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GENERAL INFORMATION

Report Date March 24, 2018
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 24, 2018
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.

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.

On June 7, 2017, DOGM granted the final approval of the Phase II expansion of this facility. Construction of the Phase II expansion commenced on August 14, 2017. This initial work concentrated on the construction of the 2nd sediment pond for the facility. The 2nd sediment pond has subsequently been completed and the "as-built" details were submitted to DOGM on 2/20/18. DOGM's conditional approval was granted on 3/9/18, pending the resubmittal of "clean" copies. Dugout submitted the "clean" copies on 3/14/18.

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.

As part of the Phase II expansion process, newly recovered soils were relocated and utilized for the contemporaneous reclamation of the northern portion of the existing refuse pile. This portion of the pile had previously been graded to the final design slopes by utilizing a GPS guided Cat. The same GPS guided Cat was used for placement of the required volumes of subsoil & topsoil. All planned contemporaneous reclamation is now complete. This work included subsoil placement, topsoil placement, seeding and finalizing with select erosion control stabilization methods. Leland Sasser, Soil Scientist (EIS Environmental & Engineering Consulting), completed several interim and one final report detailing this work. These reports were submitted to DOGM with the "as-built" information that was discussed in item 3 above.

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. However, refuse placement has now expanded into the southern slope of the refuse pile. This new refuse volume is actively being placed in the additional space provided by the Phase II expansion.

A check of the records indicates that 11,287 tons (7,600 yd³ at 110 lbs/ft³) have been delivered from the Castle Valley Prep Plant to this facility YTD. Records also indicate that the most recent sample of refuse taken for analysis was obtained on 02/21/18.

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 3/24/18

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

[Cert. Stamp]

