




**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: Jeff Dubbert
Operator Representative Signature: (Field Issuance Only) 	

INSPECTION INFORMATION

Inspection Start Date: August 22, 2013 Inspection Start Time: 11:00 Inspection End Date: August 22, 2013 Inspection End Time: 14:00	Inspection Type: Coal Partial Inspection Inspection Reason: Normal I&E Program Weather: Cloudy
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: 8/27/13

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	N - Support Facilities On-site
R - Hydrologic Balance	Y - Signs and Markers
R - 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 August 22, 2013. Jeff Dubbert of Blue Mountain Energy, Inc. (BME) accompanied the inspection. The weather was cloudy with a very light trickle of rain at times. Temperatures for the day were around seventy five 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 with no discharge at the time of the inspection. Embankment and the repair work on the sink hole remains stable. Bulks of cat tails have formed within the pond and around the primary spillway possibly impeding any flow that would occur. Cat tails should be removed from the inlet of DP-1's primary spillway. Rip rap channel from the facility benches into the pond remain stable and well armored. Secondary ditch into DP-1 by the rotary breaker also remains stable. No cutting in the channel was observed.

Pond PP-1 held water with no discharge. PP-1 is in situ with no embankments. Pond was stable.

Pond PP-2 held water with no discharge. Embankment was inspected for any signs of water seeps. Dampness in the embankment was noted in the May inspection report. Since then, no signs of saturation in the embankment have been noted. Pond remains stable.

B-Seam Mine Dewatering Pond wasn't pumping at the time of the inspection. Water was up to the 4th pond. From the 4th pond, water was being pumped to the wetlands section to help flush the area. No water was in the finishing pond. To the date of this inspection, no water has discharged from the B-Seam Mine Dewatering Pond.

Ponds SS-1, SS-2 and RRS-1 were dry at the time of the inspection. Embankments were stable and vegetated.

Number of Partial Inspection this Fiscal Year: 2

Number of Complete Inspections this Fiscal Year: 0

Pond RR-1 held minimal water with no discharge. Embankments were stable and vegetated.

Ponds RP-2/3, RP-4 and RP-5 were dry during the time of the inspection. All embankments were vegetated and stable. Rip rap channels were well armored with no signs of erosion or cutting. Pond RP-4 has differential settlement north of its embankments. The settlement crack has no affect on the pond.

Ditching lining the truck load out and rotary breaker was well established. Wash down water was being successfully collected and transported to Pond DP-1.

Ditches along the portal behind the shop warehouse were recently cleaned out prior to the inspection.

Berms along the substation were inspected. All runoff from the contributing are is would be well contained and conveyed.



Primary spillway for DP-1.



Pond RP-4.

GENERAL MINE PLAN COMPLIANCE:

It appears non-mine related trash was found in the Halandras landfill. Debris was also found to be outside of the landfill's edge, outside of the pit. All debris needs to be moved within the landfill.

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

Drainage Control; Surface Stabilization; Placement:

Refuse was being stockpiled on RP-2/3/4. Active spreading and compacting was occurring on RP-5A. No issues were observed with the refuse piles during the inspection.

ROADS – Rule 4.03

Construction 4.03.1(3)/4.03.2(3)

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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):

Appears road maintenance occurred on the berm of the access road to the railroad loop prior to the inspection. No issues were noted.

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Number of Complete Inspections this Fiscal Year: 0

ENFORCEMENT ACTIONS/COMPLIANCE

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

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Number of Complete Inspections this Fiscal Year: 0