



STATE OF
COLORADO

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

June Inspection Report

1 message

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

Mon, Jun 23, 2025 at 3:57 PM

To: Kurt Blunt <kblunt@deserado.com>

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

Kurt,

Attached is the report from the complete inspection conducted in June. I did not note any maintenance items that require your attention.

Thanks

Todd

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Environmental Protection Specialist
Minerals Program, Grand Junction Field Office
Colorado Division of Reclamation Mining and Safety
720-688-0626



2025-06-23 INSP-REPORTC_C1981018.pdf

2642K



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

INSPECTION INFORMATION

Inspection Start Date: June 11, 2025 Inspection Start Time: 10:30 Inspection End Date: June 11, 2025 Inspection End Time: 13:30	Inspection Type: Coal Complete Inspection Inspection Reason: Normal I&E Program Weather: Clear
Joint Inspection Agency: None	Joint Inspection Contacts: NA
Post Inspection Agency: None	Post Inspection Contacts: NA
Inspector(s): Todd Jesse	Inspector's Signature:  Signature Date: 6/23/25

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

N - Backfill & Grading

N - Excess Spoil and Dev. Waste

R - Explosives

R - Fish & Wildlife

R - Hydrologic Balance

Y - Gen. Compliance With Mine Plan

N - Other

N - Processing Waste

R - Roads

N - 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 June 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 80° F at the start of the inspection. The ground conditions dry and the entire mine site was accessible to travel. The mine was in the process of moving the longwall during the time of the inspection.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

The records for the Deserado Mine are located at the mine office with Kurt Blunt. All records were well kept and up to date. The APEN page was updated since the last complete inspection to reflect the dates the operator submitted new APENs to CDPHE and the date that the submitted APENs will expire. The Reclamation Cost Estimate for MR-190 (the most recent cost estimate) was in the binder.

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 (Photo 1)

FISH and WILDLIFE – Rule 4.18:

Sing birds and waterfowl were observed in the Last Chance Pond. There were also a number of pronghorns observed near the SS-2 pond north of the Slot Storage facility.

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:

Number of Partial Inspection this Fiscal Year: 9Number of Complete Inspections this Fiscal Year: 4

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 (Photo 2). The emergency spillway has minor amounts of vegetation but still appears to be able to convey water and is well armored. 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 25 gpm 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 dry (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.

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. 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. Animal burrows were noted in the embankments of the RP-4 Pond and were filled during the inspection (Photo 9).

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 10). No indications of erosion were observed. The outlet was clear of obstructions.

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 was clear and well maintained. There were 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 are clear of debris and haybales used to control sediment are functioning as designed.

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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.

SUPPORT FACILITIES - Rule 4.04:

Support facilities that were inspected include the main facilities/portals area, Slot Storage, RDH-4, B-Vent Shaft #1, 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 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-4 rock dust tank is located to the north of the last chance pond. 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 on the embankments below the slot storage building (Photo 11).

During the inspection the Conveyor Corridor was traversed. 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 (Photo 12)

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 bales in pad drainage.



Photo 2: View to the southeast of DP-1 embankment.

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Photo 3: View to the southwest of PP-1 pond



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

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Photo 5: View to the south of Last Chance Pond discharge.



Photo 6: View to the north of SS-2 pond.

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Photo 7: View to the south of the rail sump



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

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Photo 9: View to the east of filled animal burrow on embankment of RP-4 Pond



Photo 10: View to the north of embankment of RP-5 Pond.

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Photo 11: View to the south of embankments of slot storage facility.



Photo 12: View to the northwest of mine ID sign at entrance to the permit boundary.

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AVAILABILITY OF RECORDS

PERMIT RECORDS

DRMS Permit	RN-8
Permit Application w/Revisions Findings Document	OK RN-8
Insurance Certificate	Exp 12/30/25
Bond Document	OK
Phased Bond Release Documents/Findings	NA
Air Emission Permits	OK
County Special Use Permits	OK July 2018
UG Mining Landowner Notification	NA
Subsidence Monitoring Reports	Q1 2025
Subsidence Monitoring Data	Q1 2025
Rill & Gully Survey	NA
Vegetation Monitoring Data	2016 Survey & 2024 ARR
Specific Variance Approvals	NA
Annual Reclamation Reports	2024
Midterm Review Documents	MT-8
DRMS/OSM Inspection Reports/Enforcement Actions (3 Years)	Up to date. May 2025
Transfers/Succession of Operator	SO-1 1997
Temporary Cessation Notification	NA
Reclamation Cost Estimate	MR-190
CERTIFICATIONS	
Pond Certifications	OK
Annual Certifications for Impoundments	OK with pond report
Fill Certifications for Excess Spoil or Underground Development Waste	OK 2001
• Quarterly Inspections	Q1 2025
• Compaction Testing	Up to date
• Final Certification	RP-1
Coal Processing Waste Banks	Q1 2025
Haul Road Certifications	OK 2001
Access Road Certifications	NA

HYDROLOGIC RECORDS

NPDES Permit	CO0038024 Admn Extension
NPDES Records	Q1 2025
Stormwater Management Plan	Plan Feb 2014 / 2024 Annual Report
SPCC Plan	OK 2008
MSHA Pond Inspections	NA
State Engineer's Pond Inspection	OK
Quarterly Pond Inspections	Q1 2025
Annual Hydrology Reports	Jan 2025
• 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	Expires July 2027
Blasting Variances	NA
Pre-Blast Surveys	NA

ADDITIONAL RECORDS (specify)

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