



STATE OF
COLORADO

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

Inspection Report

1 message

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

Wed, Nov 5, 2025 at 6:07 PM

Kurt,

Please see the attached report from the inspection today. 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

2025-11-05 INSP-REPORTC_C1981018.pdf
3559K



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) NA	

INSPECTION INFORMATION

Inspection Start Date: November 5, 2025 Inspection Start Time: 09:30 Inspection End Date: November 5, 2025 Inspection End Time: 12:00	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: 11/5/2025

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
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 November 5, 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 44° F at the start of the inspection. The ground conditions were dry and the entire mine site was accessible to travel.

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).

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 (Photo 2). The bales appear to be in good condition and functioning as designed

FISH and WILDLIFE – Rule 4.18:

Ducks were observed on the PP-2 Pond. A large prairie dog population is located below RP-2/3/4 and RP-5 refuse piles.

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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 (Photo 3). 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 water 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 (Photo 5). No erosion or stability issues were identified on the PP-2 Pond. 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. The cells were stable with no erosional or other stability features noted. There was well established vegetation on the embankments of the cells (Photo 6).

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.

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. There were no indications of erosion around the sump. 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 7). The Rail Loadout Storage South Ditch has vegetation debris but does not appear obstructed and is able to convey water.

The RP-1 Pond is located at the base of the reclaimed RP-1 stack. The pond was dry during the inspection. The outlet for the RP-1 Pond is capped with a trash rack. The outlet was clear of debris. No signs of erosion were noted on the embankments of the pond.

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 and was not inspected. The RP-4 Pond is located at the northwest base of the pile. The pond was holding water during the inspection (Photo 8). The outlet for the RP-4 Pond is capped with a trash rack. The outlet was clear of debris. Animal burrows were in the embankments of the RP-4 Pond and were filled during the inspection. Channels above the pond appear free of obstruction and able to convey water.

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, but numerous burrows were discovered (Photo 9). These burrows were filled during the inspection. 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

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from the river into the pond was in good condition (Photo 10). The pump that delivers water from the pond to the facilities area was free of obstructions/debris time of the inspection.

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

Drainage Control; Surface Stabilization; Placement:

The RP-2/3/4 pile was stable. The operator graded the slopes of the stack to remove erosional rills the spring. Small rills have since reappeared in the slopes of the stack (Photo 11). However, the rills are not significant in size and do not appear to compromise the stability of the slope.

The RP-5a pile appeared stable during the inspection. Similar to the RP-2/3/4 pile, minor rills have appeared on the slopes of the pile since the operator graded in spring (Photo 12). The rills are not significant in size and do not appear to compromise the stability of the slope.

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.

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 pile (Photo 13). No indications of instability of erosion were observed. The perimeter ditches appear stable with no erosion concerns.

SUPPORT FACILITIES - Rule 4.04:

Support facilities that were inspected include the main facilities/portals area, Slot Storage, RDH-#2, 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 in 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 14)

The pad for RDH-2 rock dust tank is located to the east of the haul road and south of CR-65. The pad for the tank was stable with no indications of erosion. Culverts under the road are clear and able to convey water properly.

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The B Seam Vent Shaft #3 is located north of CR-65 off 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 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 15).

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 16).

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 #1, rail loop stockpiles and the RA 2 stockpile (Photo 17) near the refuse pile. 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.

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 south of the Halandras Landfill



Photo 2: View to the east of the bales in the drainage for the explosives pad.

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Photo 3: View to the west of embankment of the DP-1 Pond.



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

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Photo 5: View to the northwest of the PP-2 Pond outlet.



Photo 6: View to the east of the Last Chance Pond – part of the B Seam Dewatering System No. 1.

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Photo 7: View to the north of erosion scar on rail pond. Had not enlarged.



Photo 8: View to the east of water in RP-4 Pond

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Photo 9: View to the north of animal burrow on the RP-5 Pond embankment.



Photo 10: View to the east of inlet to Raw Water Lagoon.

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Photo 11: View to the south of rills on the RP-2/3/4 Pile



Photo 12: View to the south of rills on the RP-5a Pile.

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Photo 13: View to the south of reclaimed RP-1 Stack



Photo 14: View to the northwest of B Vent Shaft

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Photo 15: View to the south of Slot Storage Facility



Photo 16: View to the west of mine ID sign at permit boundary.

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Photo 17: View to the west of the RA2 topsoil stockpile.

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