IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			Page 1 of 2
Permit Number	*ACT/007/039*	**Report Date**	*12/29/2015*
Mine Name	*Dugout Canyon Mine*		
Company Name	*Canyon Fuel Company, LLC*		
Impoundment Identification	**Impoundment Name**	*Surface Facility Sedimentation Pond*	
	Impoundment Number	*None*	
	UPDES Permit Number	*UT0025593*	
	MSHA ID Number	*Impoundment –None (Mine - 42-01890)*	

IMPOUNDMENT INSPECTION

Inspection Date	*12/15/2015*
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% = 0.34 acre-feet @ an elevation of 6,953.56 feet

- 60% = 0.20 acre-feet @ an elevation of 6,951.66 feet

At the time of the inspection, a conservative estimate on sediment volume is 15%, which would correspond to an elevation of approximately 6,949.0 feet. The 2015 pond cleaning was completed on June 27th and it is recommended that the annual cleaning of this pond be continued in 2016.

3. Principle and emergency spillway elevations.

Principal Spillway Elevation - 6,964.44 feet

Emergency Spillway Elevation - 6,964.5 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 level of the impounded water was approximately 4.5 feet below the bottom of the skimmer at the principal spillway riser. The sediment cleanout marker was not visible, however, Nielson Construction had recently completed a full clean-out of the accumulated sediment on June 27th. The pond was not discharging at the time of the inspection and there were no signs of any issues regarding stability of the embankment.

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.

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: Bill Kling **Date:** 12/29/2015

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: _____