IMPOUNDMENT INSPECTION AND CERTIFIED REPORT			Page 1 of 2
Permit Number	C/007/039	Report Date	3/21/2018
Mine Name	Dugout Canyon Mine		
Company Name	Canyon Fuel Company, LLC		
Impoundment Identification	Impoundment Name	Surface Facility Wastewater Disposal System (Leach Field)	
	Impoundment Number	None	
	UPDES Permit Number	None	
	MSHA ID Number	None (Mine - 42-01890)	

IMPOUNDMENT INSPECTION

Inspection Date	3/19/2018
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.**
	3. Principle and emergency spillway elevations.

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.

At the time of the inspection, the leach field site appeared to be functioning as designed. There was no evidence to suggest that any effluent was improperly flowing to the surface at the septic tank, the distribution line clean-outs, air vent or downhill from the leach field.

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 in the geometry of the leach field were observed.

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:** 3/21/2018

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

The Dugout Canyon Mine wastewater disposal system was approved for operation on October 30, 2001. The Utah Department of Environmental Quality, Southeast Utah District, granted this approval.

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	*ACT/007/039*	Report Date	*3/21/2018*
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	*3/19/2018*
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 29%, which would correspond to an elevation of approximately 6,950 feet.

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.

Nielson Construction was contracted to clean the sediment accumulation out of the Dugout Canyon Mine sedimentation pond. Cleanout operations were conducted on August 5th & 6th, 2017. Nielson Construction also cleaned the pond in 2003, 2004, 2006, 2007, 2008, 2009, 2010, 2011, 2013, 2014, 2015 and 2016. Following the 2003 cleanout, Johansen and Tuttle Engineering, Inc., was contracted to survey the as-built details of the sedimentation pond. The as-built details of the pond were subsequently submitted to DOGM in September 2003 and were approved by DOGM in October 2003.

During the 2003 cleanout, it was observed that the original pond was excavated to a point where the bottom was solid and substantial. This bottom is easily recognizable during cleaning operations. During the 2017 cleanout, it was observed that Nielson Construction cleaned sediment down to the same solid bottom. The pond is scheduled for a full cleanout in the Spring of 2018.

At the time of the inspection the pond was not discharging.

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.

At the time of the inspection, the level of the impounded water was approximately 3.0 feet below the bottom of the skimmer at the principal spillway riser. The sediment cleanout marker was under water and not visible at the time of the inspection.

Qualification Statement

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Signature: Bill Klein **Date:** 3/21/2018

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	*ACT/007/039*	Report Date	*3/21/2018*
Mine Name	*Dugout Canyon Mine*		
Company Name	*Canyon Fuel Company, LLC*		
Impoundment Identification	Impoundment Name	*Refuse Pile Sedimentation Pond #1*	
	Impoundment Number	*None*	
	UPDES Permit Number	*UT0025593*	
	MSHA ID Number	*Impoundment –None (Refuse Pile 1211-UT-09-01890-01)*	

IMPOUNDMENT INSPECTION

Inspection Date	*3/19/2018*
Inspected By	*Bill King*
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	*Quarterly Inspection*

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

Construction of the Refuse Pile Sedimentation Pond has been completed in accordance with the approved plan. There were no signs 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 (as-built) - 100% = 0.67 acre-feet @ an elevation of 5,897.55 feet

- 60% = 0.40 acre-feet @ an elevation of 5,896.5 feet

At the time of the inspection, the estimated average elevation of the existing sediment was 5,895.5 feet.

3. Principle and emergency spillway elevations.

Emergency Spillway Elevation (as-built) - 5,902.5 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 outslopes of embankments, etc.

The pond was dry at the time of the inspection.

Sediment levels were observed as being below the established 60% levels.

This pond has never discharged.

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: _____ **Date:** 3/21/18

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	*ACT/007/039*	**Report Date**	*3/21/2018*
Mine Name	*Dugout Canyon Mine*		
Company Name	*Canyon Fuel Company, LLC*		
Impoundment Identification	**Impoundment Name**	*Refuse Pile Sedimentation Pond #2*	
	Impoundment Number	*None*	
	UPDES Permit Number	*UT0025593*	
	MSHA ID Number	*Impoundment –None (Refuse Pile 1211-UT-09-01890-01)*	

IMPOUNDMENT INSPECTION

Inspection Date	*3/19/2018*
Inspected By	*Bill King*
Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)	*Quarterly Inspection*

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

Construction of the Refuse Pile Sedimentation Pond #2 was completed in October 2017. 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 (as-built) - 100% = 0.68 acre-feet @ an elevation of 5,862.67 feet* *- 60% = 0.41 acre-feet @ an elevation of 5,861.45 feet* *At the time of the inspection, the estimated average elevation of the existing sediment was 5,858.0 feet*
	3. Principle and emergency spillway elevations.

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 pond was recently constructed in October 2017.
The pond was dry at the time of the inspection.
There is no embankment erosion.

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: _____ **Date:** 3/21/2018

CERTIFIED REPORT

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

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: _____