IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			
Permit Number	C/007/005	**Report Date**	October 20, 2016
Mine Name	Skyline Mine		
Company Name	Canyon Fuel Company		
Impoundment Identification	**Impoundment Name**	Mine Site Sediment Pond	
	Impoundment Number	001	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	September 29, 2016
Inspected By	Gregg Galecki / Craig Brown
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

No signs of instability were observed. No hazardous conditions were observed during the inspection of the pond. The pond was not discharging during the time of the inspection; currently being cleaned. The pond is incised, with all the banks appearing stable, with vegetation typically along a many of the banks. Particular attention was paid to the pond banks looking for signs of instability or structural weakness. The overland inlet was inspected for erosional down-cutting. It may be filled in.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Remaining Sediment Storage Capacity: 91,023 ft^3
60% Elevation: 8571.75feet ASL
100% Elevation: 8573.75 feet ASL
Based on a survey of the pond using a total station after cleaning, approximately 91,023 cu-ft of sediment storage capacity are available in the pond after the 3rd quarter 2016 survey following cleaning. Original sediment-loading calculations estimated a 3-year sediment load from the site at 74,490 cu-ft. The elevation of the bottom of the pond is 8566.2 with a 100% sediment capacity elevation of 8573.75.

3. Principle and emergency spillway elevations.

Principal and Emergency Spillway Elevations: 8579.6 feet ASL (The outlet structure for Pond 001 serves as both the Principal and Emergency Spillways) Storage volumes listed below are based on the 3rd quarter 2016 survey.
Total volume of pond at Spillway: 269,553 ft^3
Required runoff storage: 163,010 ft^3
100% Sediment storage: 106,662 ft^3
60% Sediment storage: 63,997 ft^3
Current sediment amount: 15,639 ft^3

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT		

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level in the pond was minimal during the inspection due to sediment removal taking place. The sediment pond discharged periodically during the quarter prior to cleaning activities. A sample of the mine discharge water, (normally) including this pond's discharge, is taken on weekly basis throughout the quarter as required by the Mine's UPDES permit. On a biweekly basis the water sample is analyzed for total iron. Weekly samples include oil and grease, total dissolved solids, total suspended solids, pH and conductivity. Flow is recorded by in-line flow meters.

Surface water is collected from the upper mine pad and discharged to the pond through a culvert located on the west end of the pond. The culvert is functioning as designed. The outlet structure was working as designed and appears to be in good working condition. The pond is an incised structure.

A series of turbidity curtains are installed in the pond to help contain the suspended load within the west section of the pond. The turbidity curtains are functioning as designed with sediment being contained in the upper reaches of the pond. The spillway was clear of debris and was functioning as designed.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The overall geometry or footprint of the pond has not changed. Spill kits were labeled and full of supplies. A survey conducted after the pond was cleaned in 3rd quarter 2016 indicates approximately 91,023 cu-ft of sediment storage capacity is available in the pond (or approximately 15% of the sediment capacity used). Assuming an annual sediment accumulation of approximately 25,000 cu-ft of sediment (original calculations), the pond won't need cleaning until approximately 2019. The pond will be re-surveyed annually to measure the remaining sediment capacity.

Qualification Statement

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

Signature: Craig B. **Date:** ~~October 20, 2016~~ 11-16-2016 CWB

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	Yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	Yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	Yes	

COMMENTS AND OTHER INFORMATION

The pond sediment level was surveyed using a Total Station in 3rd quarter 2016. The pond is surveyed annually to monitor the sediment level.

REGISTERED PROFESSIONAL ENGINEER
No. 8781250-2202
CRAIG WILLIAM BROWN
11-16-2016
STATE OF UTAH

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

[PE Cert. Stamp]

By:
Craig W. Brown

Signature: _____ **Date:** November 15, 2016

P.E. Number & State: 8781250-2202 / Utah

REGISTERED PROFESSIONAL ENGINEER
CRAIG WILLIAM BROWN
No. 8781250-2202
STATE OF UTAH

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			
Permit Number	C/007/005	**Report Date**	November 15, 2016
Mine Name	Skyline Mines		
Company Name	Canyon Fuel Company		
Impoundment Identification	**Impoundment Name**	Rail Loadout Sediment Pond	
	Impoundment Number	002	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	September 29, 2016
Inspected By	Gregg Galecki / Craig Brown
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

No instability of the embankment or hazardous conditions was noted during the inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Remaining Sediment Storage Capacity: 14,878 ft^3
60% Elevation: 7915.37 feet ASL (above sea level)
100% Elevation: 7916.08 ASL

The sediment level in the pond was measured using a Total Station survey of the entire pond during the 3rd Quarter 2016 following removal of sediment. Approximately 14,878 cu-ft of sediment storage capacity are available in the pond following the 2016 3rd quarter cleaning. The original sediment-loading calculations estimate a 3-year sediment load from the site at 9,148 cu-ft. In the 2016 survey, the bottom of the pond was measured with the total capacity to be approximately 54,082 cu-ft.
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3. Principle and emergency spillway elevations.

Principle Spillway Elevation: 7919.7 feet ASL
Emergency Spillway Elevation: 7922 feet ASL
Total volume of pond at Spillway (based on 2014 survey): 54,082 ft^3
Required runoff storage: 39,204 ft^3
100% Sediment Storage: 14,878 ft^3
60% Sediment Storage: 8,927 ft^3

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

The water level was 7.43 below the discharge point during the inspection. The pond had sediment removed during the quarter to increase sediment storage capacity. The pond did not discharge during the quarter. The pond embankment appears stable and without noticeable erosion. Both the inlet and outlet are functioning as designed. The footprint of the pond remains unchanged.

A new sediment trap was constructed upstream of the main entrance to the pond during the 3rd quarter 2015. This sediment trap should significantly reduce the amount of sediment reporting to the pond.

Three (3) turbidity curtains contain a majority of material in the upper, southeast side and south sides (inlets) of the pond where sediment can be periodically removed. All three (3) turbidity curtains appeared to be functioning as designed (covered with snow and ice) during the inspection. The discharge pipe or outlet is in good condition and functioning as designed.

The pond had sediment removed during the quarter to increase storage volume. The amount of sediment storage capacity will be reported during the next inspection report based on a survey conducted following the pond cleaning.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The geometry of the pond remains consistent. The average depth of the water ranged from approximately 7.73 feet to 0.55 feet below the spillway during the quarter. The amount of sediment storage in the pond was based on a total-station survey conducted after the pond was cleaned. Assuming a 3-year sediment accumulation of approximately 9,000 cu-ft, the pond should be scheduled for cleaning in 2019, but is surveyed on an annual basis to monitor actual accumulation of sediment..

The pond is routinely inspected on a weekly basis during weekly water monitoring.

Qualification Statement	I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability. **Signature:** Craig Brown **Date:** November 15, 2016

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	Yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	Yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	Yes	

COMMENTS AND OTHER INFORMATION

The pond was cleaned during the 3rd quarter of 2016.

REGISTERED PROFESSIONAL ENGINEER
No. 8781250-2202
CRAIG WILLIAM BROWN
11-16-2016
STATE OF UTAH

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

[PE Cert. Stamp]

By:
Craig W. Brown, Professional Engineer

Signature: _____ **Date:** November 15, 2016

P.E. Number & State: 8781250-2202/Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			
Permit Number	C/007/005	**Report Date**	November 15, 2016
Mine Name	Skyline Mines		
Company Name	Canyon Fuel Company		
Impoundment Identification	**Impoundment Name**	Waste Rock Site Sediment Pond	
	Impoundment Number	003	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	September 29, 2016
Inspected By	Gregg Galecki / Craig Brown
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

No instability, structural weakness or other hazardous condition was noted at the site during the quarterly pond site inspection. The banks of the pond are well-vegetated – both on the inside and outside of the bank.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Sediment Storage Capacity: 10,330 ft^3 (calculated 1-yr sediment storage volume)
60% Elevation: 7857.2 feet ASL (above sea level)
100% Elevation: 7858.1 ASL
Current Sediment Level Elevation: The pond was cleaned in 3rd quarter 2016. A bedrock shelf exists in the bottom of the pond, enabling portions of the pond to be deeper in areas where the shelf does not exist. The available sediment storage was calculated using a total-station survey.

3. Principle and emergency spillway elevations.

Principal and Emergency Spillways Elevation: 7864.0 feet ASL (The outlet of Pond 003 serves as both the principal and emergency spillway). A manual decant pipe in the pond marks the sediment cleanout elevation of 7858.1 feet.
Total volume of pond at Spillway: 69,945 ft^3
Required runoff storage: 35,036 ft^3
100% Sediment storage: 13,802 ft^3
60% Sediment storage: 8,281 ft^3

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

This pond did not discharge during the 3rd quarter 2016, therefore no water samples were obtained. The bottom of the pond was approximately 5.18 feet below the decant pipe. The out slopes of the pond embankment do not appear to present any type of hazardous conditions. No instability was noted in the pond embankment.

The current sediment storage capacity is based on a survey conducted during the 3rd quarter 2016. The perimeter footprint of the pond did not change during the cleaning project, only the depth of the pond was modified.

The pond is routinely inspected during weekly water monitoring.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

No changes or modifications have been noted in the geometry of the pond since the last inspection. The pond was dry and no signs of added deposition were apparent. The pond retained water periodically during the 3rd quarter. The bottom of the pond was approximately 5.18 feet below the discharge pipe based on the survey. Based on the current sediment level measured during the 2016 total-station survey, the accumulated sediment is approximately 0 percent of the 13,802 cu-ft sediment capacity. Since the pond collects water only periodically, and a rock outcrop exists in the middle of the pond, sediment does not fill the pond uniformly and typically tends to accumulate at the inlet. Minor run off was encountered during the quarter, with the pond functioning as designed. The sediment accumulation is surveyed annually.

Qualification Statement	I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability. **Signature:** Craig Brown **Date:** November 15, 2016

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	Yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	Yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	Yes	

COMMENTS AND OTHER INFORMATION

The pond did not discharge in 2016. The pond was cleaned in 2016 and is surveyed annually to monitor sediment accumulation.

REGISTERED PROFESSIONAL ENGINEER
No. 8781250-2202
CRAIG WILLIAM BROWN
11-16-2016
STATE OF UTAH

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

[PE Cert. Stamp]

By:
Craig W. Brown, Professional Engineer

Signature: _____ **Date:** November 15, 2016

P.E. Number & State: 8781250-2202/Utah

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			
Permit Number	C/007/005	**Report Date**	November 15, 2016
Mine Name	Skyline Mines		
Company Name	Canyon Fuel Company		
Impoundment Identification	**Impoundment Name**	Winter Quarters Ventilation Facility Sediment Pond	
	Impoundment Number	004	
	UPDES Permit Number	UT0023540	
	MSHA ID Number	NA	

IMPOUNDMENT INSPECTION

Inspection Date	September 29, 2016
Inspected By	Gregg Galecki / Craig Brown
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	Quarterly

1. Describe any appearance of any instability, structural weakness, or any other hazardous condition.

No instability, structural weakness or other hazardous condition was noted at the site during the quarterly pond site inspection.

Required for an impoundment which functions as a SEDIMENTATION POND.

2. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and, estimated average elevation of existing sediment.

Sediment Storage Capacity: 740 ft^3
60% Elevation: 8072.15 feet ASL (above sea level) per as-built survey
100% Elevation: 8072.6 ASL per as-built survey
Current Sediment Level Elevation: Only minimal delta of sediment was apparently forming at the inlet (covered in snow). The pond was surveyed during 3rd quarter 2016, with results submitted with 4th quarter report.

3. Principle and emergency spillway elevations.

Principal Spillways Elevation: 8076.32 feet ASL (per C. Ware survey)
Emergency Spillway Elevation: 8076.73 feet ASL (per C. Ware survey)
Total Volume of pond at Spillway: 4914 cu-ft (per C. Ware survey)
Required runoff storage: 4,182 cu-ft
100% Sediment Storage: 740 cu-ft
60% Sediment Storage: 444 cu-ft

4. Field Information. Provide current water elevation, whether pond is discharging, type and number of samples taken, monitoring/instrumentation information, inlet/outlet conditions, or other related activities associated with the pond including but not limited to sediment cleanout, pond decanting, embankment erosion/repairs, monitoring information, vegetation on outslopes of embankments, etc.

This pond did not discharge during the 3nd quarter of 2016, therefore no water samples were obtained. The pond did receive some runoff during the quarter, with the ditches functioning as designed. The out slopes of the pond embankment do not appear to present any type of hazardous conditions. Both the inlet and outlet are clear and appear to be ready to function as designed. No instability was noted in the pond embankment. Weed management will continue on the out-slopes of the pond later this year.

The as-built survey determined the sediment storage for the pond is 740 cu-ft.

The pond is routinely inspected during weekly water monitoring.

5. Field Evaluation. Describe any changes in the geometry of the impounding structure, average and maximum depths and elevations of impounded water, estimated sediment or slurry volume and remaining storage capacity, estimated volume of water impounded, and any other aspect of the impounding structure affecting its stability or function which has occurred during the reporting period.

The pond was constructed during the 1st Qtr 2011. No changes or modifications have been noted in the geometry or perimeter footprint of the pond since construction. The pond was functioning, and received minor water periodically during the 3rd quarter 2016. The pond was cleaned during the 3rd quarter 2016 with the results of the total removal being documented in 4th quarter 2016. The pond was dry during the inspection. Minimal run off was encountered during the quarter, with the pond functioning as designed.

Qualification Statement	I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized under the direction of a Registered Professional Engineer to inspect the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability. **Signature:** Craig Brown **Date:** November 15, 2016

CERTIFIED REPORT

IMPOUNDMENT EVALUATION (If NO, explain under Comments)	YES	NO
1. Is impoundment designed and constructed in accordance with the approved plan?	Yes	
2. Is impoundment free of instability, structural weakness, or any other hazardous condition?	Yes	
3. Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	Yes	

COMMENTS AND OTHER INFORMATION

The pond has not discharge in 2016. Sediment removal from the pond occurred during the quarter. The available capacity will be reported in 4th quarter 2016. The available sediment storage capacity is surveyed on an annual basis.

REGISTERED PROFESSIONAL ENGINEER
No. 8781250-2202
CRAIG WILLIAM BROWN
11-16-2016
STATE OF UTAH

Certification Statement:

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meet or exceed the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability in accordance with the Utah R645 Coal Mining Rules.

[PE Cert. Stamp]

By:
Craig W. Brown, Professional Engineer

Signature: _____ **Date:** November 15, 2016

P.E. Number & State: 8781250-2202