



STATE OF
COLORADO

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

August Report

1 message

Jesse - DNR, Todd <todd.jesse@state.co.us>
To: Kurt Blunt <kblunt@deserado.com>
Cc: Clayton Wein - DNR <clayton.wein@state.co.us>

Tue, Sep 2, 2025 at 2:15 PM

Kurt,

Please see the attached inspection report from the last inspection. I did not note any 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



2025-09-02 INSP-REPORTC_C1981018.pdf
3200K



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

INSPECTION INFORMATION

Inspection Start Date: August 19, 2025 Inspection Start Time: 11:00 Inspection End Date: August 19, 2025 Inspection End Time: 14:00		Inspection Type: Coal Partial 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: 9/2/2025

Inspection Topic Summary

NOTE: Y=Inspected N=Not Inspected R=Comments Noted V=Violation Issued NA=Not Applicable

N - Air Resource Protection

N - 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

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 August 19, 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 90° F at the start of the inspection. The ground conditions dry and the entire mine site was accessible to travel. The mine had completed the longwall move noted in the previous inspection report

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. Volunteer vegetation is growing on the site (Photo 1).

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 2).

FISH and WILDLIFE – Rule 4.18:

A mallards were noted in the DP-1 Pond. A half dozen prairie dogs were noted in the northern portion of the permit boundary near the refuse piles.

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;

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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 while the water level in the pond is low it was discharging at the time of inspection. The embankments appear stable with well-established vegetative cover (Photo 3). The emergency spillway has minor amounts of vegetation but is 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 4). 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. The embankments of the pond appear stable and no evidence of slumping or excessive erosion was noted (Photo 5). Water diversion ditches throughout the main facilities area were unobstructed and stable.

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 at the time of the inspection (Photo 7). The RR-1 Pond was also 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.

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 (Photo 9).

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 – all of which were dry 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. Animal burrows were noted in the northern embankment of the RP-4 Pond. These burrows were filled during the inspection (Photo 11).

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. An animal burrow was discovered on the embankment of the pond but was filled during the inspection (Photo 12). 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.

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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. The operator installed a gate along the main haul road at the intersection of CR-65 to prevent unauthorized entry.

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, B-Vent Shaft #1, RDH-2, 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 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 (Photo 13).

The pad for RDH-2 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. There were no erosional features noted on the embankments below the slot storage building (Photo 14).

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 15).

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

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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.

DOCUMENTS RECEIVED**OTHER (SPECIFY)**

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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 SW of Halandras Landfill.



Photo 2: View to the east of bales that in the drainage of the explosive pad.

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Photo 3: View to the southwest of the embankment



Photo 4: View to the southwest of the PP-1 Pond below the discharge level.

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Photo 5: View to the north of the eastern embankment of the PP-2 Pond.



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

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Photo 7: View to the south of the rail sump.



Photo 8: View to the north of the erosion scar on the rail pond. No change since last inspection.

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Photo 9: View to the east of outlet of RP-1 Pond.



Photo 10: View to the east of the dry RP-2/3 Pond .

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Photo 11: View to the east of burrow on RP-4 embankment.



Photo 12: View to the north of animal burrow in the RP-5 embankment.

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Photo 13: View to the north of animal burrow in the RP-5 embankment.



Photo 14: View to the north of animal burrow in the RP-5 embankment.

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Photo 15: View to the west of mine ID sign at the permit boundary.

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