




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



PERMIT INFORMATION

Permit Number: C-1981-018 Mine Name: Deserado Mine Operator: Blue Mountain Energy, Inc Operator Address: Mr Scott Wanstedt 3607 County Road 65 Rangely, CO 81648	County: Rio Blanco Operation Type: Underground Permit Status: Active Ownership: Federal
	Operator Representative Present: Scott Wanstedt
Operator Representative Signature: (Field Issuance Only) 	

INSPECTION INFORMATION

Inspection Start Date: July 30, 2013 Inspection Start Time: 08:00 Inspection End Date: July 30, 2013 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: None
Post Inspection Agency: None	Post Inspection Contacts: None
Inspector(s): Zach T. Trujillo	Inspector's Signature:  Signature Date: 8/6/2013

Inspection Topic Summary

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

R - Air Resource Protection**N** - Availability of Records**N** - Backfill & Grading**N** - Excess Spoil and Dev. Waste**N** - Explosives**R** - Fish & Wildlife**R** - Hydrologic Balance**N** - Gen. Compliance With Mine Plan**R** - Other**R** - Processing Waste**Y** - Roads**R** - Reclamation Success**N** - Revegetation**N** - Subsidence**N** - Slides and Other Damage**N** - Support Facilities On-site**R** - Signs and Markers**N** - Support Facilities Not On-site**N** - Special Categories Of Mining**R** - 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 July 30, 2013. Scott Wanstedt of Blue Mountain Energy, Inc. (BME) accompanied the inspection. The weather was clear with the partially saturated from recent a precipitation event. Temperatures for the day were around eighty degrees fahrenheit.

AIR RESOURCE PROTECTION – Rule 4.17:

No sign of fugitive dust was observed along the roads.

FISH and WILDLIFE – Rule 4.18:

Three resident ospreys were observed along the Raw Water Lagoon. Osprey nest was observed to be on the perch above the power line pole.

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Osprey and nest above the Raw Water Lagoon.

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;

The B-seam Dewatering Pond was running for a short time during the time of the inspection. Issues with coagulant entering and mixing with the water properly was noted as the reason for the pumping to be stopped. Previous pumping has filled water up to the 5th pond where water was then being pumped into the artificial wetland to help flush and establish the area. Water has reached up to the 7th cell of the artificial wetlands. The Finishing Pond was dry and to the date of this inspection, no water has been discharged from the B-Seam Dewatering Pond system.

Ponds RP-1, RP-4, PR-5 SS-1, SS-2, RRS-1 and RR-1 were dry during the time of the inspection. Embankments were stabilized with vegetation and no erosion was noted. Spillways and related channels were armored with rip rap with no erosion observed.

Pond RP-2/3 held minimal water only in its south western cell. The main water containment section of the pond was dry. No discharge from the pond occurred during the time of the inspection. Embankments were stable,

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vegetated and with no signs of erosion. Spillways were clear of debris and properly armored.

Ponds PP-1 and PP-2 both held water. Both ponds were stable with no discharge. During the May inspection, a damp spot was observed at the base of Pond PP-2's embankment. No saturation, seeps, dampness or issues was observed of Pond PP-2's embankment during this inspection. Scott Wanstedt mentioned during the June inspection that the dampness in the embankment was due to a leak in the pump system to Pond PP-2.

Pond DP-1 held water with no discharge during the time of the inspection. Large quantities of cat tails have grown within the pond and along the embankment. Cattails have formed around the primary spillway possibly impeding any flow that would occur during discharge and are in need of being removed from the inlet of the pipe.

No sign of erosion was observed in any of the SAEs that were inspected. All SAEs inspected were stable with proper sediment controls in place. The following SAEs were inspected:

- B-Vent Shafts
- Water Storage Tank
- Explosives Storage
- Radio Tower
- Rock Dust Tanks
- Nitrogen Station.

The Raw Water Lagoon was inspected. At the time of inspection, water was being pumped from the lagoon up to the facilities water tank. No issues were observed with the Raw Water Lagoon.

Culverts along the facility area were all clear of sediment and debris.

The rock check dam for the secondary channel into Pond DP-1 below the rotary breaker has sediment build around it and is need of being cleaned.



B-Seam Dewatering Pump.



Pond DP-1 primary spillway.

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Rock check dam for secondary channel into DP-1.

OTHER (SPECIFY):

Scott Wanstedt mentioned they plan on submitting a future revision to include discussions on new weed management practices for cheatgrass. He also mentioned BME will be sending employees to noxious weed courses to help improve management practices for cheatgrass.

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

Drainage Control; Surface Stabilization; Placement:

Refuse was being actively stacked and spread on both refuse piles RP-2/3/4 and RP-5A. Refuse appeared to be well compacted and being spread in a manner in which surface runoff would be directed to the perimeter ditches. No signs of rills or gullies were observed along the embankments.

RECLAMATION SUCCESS - Rule 4.15, Rule 3:

Multiple reclaimed degas and nitrogen injection bore holes and their related pads were inspected for reclamation success. The pads were reclaimed approximately 1 to 5 years ago. Vegetative growth was good and stable in all pads with no observations of noxious weeds. No erosion was noted on any of the sites.

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Reclaimed degas/nitrogen injection bore hole pad.

SIGNS AND MARKERS – Rule 4.02:

All topsoil and subsoil piles were observed with markers of correct designation.

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 piles were stable and properly marked. Scott Wanstedt mentioned a future revision will possibly be submitted to move the topsoil pile near the fuel station area as well as adding additional language for noxious weed management.

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ENFORCEMENT ACTIONS/COMPLIANCE

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

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