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GENERAL INFORMATION

Report Date April 5, 2016
Permit Number C/007/039
Company Name Canyon Fuel Company, LLC - Dugout Canyon Mine

EXCESS SPOIL PILE OR REFUSE PILE IDENTIFICATION

Pile Name Dugout Canyon Mine Refuse Pile
Pile Number 1211-UT-09-01890-01
MSHA ID Number 42-01890

Inspection Date March 21, 2015
Inspected By David G. Spillman
Reason for Inspection Quarterly Inspection & Certification

Attachment to Report? Yes No

Field Evaluation

- 1. Foundation preparation, including the removal of all organic material and topsoil.

The foundation preparation was found to be in accordance with the approved plan.

Phase I Expansion - The removal and stockpiling of subsoil associated with the approved Phase I expansion was initiated on November 30, 2015. Nielson Construction and Leland Sasser, Soil Scientist, were contracted for this work, which was completed in December. As-Built details, regarding soil removal and stockpiling, were submitted to DOGM on March 4, 2016.

- 2. Placement of underdrains and protective filter systems.

N/A

3. Installation of final surface drainage systems

All necessary drainage systems were constructed, functional and well established at the time of the inspection.

Phase I Expansion - As noted in Section 1, Nielson Construction was contracted to complete the Phase I expansion. At the time of the inspection, all drainage features (berms & ditches) had been completed. This drainage work appeared to be in accordance with our approved plan.

4. Placement and compaction of fill materials

Placement and compaction of this refuse appears to have been completed in accordance with the approved plan.

5. Final grading and revegetation of fill.

N/A

6. Appearances of instability, structural weakness, and other hazardous conditions

There was no appearance of instability, structural weakness or other hazardous conditions observed during this inspection.

7. Other comments. Describe any changes in the geometry of the Excess Spoil/Refuse Pile structure, instrumentation, average and maximum lifts of materials placed in the pile, elevations of active benches, total and remaining storage capacity of the structure, evidence of fires in the pile and abatement of such fires, volumes of materials placed in the structure during the year, and any other aspect of the structure affecting its stability or function which has occurred during the reporting period

The site was not active at the time of the inspection. A check of the records indicated that 9,914 tons (6,676 yd³ at 110 lbs/ft³) have been delivered from the Castle Valley Prep Plant to this facility YTD. Also, the remaining capacity of this facility is now estimated at 138,516 tons, which includes the completed Phase I expansion (2014 year end value of 148,430 tons minus 9,914 tons). Records also indicate that the most recent sample of refuse taken for analysis was obtained on 02/26/16.

CERTIFICATION STATEMENT

I hereby certify that; I am experienced in the construction of earth and rock fills; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of earth and rock fills in accordance with the certified and approved designs for this structure; that the fill structure has been maintained in accordance with the 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.

By David G. Spillman, Technical Services Manager

Full Name and Title

Signature

David G. Spillman

Date

4/5/16

P.E. Number and State

No. 151610, State of Utah

[Cert. Stamp]

