Canyon Fuel Company, LLC
A Subsidiary of Bowie Resource Holdings, LLC

Dugout Canyon Mine
P.O. Box 1029
Wellington, Utah 84542
(435) 637-6360
Fax (435) 636-2897

February 2, 2018

Utah Coal Regulatory Program
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RE: 2017 Annual Report for Banning Loadout and Soldier Canyon Mine

To Whom It May Concern:

Please find attached to this e-mail a copy of the Annual Report for 2017 for both the Banning Loadout and Soldier Canyon Mine.

If you have any questions or require further information, please contact me at (435) 636-2898 or Dave Spillman at (435) 636-2872.

Sincerely,

Bill King
Mining Engineer

Attachments
cc. Dave Spillman

ANNUAL REPORT

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by the date specified in the cover letter. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name	Canyon Fuel Company, LLC	Mine Name	Banning Loadout
Permit Number	C/007/0034	Permit expiration Date	October 24, 2018
Operator Name	Same	Phone Number	+1 (435) 637-6360
Mailing Address	P.O. Box 1029	Email	dspillman@bowieresources.com
City	Wellington		
State	Utah	Zip Code	84542

		DOGM File Location or Annual Report Location
Excess Spoil Piles	☐ Required ☒ Not Required	
Refuse Piles	☐ Required ☒ Not Required	
Impoundments	☒ Required ☐ Not Required	
Other:		

OPERATOR COMMENTS

REVIEWER COMMENTS ☐ Met Requirements ☐ Did Not meet Requirements

FUTURE COMMITMENTS AND CONDITIONS

The following commitments are not required for the current annual report year, but will be required by the permittee in the future as indicated by the "status" field. These commitments are included for information only, and do not currently require action. If you feel that the commitment is no longer relevant or needs to be revised, please contact the Division.

Title: Air Quality Emissions Report
Objective: Review Emission Inventory
Frequency: While Active
Status: Not Active
Reports: While active, the emission inventory for the operation is submitted to the Utah Division of Environmental Health, Bureau of Air Quality. A copy of this emission inventory will be included in the annual report.
Citation: Ch. 4, page 4-10 and Ch. 5, page 5-13

Title: Coal Sampling
Objective: Monitor Coal Quality
Frequency: Annually while active
Status: Not Active
Reports: On an annual basis, all coal-quality monitoring data collected from the site during the previous year will be summarized and submitted to the Division. Raw data received from the laboratories will also be included, along with an interpretation of the analytical results and any proposals for changes in the monitoring plan. These data and interpretations will be included with the annual report that presents the surface - water data.
Citation: Ch. 6, page 6-5 and Ch. 7, page 7-11

REPORTING OF OTHER TECHNICAL DATA

Please list other technical data or information that was not included in the form above, but is required under the approved plan, which must be periodically submitted to the Division.

Please list attachments:

REVIEW COMMENTS

APPENDIX A

Certified Reports

Excess Spoil Piles N/A

Refuse Piles N/A

Impoundments

As required under R645-301-514

CONTENTS

Impoundment Inspections

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			Page 1 of 2
Permit Number	*C/007/034*	**Report Date**	*3/23/17*
Mine Name	*Banning Loadout*		
Company Name	*Canyon Fuel Company, LLC*		
Impoundment Identification	**Impoundment Name**	*Banning Loadout Sedimentation Pond*	
	Impoundment Number	*None*	
	UPDES Permit Number	*UTG040011*	
	MSHA ID Number	*Impoundment -None (Loadout - 42-01756)*	

IMPOUNDMENT INSPECTION

Inspection Date	*3/3/17*
Inspected By	*Bill King*
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	*Routine Quarterly Inspection*

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

There were no signs of instability, structural weakness or other hazardous conditions observed during this 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 - 100% = 0.27 acre-feet @ an elevation of 5,487.8 feet

- 60% = 0.16 acre-feet @ an elevation of 5,486.6 feet

The existing sediment level was measured on 3/3/17 and found to be at an average elevation of 5,486.2 feet or 0.4 feet below the established cleanout elevation.

3. Principle and emergency spillway elevations.

Principal Spillway Elevation - 5,494.2 feet

Emergency Spillway Elevation - 5,495.1 feet

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 out slopes of embankments, etc.

At the time of the inspection, the pond did not contain any impounded water. To date, there has been no discharge from this pond.

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 tamarisk tress that had become established growth within the bottom of the pond appear to have died.

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: _____ **Date:** 3/23/17

CERTIFIED REPORT

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

COMMENTS AND OTHER INFORMATION

Certification Statement:

[PE Cert. Stamp]

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.

By: __
(Full Name and Title)

Signature: _____ **Date:**___

P.E. Number & State: ___

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			Page 1 of 2
Permit Number	*C/007/034*	**Report Date**	*06/27/17*
Mine Name	*Banning Loadout*		
Company Name	*Canyon Fuel Company, LLC*		
Impoundment Identification	**Impoundment Name**	*Banning Loadout Sedimentation Pond*	
	Impoundment Number	*None*	
	UPDES Permit Number	*UTG040011*	
	MSHA ID Number	*Impoundment -None (Loadout - 42-01756)*	

IMPOUNDMENT INSPECTION

Inspection Date	*06/22/17*
Inspected By	*Dave Spillman*
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	*Routine Quarterly Inspection and Annual Certification*

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

There were no signs of instability, structural weakness or other hazardous conditions observed during this 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 - 100% = 0.27 acre-feet @ an elevation of 5,487.8 feet

- 60% = 0.16 acre-feet @ an elevation of 5,486.6 feet

The existing sediment level was measured on 06/22/2016 and found to be at an average elevation of 5,486.25 feet or 0.36 feet below the established cleanout elevation.

3. Principle and emergency spillway elevations.

Principal Spillway Elevation - 5,494.2 feet

Emergency Spillway Elevation - 5,495.1 feet

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 out slopes of embankments, etc.

At the time of the inspection, the pond was dry. To date, there has been no discharge from this pond.

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 spraying efforts, intended to eliminate the tamarisk trees within the bottom of the pond, have been somewhat successful in the past. However, new growth was observed this spring and an additional application of herbicide was applied in June.

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: _____ **Date:** _____

CERTIFIED REPORT

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

COMMENTS AND OTHER INFORMATION

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]

LICENSED PROFESSIONAL ENGINEER
No. 151610
DAVID G. SPILLMAN
STATE OF UTAH

By: *David G. Spillman, Technical Services Manager*
(Full Name and Title)

Signature: David Spillman **Date:** *06/27/17*

P.E. Number & State: *No. 151610, State of Utah*

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			Page 1 of 2
Permit Number	*C/007/034*	**Report Date**	*9/25/2017*
Mine Name	*Banning Loadout*		
Company Name	*Canyon Fuel Company, LLC*		
Impoundment Identification	**Impoundment Name**	*Banning Loadout Sedimentation Pond*	
	Impoundment Number	*None*	
	UPDES Permit Number	*UTG040011*	
	MSHA ID Number	*Impoundment -None (Loadout - 42-01756)*	

IMPOUNDMENT INSPECTION

Inspection Date	*9/13/2017*
Inspected By	*Bill King*
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	*Routine Quarterly Inspection*

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

There were no signs of instability, structural weakness or other hazardous conditions observed during this 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 - 100% = 0.27 acre-feet @ an elevation of 5,487.8 feet

- 60% = 0.16 acre-feet @ an elevation of 5,486.6 feet

The existing sediment level was measured on 9/13/2017 and found to be at an average elevation of 5,486.25 feet or 0.36 feet below the established cleanout elevation.

3. Principle and emergency spillway elevations.

Principal Spillway Elevation - 5,494.2 feet

Emergency Spillway Elevation - 5,495.1 feet

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 out slopes of embankments, etc.

At the time of the inspection, the pond was dry. To date, there has been no discharge from this pond.

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.

Spraying of the tamarisk in June appears to be successful.

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: _____ **Date:** 9/25/17

CERTIFIED REPORT

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

COMMENTS AND OTHER INFORMATION

Certification Statement:

[PE Cert. Stamp]

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By: ___
(Full Name and Title)

Signature: _____ **Date:**____

P.E. Number & State: _____

IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			Page 1 of 2
Permit Number	*C/007/034*	**Report Date**	*11/29/2017*
Mine Name	*Banning Loadout*		
Company Name	*Canyon Fuel Company, LLC*		
Impoundment Identification	**Impoundment Name**	*Banning Loadout Sedimentation Pond*	
	Impoundment Number	*None*	
	UPDES Permit Number	*UTG040011*	
	MSHA ID Number	*Impoundment -None (Loadout - 42-01756)*	

IMPOUNDMENT INSPECTION

Inspection Date	*10/23/2017*
Inspected By	*Bill King*
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	*Routine Quarterly Inspection*

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

There were no signs of instability, structural weakness or other hazardous conditions observed during this 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 - 100% = 0.27 acre-feet @ an elevation of 5,487.8 feet

- 60% = 0.16 acre-feet @ an elevation of 5,486.6 feet

The existing sediment level was measured on 10/23/2017 and found to be at an average elevation of 5,486.25 feet or 0.36 feet below the established cleanout elevation.

3. Principle and emergency spillway elevations.

Principal Spillway Elevation - 5,494.2 feet

Emergency Spillway Elevation - 5,495.1 feet

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 out slopes of embankments, etc.

At the time of the inspection, the pond was dry. To date, there has been no discharge from this pond.

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Spraying of the tamarisk in June appears to be successful.

Qualification Statement

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Signature: Bill Thier **Date:** 11/29/17

CERTIFIED REPORT

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

COMMENTS AND OTHER INFORMATION

Certification Statement:

[PE Cert. Stamp]

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By: ___
(Full Name and Title)

Signature: _____ **Date:**___

P.E. Number & State: _____