



STATE OF  
COLORADO

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

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## Q1 Report Reviews

1 message

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**Jesse - DNR, Todd** <todd.jesse@state.co.us>  
To: Kurt Blunt <kblunt@deserado.com>

Wed, Jul 2, 2025 at 11:36 AM

Kurt,

Please see the atted review letters from the Q1 Pond & Subsidence Report, DMR Report, and Wastebank Report.

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

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### 3 attachments



**2025-07-02 1st Quarter 2025 DMRs Review Letter C-1981-018.pdf**  
164K



**2025-07-02 1st Quarter Pond Inspection Report and Subsidence Monitoring Report Review Letter C-1981-018.pdf**  
202K



**2025-05-07 1st Quarter Coal Waste Bank Report Review Letter C-1981-018.pdf**  
170K



July 2, 2025

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

**RE: Deserado Mine, Permit No. C-1981-018  
1<sup>st</sup> Quarter 2025 Sediment Pond Inspection Report and 1<sup>st</sup> Quarter 2025  
County Road 65 Subsidence Monitoring Report**

Dear Kurt,

The Division of Reclamation, Mining and Safety (the Division) has reviewed the Sediment Pond Inspection Report and the County Road 65 Subsidence Monitoring Report for the 1<sup>st</sup> Quarter of 2025. The reports were received on April 28, 2025. The Division finds the reports to be in compliance with the following Rules:

**1st Quarter 2025 Sediment Pond Inspection Report**

**4.05.9(17)** – All impoundments are inspected quarterly, by a qualified person designated by the operator, for the appearance of structural weakness and other hazardous conditions. The reports are retained at the Deserado Mine Office, and copies of the reports are submitted to the Division on a quarterly basis.

**4.05.9(15)(a)** – No indications of seepage, erosion or animal burrows were identified in the 4<sup>th</sup> quarter. Spillways for the ponds were noted to be in good repair and functional. SDH-3M has been listed as having channel erosion and a defective spillway for multiple reports. The pond has not been used since this issue was observed. The SDH-3L pond substitutes for the SDH-3M pond.

**4.05.9(15)(b)** – The existing required monitoring procedures were met.

**4.05.9(15)(c)** - The amount of water impounded in the ponds was documented in the report.

**4.05.9(15)(d)** – The existing storage capacity of the impoundments was documented in the report.

**4.05.9(15)(e)** – The 1<sup>st</sup> Quarter report did not list any other aspects of the structure affecting stability or requiring maintenance.

During the 1<sup>st</sup> Quarter, the Portals Area Pond/DP-1 (001), the B Seam Dewatering System No. 1 (029), SDH 3/5 (026) and the Raw Water Lagoon (045) recorded discharging.



**1<sup>st</sup> Quarter 2025 County Road 65 Subsidence Monitoring Report**

**2.05.6(6)** – The report stated that no mining had occurred under County Road during the 1<sup>st</sup> Quarter. Virtually no surface cracks or differential settlement were observed since the last report. No other indications of damage were indicated in the report.

This concludes the Division's review of the Sediment Pond Inspection Report and the County Road 65 Subsidence Monitoring Report for the 1<sup>st</sup> Quarter of 2025. If you have any questions, please contact me at (720) 688-0626

Sincerely,



Todd Jesse  
Environmental Protection Specialist  
[todd.jesse@state.co.us](mailto:todd.jesse@state.co.us)

cc: Travis Marshall, DRMS, Senior Environmental Protection Specialist GJFO  
Clayton Wein, DRMS, Environmental Protection Specialist