*To enter text, click in the box and type your response. If a box already contains an entry select the entry and type the replacement. You can use the **tab** key to move from one field to the next. To select a check box, click in the box or type an x.*

GENERAL INFORMATION

Report Date	June 9, 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	June 8, 2016
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. Final approval of this as-built information was received from DOGM on May 26, 2016 and has now been incorporated into the mine's M&RP.

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.

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 (Note: The revegetation success on last year's Phase I Expansion subsoil stockpile was observed as being sparse at best. This will be watched going forward, but some supplemental reseeding may be required this year.)

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. (Note: It was observed that the area near the most recent active refuse pushing had not been secured with an adequate, temporary safety berm. This berm will be reinforced with additional material.)

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 abatment 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 10,901 tons (7,341 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 137,529 tons, which includes the completed Phase I expansion (2015 year end value of 148,430 tons minus 10,901 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 6/9/16

P.E. Number and State No. 151610, State of Utah

[Cert. Stamp]

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