STATE OF COLORADO

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

March Inspection Report

1 message

Jesse - DNR, Todd <todd.jesse@state.co.us> Fri, Mar 21, 2025 at 11:09 AM
To: Kurt Blunt <kblunt@deserado.com>
Cc: Clayton Wein - DNR <clayton.wein@state.co.us>

Kurt,

Please see the attached report from the complete inspection last week. As we discussed, I noted two maintenance items. 1) Updating the APEN page in the binder & 2) mucking out the haul road drainage ditch and replacing hay bales. Let me know if you have any questions. Hope you have a good weekend.

Thanks,
Todd

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Environmental Protection Specialist
Minerals Program, Grand Junction Field Office
Colorado Division of Reclamation Mining and Safety

2025-03-21 INSP-REPORTC_C1981018.pdf
3095K

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

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: March 11, 2025 **Inspection Start Time:** 09:30 **Inspection End Date:** March 11, 2025 **Inspection End Time:** 13:00	**Inspection Type:** Coal Complete Inspection **Inspection Reason:** Normal I&E Program **Weather:** Cloudy
Joint Inspection Agency: None	**Joint Inspection Contacts:** NA
Post Inspection Agency: None	**Post Inspection Contacts:** NA

Inspector(s): Todd Jesse	**Inspector's Signature:** Todd Jesse	**Signature Date:** 3/21/2025

1313 Sherman St. Room 215
Denver, CO 80203
(303) 866-3567

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
N - Excess Spoil and Dev. Waste
R - Explosives
R - 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 March 11, 2025. This report was written by Todd Jesse of the Division. The operator, Blue Mountain Energy (BME) was represented by Kurt Blunt during the inspection. The weather was sunny and around 35° F at the start of the inspection. The ground conditions were muddy in areas due to recent snow, but the entire mine site was accessible to travel. Please note that Maintenance Items are listed in this report in **Bold** text. Please provide the Division with photos of the items once they have been completed.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

The records for the Deserado Mine are located at the mine office with Kurt Blunt. **The APEN page is outdated. The page should be replaced to reflect that the operator submitted new APENs to CDPHE and the date that the submitted APENs will expire.** The Reclamation Cost Estimate for MR-189 was added to the binder during the inspection. All other records were well kept and up to date.

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 Halandras Landfill has been backfilled and graded to approximate original contour. No topsoil has been spread on the site. The topsoil pile that remains next to the landfill appears to be of sufficient size to complete reclamation. Some volunteer vegetation has begun to grow. A large number of sheep were grazing near the Halandras Landfill.

EXPLOSIVES – Rule 4.08
Distance Prohibitions 4.08.4; Warnings 4.08.4; Control of Adverse Effects 4.08.4:

The explosives storage area for the Deserado Mine is located at the southern end of the main facilities area. The storage consists of a pad with a storage bunker for the explosives. The cut and fill slope of the pad was stable with no erosional features. Runoff from the pad is directed to an outlet at the southern end of the pad and passes down a channel through straw bales. The bales appear to be in good condition and functioning as designed

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(Photo 1).

FISH and WILDLIFE – Rule 4.18:

Wildlife was observed throughout the mine site. A mallards were noted in multiple ponds across the mine site including the Last Chance Pond, DP-1 Pond, and the PP-2 Pond. A half dozen deer were observed near the B-Vent Shaft, and a dozen pronghorn were observed near the RP-5 Pond.

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:

There are three ponds located in the main facilities area: the DP-1 Pond, the PP-1 Pond and the PP-2 Pond. The DP-1 Pond is located on the southern part of the lower facilities bench. DP-1 collects all runoff from the from the three facilities benches. The outlet structure was clear of debris and the pond was discharging at the time of inspection. The embankments appear stable with well-established vegetative cover. The emergency spillway has minor amounts of vegetation but still appears to be able to convey water and is well armored (Photo 2). There were no erosional concerns identified. The PP-1 Pond is located on the middle bench of the facilities area near the prep plant. The pond held minor amounts of water and was well below the discharge level (Photo 3). There were no erosion or stability issues identified in the PP-1 Pond. The PP-2 Pond is located on the upper facilities bench. The outlet structure was in good condition with no vegetation obscuring the outlet (Photo 4). Water diversion ditches throughout the main facilities area were unobstructed and stable.

The B Seam Dewatering System No. 1 was active during the inspection. Cells were impounding water. There was well established vegetation on the embankments of the cells. The cells were stable with no erosional or other stability features noted. The Last Chance Pond was discharging approximately 15-20gpm at the time of the inspection (Photo 5).

The SS-2 Pond is located at the northwestern base of the Slot Storage Facility. The pond was dry at the time of the inspection. The embankments of the pond were well vegetated and stable with no indications of erosion (Photo 6).

The RS-1 Sump and the RR-1 Pond are located at the south side of the Rail Loadout. The RS-1 Sump was still holding minor amounts of water, but water levels are down significantly since the last inspection (Photo 7). There were no indications of erosion. The RR-1 Pond was dry. The embankments of the pond seem stable. The erosion feature on the northern embankment that has been noted in previous inspection reports does not appear to have grown in size (Photo 8). The Rail Loadout Storage South Ditch has minor amounts of vegetative debris but does not appear obstructed and is able to convey water (Photo 9).

Pond RP-1 is located at the base of the reclaimed RP-1 Refuse Pile. The pond was dry at the time of the inspection. The embankments of the pond were stable with no indications of erosion observed. There were no obstructions in the outlet - the trash rack over the pond's outlet was clean.

Two ponds are located at the northern base of Refuse Pile RP-2/3/4. The RP -2/3 Pond is located on the pile's northeast corner. The Pond consists of three cells – the upper cells were holding water at the time of the inspection

(Photo 10). The channels above the ponds appear clear of debris. No erosional features were noted on the embankments of the conveyance ditches. The trash rack was clear of debris. The RP-4 Pond is located at the northwest base of the pile. The pond was dry during the inspection. The outlet for the RP-4 Pond is capped with a trash rack. The outlet was clear of debris.

Pond RP-5 is located at the northern base of the RP-5a Refuse Pile. The pond was dry at the time of the inspection. The embankments of the ponds were vegetated and seemed stable (Photo 11). No indications of erosion were observed. The outlet was clear of obstructions.

The Raw Water Lagoon is in the southeastern portion of the permit boundary off CR-65 and adjacent to the White River. There was no evidence of erosion or instability along pond embankments. The pipeline that moves water from the river into the pond was in good condition. The pump that delivers water from the pond to the facilities area was free of obstructions/debris time of the inspection (Photo 12). The pond was still frozen at the time of the inspection.

Hydrocarbons are being stored in accordance with best practices. Fuel is stored in double walled tanks near the haul road leaving the facilities area. In addition to double walled tanks there is also a earthen berm in place for containment (Photo 13).

PROCESSING WASTE/COAL MINE WASTE PILES – Rule 4.10 and 4.11
Drainage Control; Surface Stabilization; Placement:

During the inspection the RP-2/3/4 Refuse Pile was observed to be stable. Minor erosion rills on the slopes of the pile have been noted in previous Division inspection reports and have not enlarged in a significant way. A minor amount of vegetation is present on the slopes of the stack. There was no signs of displacement or slumping.

The RP-5a Pile appeared stable during the inspection. Erosion on the slopes of the pile has been noted in previous Division reports. Similar to the RP-2/3/4 Refuse Pile, these rills have not enlarged since the previous inspection. There were no signs of displacement or slumping on the refuse pile (Photo 14). A minor amount of vegetation is present on the slopes of the stack.

ROADS – Rule 4.03
Construction 4.03.1(3)/4.03.2(3), Drainage 4.03.1(4)/4.03.2(4), Surfacing and Maintenance4.03.1(5) and (6)/4.03.2(5) and (6), Reclamation 4.03.1(7)/4.03.2(7):

The Haul Road was clear and well maintained. There we no sections with ruts or other road damage. The road surface was treated for dust, and no noticeable amount of dust was generated by haul trucks. **The ditches that parallel the roads have excessive sediment and haybales used to control sediment are not functioning as designed. Bales are clogged with sediment stormwater is able to bypass bales (Photo 15). Please clean sediment from the drainage ditches that parallel the road and replace straw bales as needed.**

CR-65 had no surface cracks or other indications of road damage due to subsidence. Access roads throughout the mine site were traversed during the inspection. Roads were stable and no erosional features were identified.

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

The RP-1 refuse pile has been reclaimed for several years. Vegetation is well established and protects the

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pile. No indications of instability of erosion were observed. The perimeter diches appear stable with no erosion concerns.

SUPPORT FACILITIES - Rule 4.04:

Support facilities that were inspected include the main facilities/portals area, RDH-2, B-Vent Shaft #1, Slot Storage, radio tower and the conveyor corridor. The main facilities for the Deserado Mine are composed of three benches. The lower bench contains the mine, office, shop, and portals. The middle bench contains the prep plant, and the upper bench contains a materials laydown yard and electric substation. The drainage structures in the main facilities area were functioning correctly. There were no indications of erosional features on the three benches and berms were in good condition. The mine placed addition road base in the facilities area to deal with mud. The material laydown yard is becoming crowded, but material is contained to the area. The safety fence surrounding the electric substation was in good condition.

The B Seam Vent Shaft #1 is located north of the main facilities off of the haul road. The pad was stable with no erosional features. The fencing around the shaft to prevent unauthorized entry was in good condition.

The pad for RDH-2 rock dust tank is located to the north of the B-Vent Shaft #1. The pad for the tank was stable with no indications of erosion. Culverts under the road are clear and able to convey water properly.

The Slot Storage Facility is located just to the south of the rail loadout. The pad that surrounds the Slot Storage is in good condition with a berm to control erosion. Equipment that was kept on the pad has been cleaned and organized. There were no erosional features noted.

The pad for radio tower is located to the north of the Main facilities. The pad for the tower was stable with no indications of erosion (Photo 16).

During the inspection the Conveyor Corridor was traversed. Sections of the conveyor were being cleaned during the inspection. There were no indications of erosion underneath the conveyor.

SIGNS AND MARKERS – Rule 4.02:

A mine identification sign was observed to be posted on the right-hand side of CR-65 as the county road enters the permit boundary. The sign was placed in an unobstructed location and the text was easily legible. Information on the sign contained the mine permit number, permittee name and contact information.

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 stockpiles are located throughout the mine site. Topsoil stockpiles observed during this inspection include the facilities, B-Vent Shaft, and rail loop stockpiles. The stockpiles were protected by vegetation and showed no indications of erosion or instability. Topsoil piles that were observed had topsoil markers at the top of the pile. The markers are T-posts covered with pieces of white PVC. The markers were placed in visible locations and easy to spot. The facilities topsoil stockpile has armored channels that direct water. Channels are in good condition and show no signs of erosion.

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DOCUMENTS RECEIVED: NA

OTHER (SPECIFY): NA

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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 – View to the east of straw bales in drainage of explosives pad.

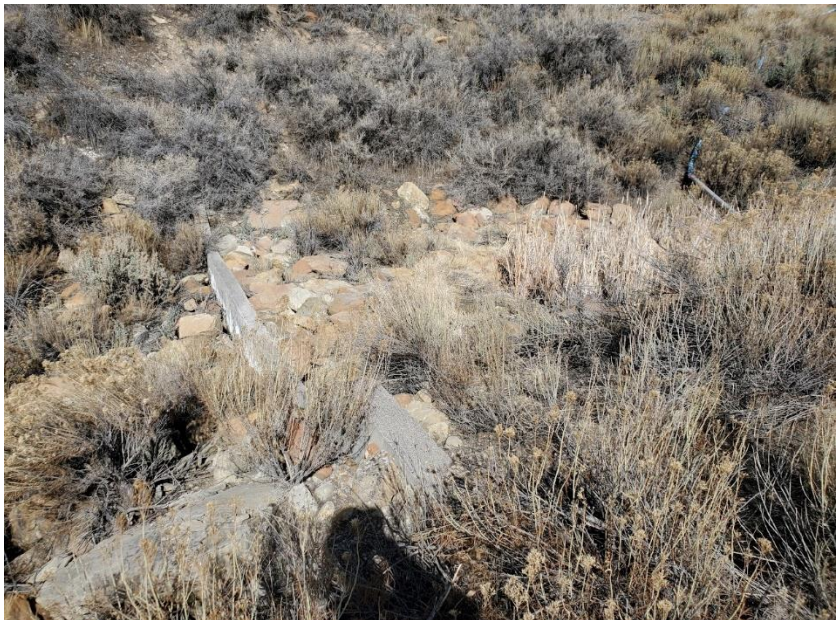

Photo 2 – View to the west of Pond DP-1 spillway.

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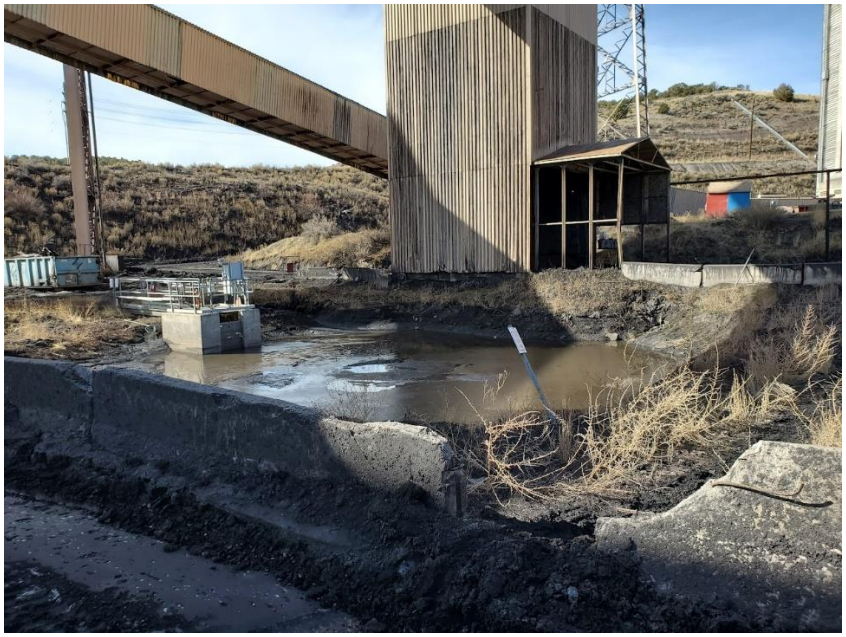

Photo 3 – View to the west of PP-1 Pond.

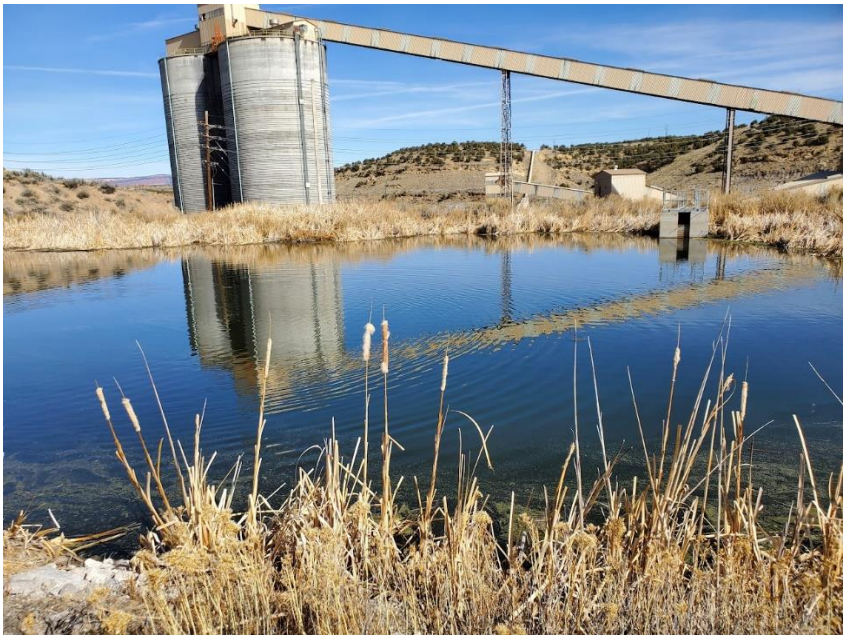

Photo 4 – View to the north of PP-2 Pond and outlet.

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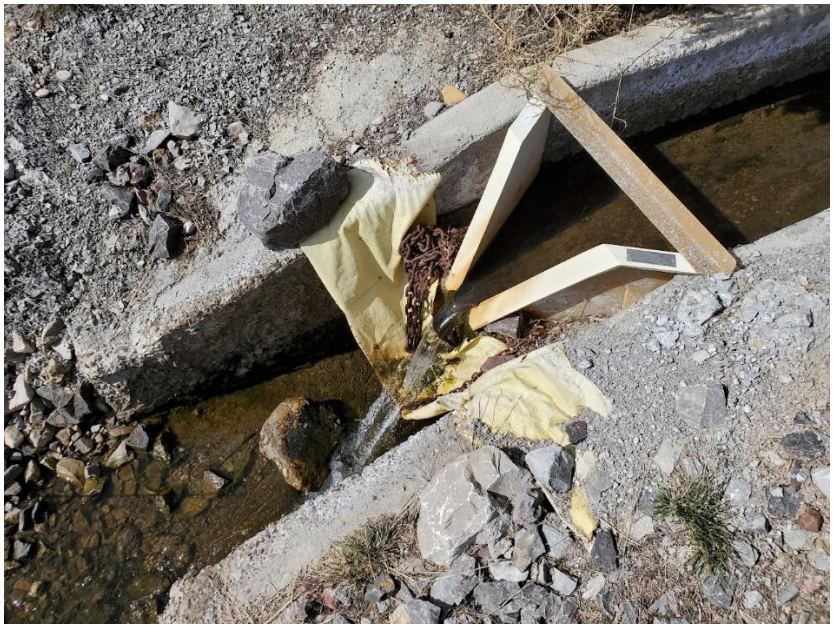

Photo 5 – View to south of discharge at Last Chance Pond

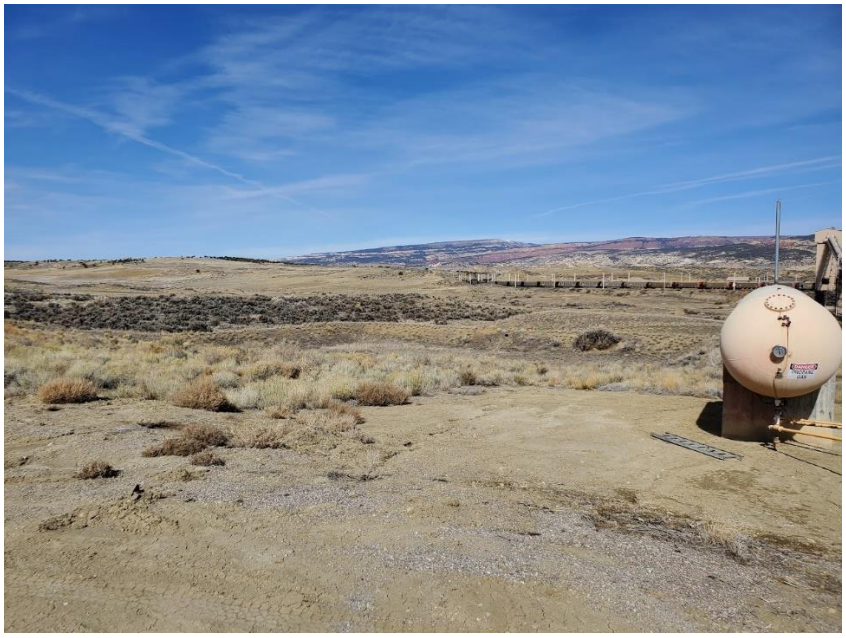

Photo 6 – View to the north of SS-2 Pond.

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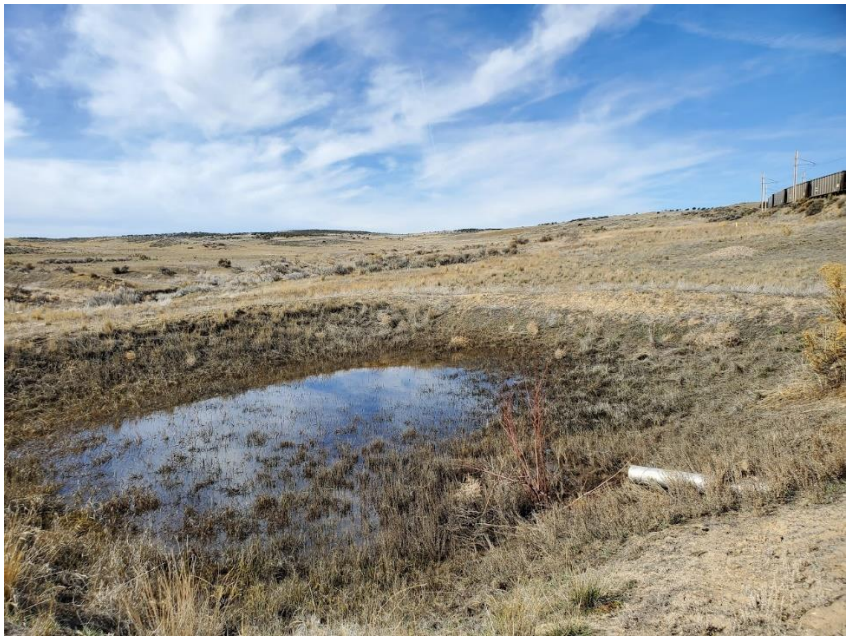

Photo 7 – View to the west of RS-1 Sump.

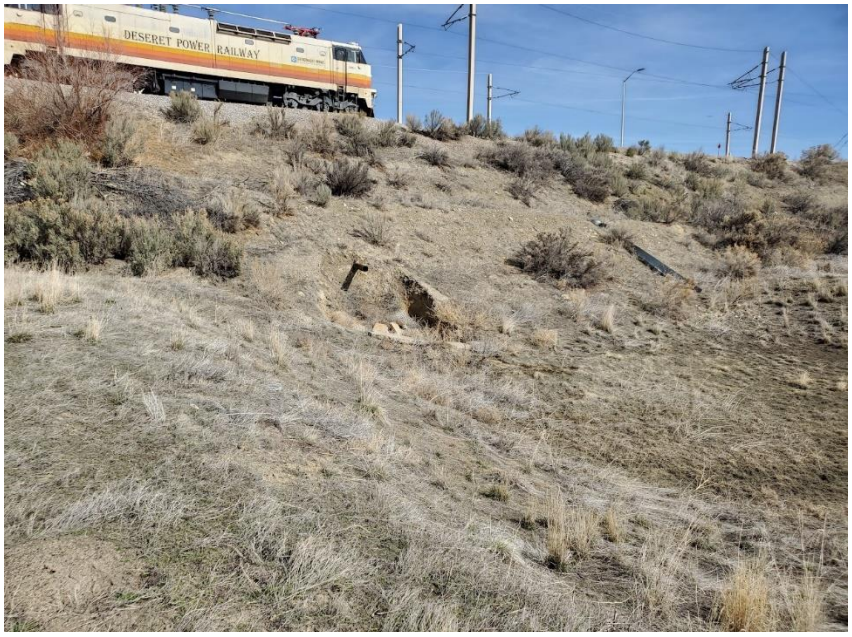

Photo 8 – View to the north of RR-1 Pond erosion scar.

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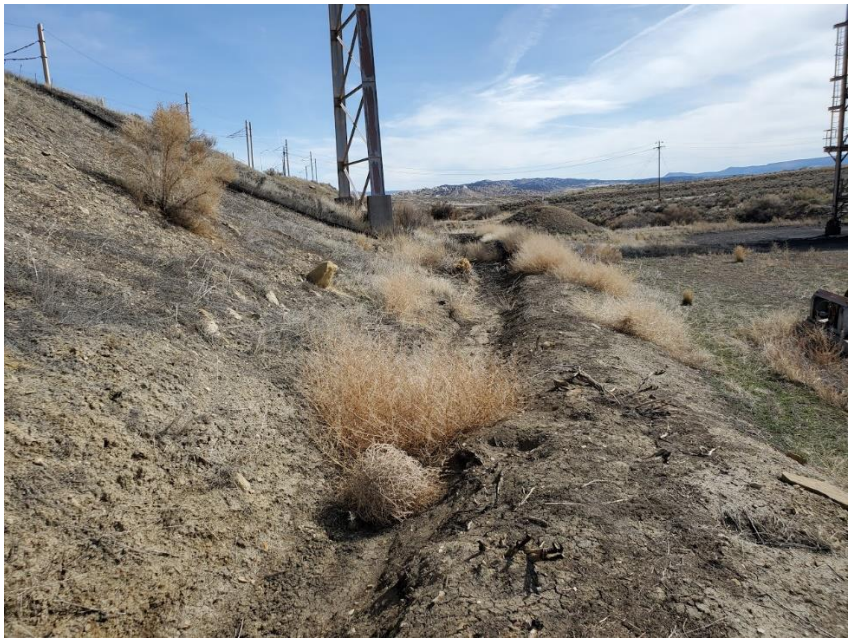

Photo 9 – View to the east of railroad diversion ditch.

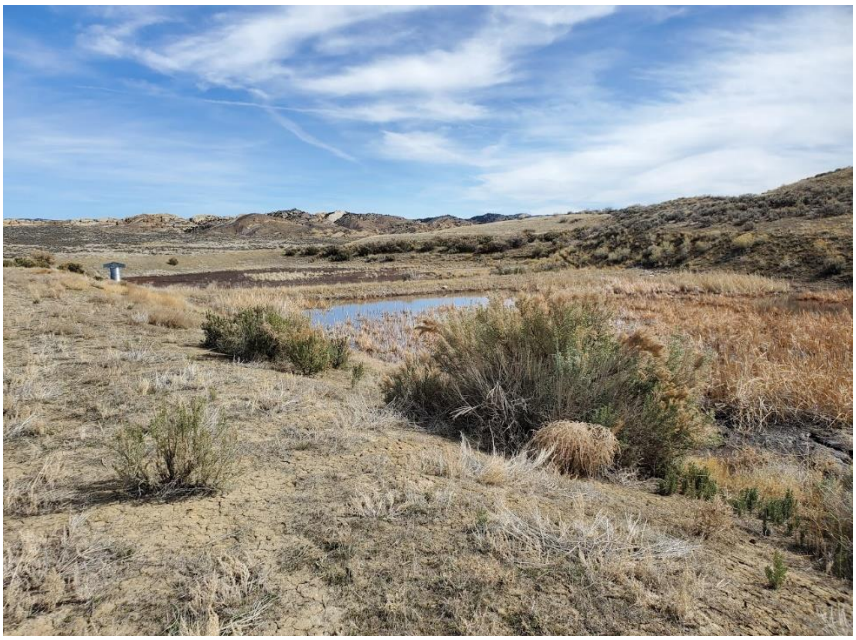

Photo 10 – View to the northeast of RP-2/3 Pond.

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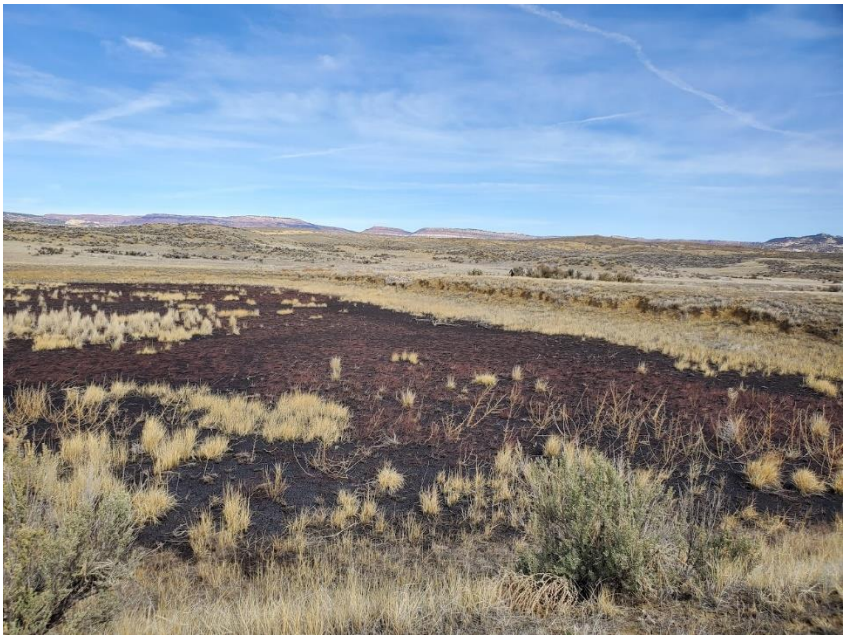

Photo 11 – View to the northeast of RP-5 Pond embankment.

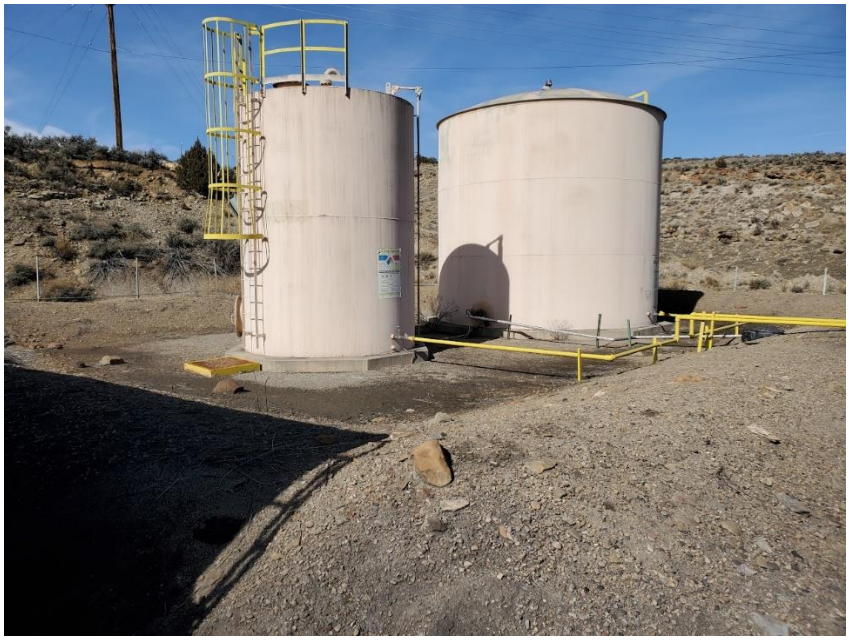

Photo 12 – View to the east of fuel containment.

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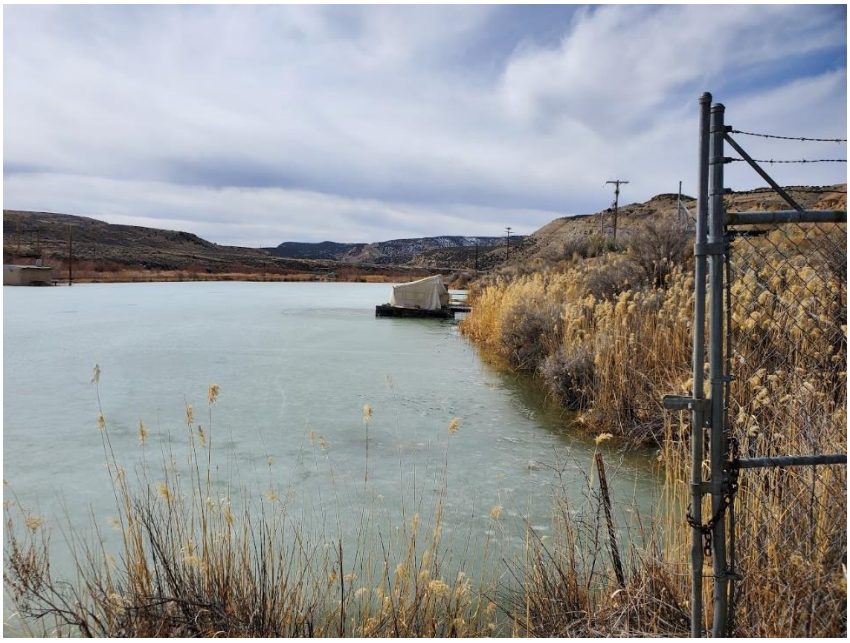

Photo 13 – View to the south of process water pond.

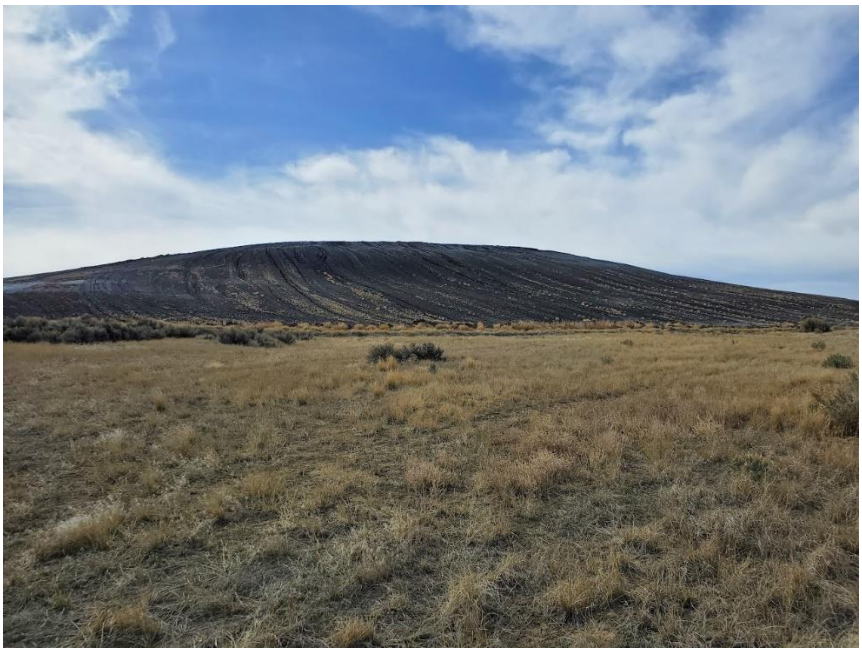

Photo 14 – View to the south of RP-5a refuse pile.

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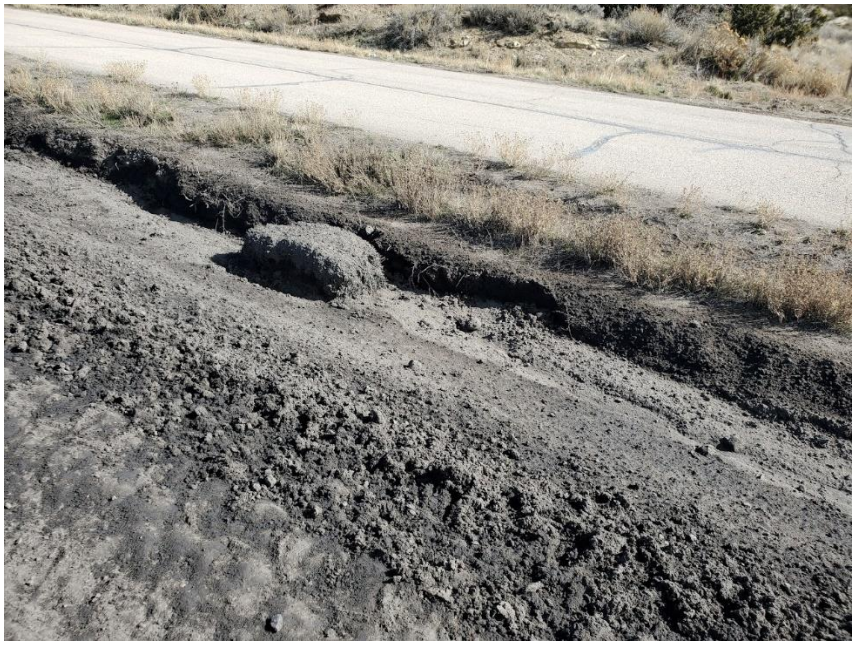

Photo 15 – View to the north of haul road drainage ditch with hay bale.

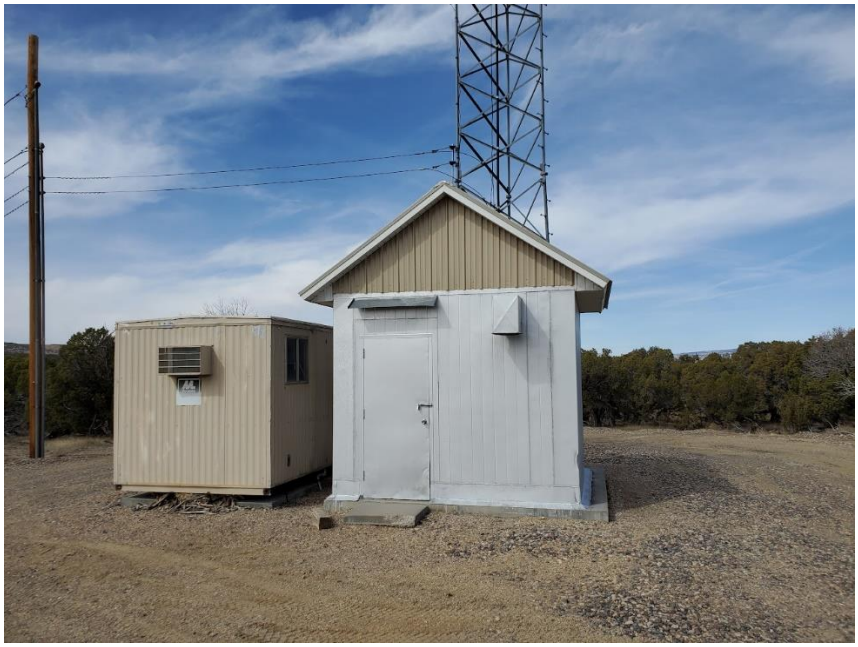

Photo 16 – View to the east of radio tower pad.

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AVAILABILITY OF RECORDS

PERMIT RECORDS		**HYDROLOGIC RECORDS**	
DRMS Permit	RN-8	NPDES Permit	CO0038024 Admin extension
Permit Application w/Revisions	OK	NPDES Records	Q4 2024
Findings Document	RN-8	Stormwater Management Plan	OK 2024
Insurance Certificate	Expires 12/30/2025	SPCC Plan	OK 2008
Bond Document	OK	MSHA Pond Inspections	NA
Phased Bond Release Documents/Findings	NA	State Engineer's Pond Inspection	OK
Air Emission Permits	**Submitted 2024 Page need to be updated**	Quarterly Pond Inspections	Q4 2024
County Special Use Permits	Ok July 2018	Annual Hydrology Reports	January 2025
UG Mining Landowner Notification	NA	• Ground Water Monitoring	AHR
Subsidence Monitoring Reports	Q4 2025	• Surface Water Monitoring	AHR
Subsidence Monitoring Data	Q4 2025	• Spring & Seep Monitoring	NA
Rill & Gully Survey	NA	• Mine Water Discharge Monitoring	AHR
Vegetation Monitoring Data	2016 Survey & 2024 ARR	• Mine Inflow Study	AHR
Specific Variance Approvals	NA	• Water Consumption Records	AHR
Annual Reclamation Reports	2024	Well Permits	OK
Midterm Review Documents	MT-8		
DRMS/OSM Inspection Reports/Enforcement Actions (3 Years)	Up to date, Feb 2025	**BLASTING RECORDS**	
Transfers/Succession of Operator	SO-1 1997	Blasting Publication	NA
Temporary Cessation Notification	NA	Blasting Records (3 years)	NA
Reclamation Cost Estimate	MR-189	ATFE Explosives Permit	Expires 2027
CERTIFICATIONS		Blasting Variances	NA
Pond Certifications	Ok	Pre-Blast Surveys	NA
Annual Certifications for Impoundments	OK- With pond report		
Fill Certifications for Excess Spoil or Underground Development Waste	OK 2001	**ADDITIONAL RECORDS (specify)**	
• Quarterly Inspections	Q4 2024		
• Compaction Testing	Up to Date		
• Final Certification	RP-1		
Coal Processing Waste Banks	Q4 2024		
Haul Road Certifications	OK 2001		
Access Road Certifications	NA		

COMMENTS:

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