



STATE OF  
COLORADO

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

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## October Inspection Report

1 message

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

Thu, Oct 23, 2025 at 4:43 PM

Kurt,

Please see the attached report from the October 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




**2025-10-23 INSP-REPORTC\_C1981018.pdf**  
1859K



### PERMIT INFORMATION

<b>Permit Number:</b> C-1981-018 <b>Mine Name:</b> Deserado Mine <b>Operator:</b> Blue Mountain Energy, Inc <b>Operator Address:</b> Mr Kurtis Blunt 3607 County Road 65 Rangely, CO, 81648	<b>County:</b> Moffat, Rio Blanco <b>Operation Type:</b> Underground <b>Permit Status:</b> Active <b>Ownership:</b> Private
	<b>Operator Representative Present:</b>  Kurt Blunt
<b>Operator Representative Signature: (Field Issuance Only)</b>  	

### INSPECTION INFORMATION

<b>Inspection Start Date:</b> October 15, 2025 <b>Inspection Start Time:</b> 12:00 <b>Inspection End Date:</b> October 15, 2025 <b>Inspection End Time:</b> 14:00		<b>Inspection Type:</b> Coal Partial Inspection <b>Inspection Reason:</b> Normal I&E Program <b>Weather:</b> Clear	
<b>Joint Inspection Agency:</b>  None		<b>Joint Inspection Contacts:</b>  NA	
<b>Post Inspection Agency:</b>  None		<b>Post Inspection Contacts:</b>  NA	
<b>Inspector(s):</b>  Todd Jesse	<b>Inspector's Signature:</b>  		<b>Signature Date:</b>  10/23/2025

**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 &amp; Grading

N - Excess Spoil and Dev. Waste

N - Explosives

N - Fish &amp; Wildlife

R - Hydrologic Balance

Y - Gen. Compliance With Mine Plan

N - Other

R - 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

N - Topsoil

**COMMENTS**

This report documents the observations made by the Division during a complete inspection of the Deserado Mine on October 15, 2025. This inspection was an oversight inspection by OSM. The inspection was completed by Todd Jesse of the Division. Kurt Blunt represented Blue Mountain Energy during the inspection. The weather was mostly sunny with a temperature around 60 degrees F. The ground conditions were very muddy due to a series of fall storms. Portions of the mine site were not accessed to prevent damage to roads. The inspection was confined to No Maintenance Items were noted during the inspection.

**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 has grown on the site. (Photo 1)

**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. The pond was not inspected due to excessive mud. The PP-1 Pond is located on the middle bench of the facilities area near the prep plant. The pond held water below the discharge level (Photo 2). 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 pond was not observed due to muddy conditions.

The SS-2 and SS-1 Ponds are located to the north of the Slot Storage Facility. 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 (Photo 3). The embankments of the pond were well vegetated and stable with no indications of erosion. The SS-1 is located at the

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northeastern base of the slot storage. The pond was dry at the time of the inspection. The culvert above the pond that conveys water under the road is free of sediment and able to convey water (Photo 4).

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.

Fuel is stored in double walled tanks near the haul road leaving the facilities area. The fuel is stored in a bermed secondary containment area. There is a secondary containment sump around the couplings to refuel the tanks. Minor amounts of meteoric water were in the containment sump. Barrels that were noted in previous inspection reports that contained bad fuel were removed from the site (Photo 5).

#### PROCESSING WASTE/COAL MINE WASTE PILES – Rule 4.10 and 4.11

Drainage Control; Surface Stabilization; Placement:

The RP-A pile was stable. No coal waste was being stacked here at the time of the inspection. No erosion was noted on the surface of the refuse pile.

#### 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 muddy, but there were no sections with significant road damage. Haul trucks were observed to be able to traverse the mud with ease. The ditches that parallel the roads are clear of debris and haybales used to control sediment are functioning as designed.

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.

Auxiliary roads on the site were too muddy to traverse.

#### SUPPORT FACILITIES - Rule 4.04:

Support facilities that were inspected include the main facilities/portals area, Slot Storage, Nitrogen Injection Plant, 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. There was a lot of meteoric water and mud from recent storms, but 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 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 6).

The Nitrogen Injection Plant is located just to the south of the Slot Storage Facility. The pad surrounding the building shows no signs of excessive erosion. The culvert that conveys water under the access road to the plant is clear and able to convey water (Photo 7).

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**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 8)

**DOCUMENTS RECEIVED: NA****OTHER (SPECIFY): NA**Number of Partial Inspection this Fiscal Year: 3Number of Complete Inspections this Fiscal Year: 1

**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 south of Halandras Landfill



Photo 2 – View to the south of the PP-1 Pond

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Photo 3 – View to the north of the SS-2 Pond



Photo 4 – View to the east of culvert above SS-1 Pond

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Photo 5 – View to the west of fuel station



Photo 6 – View to the south of Slot Storage

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Photo 7 – View to the east of clean culvert at nitrogen plant



Photo 8 – View to the west of mine id signage.

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Number of Partial Inspection this Fiscal Year: 3

Number of Complete Inspections this Fiscal Year: 1