




**COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY  
COAL PROGRAM INSPECTION REPORT**



**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 Scott Wanstedt 3607 County Road 65 Rangely, CO 81648	<b>County:</b> Rio Blanco <b>Operation Type:</b> Underground <b>Permit Status:</b> Active <b>Ownership:</b> Federal
	<b>Operator Representative Present:</b>  Scott Wanstedt
<b>Operator Representative Signature:</b> (Field Issuance Only)	

**INSPECTION INFORMATION**

<b>Inspection Start Date:</b> January 31, 2013 <b>Inspection Start Time:</b> 08:00 <b>Inspection End Date:</b> January 31, 2013 <b>Inspection End Time:</b> 12:00	<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>  None
<b>Post Inspection Agency:</b>  None	<b>Post Inspection Contacts:</b>  None
<b>Inspector(s):</b>  Zach T. Trujillo	<b>Inspector's Signature:</b>  <b>Signature Date:</b>  2/6/13

**Inspection Topic Summary**

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

N - Air Resource Protection	R - Roads
N - Availability of Records	N - Reclamation Success
N - Backfill & Grading	N - Revegetation
N - Excess Spoil and Dev. Waste	N - Subsidence
N - Explosives	N - Slides and Other Damage
N - Fish & Wildlife	R - Support Facilities On-site
R - Hydrologic Balance	R - Signs and Markers
Y - Gen. Compliance With Mine Plan	N - Support Facilities Not On-site
N - Other	N - Special Categories Of Mining
R - Processing Waste	Y - Topsoil

**COMMENTS**

This was a partial inspection of Deserado Mine conducted by Zach Trujillo on January 31, 2013. Scott Wanstedt of Blue Mountain Energy, Inc. accompanied myself on the inspection. Recent snowfall and snowdrifts limited access to certain areas within the permit boundary. Snow cover was estimated to be between six inches to one foot.

**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:

Sedimentation Pond DP-1 held water at the time of inspection. No discharge was occurring. Embankments were covered with snow but appeared stable.

Ponds PP-1 and PP-2 held water with no discharge. Embankments showed no signs of erosion or instability. Pond PP-2 embankments were cover with snow. PP-1 is within the facility area and is in situ with no embankments.

The B-Seam Mine Dewatering pump was not running during the time of the inspection. Water currently has been filled up to the 6th cell of the B-seam dewatering pond system. Up to the date of this inspection, no water has yet to discharge from the B-seam Mine Dewatering Pond system. Sediment build up within the 1st cell is becoming significant is in need of cleaning. An erosion crack has formed between the 3rd and 4th cell allowing water to pass between the ponds earlier than designed. All water is held within the pond system still and no discharge has occurred. Scott Wanstedt stated that the crack will be filled and repaired once the ground thaws.

Ponds SS-1, SS-2, RR-1 and RRS-1 were snow covered during the time of the inspection. No discharge was noted and embankments were stable.

Recent snow cover and snowdrifts made Ponds RP-1, RP-2/3, RP-4 and RP-5 inaccessible.

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 2

Facility and Rock Dust Tank SAE's were inspected for proper erosion control. No signs of erosion were noted and were mostly snow covered.

Facility culverts inspected were clear. From previous inspections, it was noted that culverts have been buried or clogged from plowing activities in the past and all culverts should be maintained to prevent this from occurring.



Erosion gully in between dewatering ponds.



1<sup>st</sup> cell of dewater pond system filled with sediment.

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

Drainage Control; Surface Stabilization; Placement:

Refuse was currently being stocked on top of Refuse Pile 5A. Refuse will be stockpiled until weather allows the refuse to thaw, dry and be successfully compacted. Snow cover limited accessibility on top of each pile.



Refuse stockpile on RP-5A.

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 2

**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 has had all snow plowed off the road up to Refuse Pile 5A. Primary access roads to key facilities were also plowed.

**SUPPORT FACILITIES - Rule 4.04:**

Nitrogen injection borehole and sample shed was inspected. Site area was cross ripped for erosion control.

Vent Shaft 10L and pad was inspected. The pad recently has had berms and a rock check dam added as erosion control. Berms were stable and no signs of erosion were visible.



Nitrogen injection and sample shed.



10L Vent Shaft.

**SIGNS AND MARKERS – Rule 4.02:**

Mine Identification signs are located at the intersection of County Road 65 and the permit boundary, the mine entrance road and at the intersection of County Road 65 and Highway 64. Signs included all required information for compliance.

Topsoil and subsoil piles were clearly marked.

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 2