



**Canyon Fuel
Company, LLC**

A Subsidiary of Bowie Resources Holdings, LLC

C/015/009 Incoming ✓
cc: Keenan

Fossil Rock Mine

Rick Parkins
General Manager
225 North 5th Street Suite 900
Grand Junction, CO 81501
(970)263-5130

June 21, 2016

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, UT 84114-5801

RECEIVED
JUN 27 2016
DIV. OF OIL, GAS & MINING

Re: 2nd Quarter Pond and Waste Rock Inspections, Fossil Rock Mine

Dear Sirs:

Please find enclosed with this letter the 2nd Quarter inspections of the ponds and waste rock site for the Fossil Rock Mine.

If you have questions or need addition information please contact Vicky Miller at (435)286-4481.

CANYON FUEL COMPANY, Fossil Rock Mine

Rick Parkins
General Manager

Encl.

cc: DOGM Correspondence File

Fossil Rock Resources, LLC - Fossil Rock Waste Rock Site
Sediment Pond Quarterly Inspection Report

Inspector Vicky Miller Date 5/12/2016 (12:35) 6/14/2016 (10:14)

1. Dam Structural Weakness Action Required

A. Cracks or scarps on crest __ Yes X No

None Observed

B. Cracks or scarps on slope __ Yes X No

None Observed

C. Sloughing or bulging on slope __ Yes X No

None Observed

2. Major Erosion Problems __ Yes X No

None Observed

3. Surface Movements of Surrounding Slopes __ Yes X No

Not Observed

4. Visible Sumps or Sinkholes in Slurry Surface __ Yes X No

None observed

5/12 the Pond had water in it on the south end 8 -12".

Evidence of use by water fowl and wildlife

6/14 the Pond was mud, no water

5. Clogging

A. Spillway channels and pipes __ Yes X No

Channels and pipes clear

B. Decant System __ Yes X No

Clear and Operational

C. Diversion ditches

Ditches appeared functional

Rain on 6/13 ditches directed flow to sediment pond

6. Seepage (Specify Location, Color and Approx. Volume)

None observed

7. Any appearance of instability, structural weakness, or
other hazardous conditions Yes No

8. Other Comments

Weather was sunny with moderate temperature, requiring light jackets

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

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Quarterly Inspection Form - Refuse Disposal Areas
 (please provide to DOGM promptly after inspection is complete)

Permit Number : C/015/009 Inspection Date : 4/1/2016
 Mine Name : Fossil Rock Mine Quarter / Year : 2nd / 2016
 Mine Operator (Permittee) : Fossil Rock Resources, LLC Inspector Name : Vicky Miller
 MSHA ID # : 1211-UT-09-02052-04 Inspector Signature : Vicky Miller
 Facility Name / Location / Address : Fossil Rock Waste Rock Site

1. Describe any changes in the geometry of the structure (as well as instrumentation, if any, used to monitor changes):
The final design elevation will be approx. 6,850 ft. Storage Capacity quantities provide by Keenan Storrar of DOGM

2. Lift Height / Thickness Avg 2' Maximum 2' # _____ Elevation of Active Benches : 6803
 3. Vertical Angle of Outslope(s) / Location(s) where measured 2.57H:1V South slope / _____
 4. Total storage capacity: 784,000 cy appx. Remaining storage capacity 501,760 cy appx. Volume placed during year : 0

5. Describe foundation preparation (including removal of vegetation, stumps, topsoil, and all other organic material):
Due to new ownership of the existing pile, an assumption has been made that the foundation was prepared according to the approved plan.

6. Describe placement and compaction of fill materials (including an explanation of how compaction is confirmed):
No material placed this quarter. The surveyed elevation at the center of the active lift was 6,803.31 ft. (2015 PacifiCorp)

7. Is there any evidence of fires or burning on the structure? (If YES, specify extent, location, and abatement/extinguishment of such fires):
No

8. Describe placement of under drains, protective filter systems, and final surface drainage systems (report any seepage, including location, color, flow):
Not applicable.

9. Describe any appearances of instability, structural weakness, or other hazardous conditions :
No material placed since transfer of permit.

10. Please provide any other information pertaining to the stability of the structure (attach any photos taken during the inspection)

Are there cracks or scarps in crest ?	YES <input type="checkbox"/> NO <input type="checkbox"/>	<u>NA</u>
Is there any detectable sloughing or bulging ?	YES <input type="checkbox"/> NO <input type="checkbox"/>	<u>NA</u>
Do slope erosion problems exist ?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	<u>No change since permit transfer in 2015</u>
Cracks or scarps in slope ?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	<u>No change since permit transfer in 2015</u>
Surface movements? (valley bottom, hillsides)	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	<u>No change since permit transfer in 2015</u>
Erosion of Toe ?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	<u>No change since permit transfer in 2015</u>
Water impounded by structure ?	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	<u>No change since permit transfer in 2015</u>
Are diversion ditches stable?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	
Is drainage positive ?	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	
Could failure of structure create an impoundment (provide description) ?		<u>NA</u>

Are design standards established within the mining and reclamation plan for the disposal facility being met ?
To the best of our knowledge

Proctor Determination : NA

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 structure; that the fill structure has been maintained in accordance with the approved design and meets or exceeds 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.



Fossil Rock Resources, LLC - Fossil Rock Mine
Sediment Pond Quarterly Inspection Report

Inspector Vicky Miller Date 5/12/2016 (2:15) 6/14/2016 (7:00)

1. Dam Structural Weakness

Action Required

- A. Cracks or scarps on crest Yes No
None Observed
- B. Cracks or scarps on slope Yes No
None Observed
- C. Sloughing or bulging on slope Yes No
None Observed

2. Major Erosion Problems Yes No
None Observed

3. Surface Movements of Surrounding Slopes Yes No
Not Observed

4. Visible Sumps or Sinkholes in Slurry Surface Yes No
None observed.
Pond had water in it on the south end 12-18" on 6/14,
Pond was dry on 5/12

5. Clogging

- A. Spillway channels and pipes Yes No
Channels and pipes clear
- B. Decant System Yes No
Clear and Operational

C. Diversion ditches

Ditches appeared functional

6. Seepage (Specify Location, Color and Approx. Volume)

None observed

7. Any appearance of instability, structural weakness, or

other hazardous conditions Yes No

8. Other Comments

Weather was sunny with moderate temperature, requiring light jackets
Inlet to pond requires riprap
Rain Storm on 6/13/16
