent Pond	inactive	inactive	5		X		X	Shut off 2/96 due to mine sealing
14	"	SDH-3L	Down Hole Sump Discharge 2 - Lower	3/26	100	10		X		X	Pumping restarted late November 2017
15	"	SDH-3M	Down Hole Sump Discharge 2 - Middle	3/26	0	0		X		X	New 10/2015
16	"	SDH-3U	Down Hole Sump Discharge 2 - Upper	3/26	0	0		X		X	New 10/2015
17	"	TS-1	Transfer Building 1	3/26	0	20		X		X	
18	"	TS-2	Transfer Building 2	3/26	0	20		X		X	
19	"	TS-2a	Temp Coal Storage by Transfer 2	3/26	0	5		X		X	
20	"	BD-1	B-Dewatering Pond #1	3/26	90	40		X		X	Outflow weekly
21	"	BD-2	B-Dewatering Pond #2	3/26	95	25		X		X	Outflow weekly
22	"	BD-3	B-Dewatering Pond #3	3/26	95	0		X		X	Outflow weekly
23	"	BD-4	B-Dewatering Pond #4	3/26	95	0		X		X	Outflow weekly
24	"	BD-5	B-Dewatering Pond #5	3/26	95	0		X		X	Outflow weekly
25	"	BD-6	B-Dewatering Pond #6	3/26	95	0		X		X	Outflow weekly
26	"	BD-7	B-Dewatering Pond #7	3/26	95	0		X		X	Outflow weekly
27	"	BD-LC	B-Dewatering Last Chance Pond	3/26	95	0		X		X	Outflow weekly
28	"	BD2-3	BD2-Dewatering Pond #3 (lower large pond)	3/26	20	0		X		X	
29	"	BD2-4	BD2-Dewatering Pond #4 (discharge pond)	3/26	0	0		X		X	
30	"	BD2-5	BD2-Dewatering Pond #5 (initial small pond)	3/26	0	0		X		X	
31	Proc Pond	PP-1	Prep Plant Process Pond	3/26	40	10		X		X	Sediment removed October, 2023
32	"	PP-2	Prep Plant Process Pond	3/26	80	50		X		X	
33	"	RW-1	Raw Water Lagoon @ White River	3/26	100	25		X		X	Freshwater storage pumped from river

Inspection Categories

Erosional

First Quarter 2024

#	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	3/26		X	X			X		X		X	
2	RP-A	3/26		X	X			X		X		X	
3	RP-1	3/26		X	X			X		X		X	
4	RP-2/3	3/26		X	X			X		X		X	
5	RP-4	3/26		X	X			X		X		X	
6	RP-5	3/26		X	X			X		X		X	
7	RR-1	3/26		X	X			X		X		X	
8	RRS	3/26		X	X			X		X		X	
9	SS-1	3/26		X	X			X		X		X	
10	SS-2	3/26		X	X			X		X		X	
11	HSL-1	3/26		X	X			X		X		X	
12	SDH-2U	inactive		X	X			X		X		X	Shut off 2/96 due to mine sealing
13	SDH-2L	inactive		X	X			X		X		X	Shut off 2/96 due to mine sealing
14	SDH-3L	3/26		X	X			X		X		X	Pumping straight to SDH-3L
15	SDH-3M	3/26		X	X		X			X		X	Eroded - No longer active
16	SDH-3U	3/26		X	X			X		X		X	No longer active
17	TS-1	3/26		X	X			X		X		X	
18	TS-2	3/26		X	X			X		X		X	
19	TS-2a	3/26		X	X			X		X		X	
20	BD-1	3/26		X	X			X		X		X	Seeded Fall 2012
21	BD-2	3/26		X	X			X		X		X	Seeded Fall 2012
22	BD-3	3/26		X	X			X		X		X	Seeded Spring 2014
23	BD-4	3/26		X	X			X		X		X	Seeded Fall 2012
24	BD-5	3/26		X	X			X		X		X	Seeded Fall 2012
25	BD-6	3/26		X	X			X		X		X	Seeded Fall 2012
26	BD-7	3/26		X	X			X		X		X	Seeded Fall 2014
27	BD-LC	3/26		X	X			X		X		X	Seeded Fall 2014
28	BD2-3	3/26		X	X			X		X		X	Seeded Spring & Fall 2017
29	BD2-4	3/26		X	X			X		X		X	Seeded Spring & Fall 2017
30	BD2-5	3/26		X	X			X		X		X	Seeded Spring & Fall 2017
31	PP-1	3/26		X	X			X		X		X	
32	PP-2	3/26		X	X			X		X		X	
33	RW-1	3/26		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	3/26		X		X		X		X	Cleanout scheduled for fall '23
3	RP-1	3/26		X		X		X		X	
4	RP-2/3	3/26		X		X		X		X	Animal burrow found in embankment - repaired
5	RP-4	3/26		X		X		X		X	
6	RP-5	3/26		X		X		X		X	
7	RR-1	3/26		X		X		X		X	
8	RRS	3/26		X		X		X		X	
9	SS-1	3/26		X		X		X		X	
10	SS-2	3/26		X		X		X		X	
11	HSL-1	3/26		X		X		X		X	
12	SDH-2U	inactive		X		X		X		X	Shut off 2/96 due to mine sealing
13	SDH-2L	inactive		X		X		X		X	Shut off 2/96 due to mine sealing
14	SDH-3L	3/26		X		X		X		X	
15	SDH-3M	3/26		X		X		X		X	
16	SDH-3U	3/26		X		X		X		X	
17	TS-1	3/26		X		X		X		X	
18	TS-2	3/26		X		X		X		X	
19	TS-2a	3/26		X		X		X		X	
20	BD-1	3/26		X		X		X		X	
21	BD-2	3/26		X		X		X		X	
22	BD-3	3/26		X		X		X		X	
23	BD-4	3/26		X		X		X		X	
24	BD-5	3/26		X		X		X		X	
25	BD-6	3/26		X		X		X		X	
26	BD-7	3/26		X		X		X		X	
27	BD-LC	3/26		X		X		X		X	
31	BD2-3	3/26		X		X		X		X	
32	BD2-4	3/26		X		X		X		X	
33	BD2-5	3/26		X		X		X		X	
31	PP-1	3/26		X		X		X		X	
32	PP-2	3/26		X		X		X		X	
33	RW-1	3/26		X		X		X		X	

Inspection Categories

First Quarter 2024

Appurtenant Structures

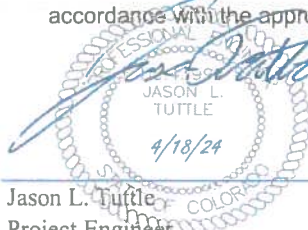
#	Name	Date	Defective Spillways		Dewatering Device Clogged		Faulty Gates, Baffles, Pumps		Other		Comments/Maintenance Required
			Yes	No	Yes	No	Yes	No	Yes	No	
1	DP-1	3/26		X		X		X		X	
2	RP-A	3/26		X		X		X		X	
3	RP-1	3/26		X		X		X		X	
4	RP-2/3	3/26		X		X		X		X	Stand Pipe replaced, October 2023
5	RP-4	3/26		X		X		X		X	
6	RP-5	3/26		X		X		X		X	
7	RR-1	3/26		X		X		X		X	
8	RRS	3/26		X		X		X		X	
9	SS-1	3/26		X		X		X		X	
10	SS-2	3/26		X		X		X		X	
11	HSL-1	3/26		X		X		X		X	
12	SDH-2U	inactive		X		X		X		X	Shut off 2/96 due to mine sealing
13	SDH-2L	inactive		X		X		X		X	Shut off 2/96 due to mine sealing
14	SDH-3L	3/26		X		X		X		X	Pumping straight to SDH-3L
15	SDH-3M	3/26	X			X		X		X	Eroded -no longer active
16	SDH-3U	3/26		X		X		X		X	no longer active
17	TS-1	3/26		X		X		X		X	
18	TS-2	3/26		X		X		X		X	
19	TS-2a	3/26		X		X		X		X	
20	BD-1	3/26		X		X		X		X	
21	BD-2	3/26		X		X		X		X	
22	BD-3	3/26		X		X		X		X	
23	BD-4	3/26		X		X		X		X	
24	BD-5	3/26		X		X		X		X	
25	BD-6	3/26		X		X		X		X	
26	BD-7	3/26		X		X		X		X	
27	BD-LC	3/26		X		X		X		X	
28	BD2-3	3/26		X		X		X		X	
29	BD2-4	3/26		X		X		X		X	
30	BD2-5	3/26		X		X		X		X	
31	PP-1	3/26		X		X		X		X	
32	PP-2	3/26		X		X		X		X	
33	RW-1	3/26		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

Jason L. Tuttle
 Project Engineer
 Colorado Registered P.E. No. 43992