




**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: (Field Issuance Only)</b>  	

**INSPECTION INFORMATION**

<b>Inspection Start Date:</b> April 18, 2013 <b>Inspection Start Time:</b> 08:00 <b>Inspection End Date:</b> April 18, 2013 <b>Inspection End Time:</b> 11:00		<b>Inspection Type:</b> Coal Partial Inspection <b>Inspection Reason:</b> Normal I&E Program <b>Weather:</b> Cloudy	
<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>  4/24/13

**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	Y - Signs and Markers
N - 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 the Deserado Mine by Zach Trujillo of Colorado Division of Reclamation, Mining and Safety (DRMS) conducted on April 18, 2013. Scott Wanstedt of Blue Mountain Energy, Inc. (BME) accompanied the inspection. The weather was cloudy with minor snow cover. Temperatures for the day were around forty degrees fahrenheit.

**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:

Pond DP-1 held water at the time of the inspection with no discharge. Embankment was stable and vegetated. The sink hole mentioned in the previous inspection has been backfilled and compacted. No additional holes were observed in the pond embankment.

Refuse Ponds 2/3, 4 and 5 all held water with no discharge. Embankments were stable and well vegetated. All spillways were clear with outlets armored and stabilized with riprap. No issues were noted.

Ponds SS-1 and SS-2 were inspected. Pond SS-1 was dry. Embankments were stable and vegetated. Pond SS-2 held minimal water with no discharge. Embankments were stable and vegetated.

The B-Seam mine dewatering pond system held water up to the 6th cell. Water was now being pumped directly into the second cell to allow the first cell to dry for cleaning. The breach between the 3rd and 4th cell has been repaired and water now flows through its intended channels. Water has yet to reach the wetlands section of the pond system and to the date of this inspection, no water has been discharged from the B-Seam mine dewatering pond system.

The ditch line south of the rotary breaker has been reestablished. Sediment that had accumulated within the ditch

Number of Partial Inspection this Fiscal Year: 7

Number of Complete Inspections this Fiscal Year: 3

has been removed allowing drainage to properly flow into pond DP-1.

All culverts inspected were clear or had been recently cleaned except for one. The culvert that runs below the road intersection to Moon Lake Substation still needs to be cleaned. The culvert was approximately 75% full of sediment.

The Red Wash Reservoir #2 was inspected. Currently Deserado Mine is in the process of applying for a coal lease that would expand below the Red Wash Reservoir #2. The reason behind inspecting the reservoir was to get an idea of its location, size and its potential to be impacted by subsidence. Future comments on the Red Wash Reservoir #2 may occur with the Division's adequacy letter related to BME's PR-8.



Backfilled sink hole in Pond DP-1 embankment.



Culvert below intersection to substation.



B-Seam dewatering pond embankment repair.



Red Wash Reservoir #2.

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

Number of Partial Inspection this Fiscal Year: 7

Number of Complete Inspections this Fiscal Year: 3



**Drainage Control; Surface Stabilization; Placement:**

Refuse was currently being spread and compacted on Refuse Pile 5A. The winter stockpile is still in place on pile 5A and is waiting to be surveyed before being spread. Both refuse piles were stable and well compacted. The piles have been graded to allow water to runoff to perimeter ditches. No signs of ponding were observed.

**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):

Roads were in stable condition. No signs of fugitive dust were observed.

**SUPPORT FACILITIES - Rule 4.04:**

The rock dust tank near the Nitrogen Plant was leaking and in need of repair. Rock dust was being sprayed out from the neck joint. It appears a hole was created due to vibration and rubbing. Rock dust was collecting near the injection point. No signs of rock dust leaving the direct area of the rock dust tank SAE were observed.



Rock dust tank leak.

Number of Partial Inspection this Fiscal Year: 7

Number of Complete Inspections this Fiscal Year: 3

**ENFORCEMENT ACTIONS/COMPLIANCE**

No enforcement actions are needed as a result of this inspection.

Number of Partial Inspection this Fiscal Year: 7

Number of Complete Inspections this Fiscal Year: 3