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Energy West Mining Company
P. O. Box 310
15 No Main Street
Huntington, UT 84528

October 18, 2010

Mr. Darron Haddock
Permit Supervisor
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Dear Mr. Haddock:

I am enclosing for submittal the 3rd. Quarter 2010 Engineering Inspection Reports for Cottonwood/Wilberg/Des Bee Dove Waste Rock Site and the old Waste Rock Site. Also, the Deer Creek Waste Rock Site and Elk Canyon/Original Site are enclosed.

Sincerely,

A handwritten signature in cursive script that reads "John Christensen".

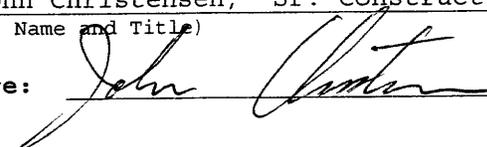
John Christensen, P.E.
Sr. Construction Engineer

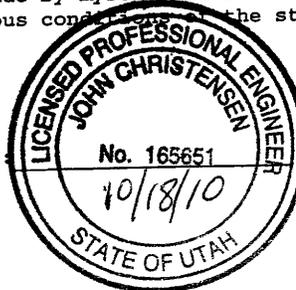
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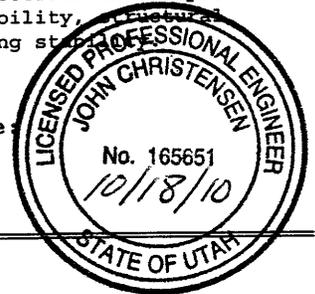
DIV. OF OIL, GAS & MINING

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| INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE | | Page 1 of 1 |
| Permit Number | ACT/015/0017/ACT/015/019 | Sept. 29, 2010 |
| Mine Name | Cottonwood/Wilberg/Des-Bee-Dove | |
| Company Name | Energy West Mining Company | |
| Excess Spoil Pile or Refuse Pile Identification | Pile Name | Old Waste Rock Site |
| | Pile Number | |
| | MSHA ID Number | |
| Inspection Date | Sept. 22, 2010 | |
| Inspected By | John Christensen/Rick Cullum | |
| Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction) | 2010 Third Quarter Inspection | |
| | Attachments to Report? | X No Yes |
| Field Evaluation | | |
| Foundation preparation, including the removal of all organic material and topsoil. Constructed according to plan. | | |
| Placement of underdrains and protective filter systems. Not applicable. | | |
| Installation of final surface drainage systems. All surfaces are at their final configuration and drainage established. | | |
| Placement and compaction of fill materials. This site is complete and at capacity. | | |
| Final grading and revegetation of fill. Site is complete and vegetation has been established. | | |
| Appearances of instability, structural weakness, and other hazardous conditions. None observed. | | |
| 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 will continued to be inspected until MSHA confirms the Refuse site has been abandoned. | | |
| 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 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: <u>John Christensen, Sr. Construction Engineer</u> (Full Name and Title) | | |
| Signature: <u></u> | Date: | <u>10/18/10</u> |
| P.E. Number & State: <u>165651, Utah</u> | | |



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| INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE | | Page 1 of 1 | |
| Permit Number | ACT/015/017/ACT/015/019 | Report Date | Sept. 29, 2010 |
| Mine Name | Cottonwood/Wilberg/Des-Bee-Dove/Trail Mountain | | |
| Company Name | Energy West Mining Company | | |
| Excess Spoil Pile or Refuse Pile I.D. | Pile Name | Cottonwood Waste Rock Site | |
| | Pile Number | 1211-UT-09-01211-03 | |
| Inspection Date | Sept. 22, 2010 | | |
| Inspected By | John Christensen/Rick Cullum | | |
| Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction) | 2010 3rd Quarter Inspection Attachments to Report? x No Yes | | |
| Field Evaluation | | | |
| Foundation preparation, including the removal of all organic material and topsoil. Foundation was prepared according to the approved plan. | | | |
| Placement of underdrains and protective filter systems. Not applicable. | | | |
| Installation of final surface drainage systems. The out slopes of the containment berms are at their final configuration and have been revegetated. The inlet ditch to the pond has been lined with rip rap and is extended as the pile changes elevation. | | | |
| Placement and compaction of fill materials. The Trail Mountain Mine has ceased production. Mine refuse will no longer be hauled to this site. The site will remain active to accommodate future pond cleanings at Trail Mountain and Cottonwood Mines. | | | |
| Final grading and revegetation of fill. The out slopes of each containment/lift berm have had final grading and vegetation completed. | | | |
| Appearances of instability, structural weakness, and other hazardous conditions. None seen. | | | |
| 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 total storage capacity of the site is a 784,000 cubic yards. The elevation of the current lift varies with the required drainage slope. The surveyed elevation at the center of the active lift is 6,803.31 ft. The final design elevation will be 6,850 ft. The entire site is approximately 36% capacity. The useable area of the present lift is approximately 97%. | | | |
| Certification Statement | <p>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 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.</p> <p>By: <u>John Christensen, Sr. Construction Engineer</u> (Full Name and Title)</p> <p>Signature: <u><i>John Christensen</i></u> Date: _____</p> <p>P.E. Number & State: <u>165651, Utah</u></p> | | |



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| INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE | | | |
| Permit Number | ACT/015/018 | Report Date | Sept. 29, 2010 |
| Mine Name | Deer Creek | | |
| Company Name | Energy West Mining Company | | |
| Excess Spoil Pile or Refuse Pile I.D. | Pile Name | ELK CANYON/ORIGINAL SITE | |
| | Pile Number | | |
| | MSHA ID Number | 1211-UT-09-00121-01 | |
| Inspection Date | Sept. 27, 2010 | | |
| Inspected By | John Christensen/Rick Cullum | | |
| Reason for Inspection <small>(Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction)</small> | 2010 3rd Quarter Inspection | | |
| | Attachments to Report? | XNo | Yes |

Field Evaluation

Foundation preparation, including the removal of all organic material and topsoil.
The construction of both sites have been complete for some time in excess of 18 years. The foundations appear to be stable.

Placement of underdrains and protective filter systems.
None

Installation of final surface drainage systems.
The slopes of both sites have no rills, gullies or sloughage present.

Placement and compaction of fill materials.
No fill material is being placed at either site, since both are at their designed capacity. The Elk Canyon site contains approximately 24,000 yd³ original site 90,000 yd³ of fill material.

Final grading and revegetation of fill.
The sites are at capacity. The final grades are established and are re-vegetated.

Appearances of instability, structural weakness, and other hazardous conditions.
None were observed.

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.

There was approximately 1000 tons of coal temporarily stacked at the Elk Canyon pad at the time of inspection.

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By: John Christensen, Sr. Construction Engineer
(Full Name and Title)

Signature: *John Christensen*

Date:

P.E. Number & State: 165651, Utah



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| INSPECTION AND CERTIFIED REPORT ON EXCESS SPOIL PILE OR REFUSE PILE | | Page 1 of 2 | |
| Permit Number | ACT/015/018 | Report Date | Sept. 29, 2010 |
| Mine Name | Deer Creek | | |
| Company Name | Energy West Mining Company | | |
| Excess Spoil Pile or Refuse Pile Identification | Pile Name | Waste Rock Disposal Site | |
| | Pile Number | | |
| | MSHA ID Number | 1211-UT-09-00121-02 | |
| Inspection Date | Sept. 27, 2010 | | |
| Inspected By | John Christensen/Rick Cullum | | |
| Reason for Inspection (Annual, Quarterly or Other Periodic Inspection, Critical Installation, or Completion of Construction) | | 2010 Third Quarter Inspection | |
| | | Attachments to Report? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes | |
| Field Evaluation | | | |
| <p>1.Foundation preparation, including the removal of all organic material and topsoil.</p> <p>All construction was done according to the permitted, professional engineered design specifications.</p> | | | |
| <p>2.Placement of underdrains and protective filter systems.</p> <p>An underdrain was installed when the site was constructed in 1989. The drain had a small amount of flow coming through it at the time of the inspection.</p> | | | |
| <p>3.Installation of final surface drainage systems.</p> <p>All interim slopes are maintained at their proper grade. The final slopes are surveyed to assure they are correct. Also the two final designed rip-rap ditches were installed as per the permitted plan and are extended as more lifts are added.</p> | | | |
| <p>4.Placement and compaction of fill materials.</p> <p>The Upper site (Cell 1) was leveled in late 2009. Trash and extraneous material are removed from the piles shortly after they are placed.</p> | | | |
| <p>5.Final grading and revegetation of fill.</p> <p>See No. 3.</p> <p>The sub-soil berm surrounding the site was seeded shortly after construction. The total capacity of Phase I is 468,215 yd³, this includes both cells 1 and 2.</p> | | | |

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6. Appearances of instability, structural weakness, and other hazardous conditions.
No weakness or instabilities are evident at this time.

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.

| CELL | ELEVATION * | DESIGN ELEV. | CAPACITY** |
|---------------------|-------------|--------------|------------|
| 1 (Upper, northern) | 6363.38 | 6369.2 | 84% |
| 2 (Lower, southern) | 6338.56 | 6369.2 | 44% |

*The elevations are taken on top of the last compacted lift. The elevation of the dumped piles will not be surveyed until the active lift is compacted and leveled. The survey location is approximately the center of each cell.

** The capacity is based on the last survey elevation compared to available height of waste rock in each cell. To figure the available height an approximate elevation of the original ground was determined based on pre-construction ground contours. The capacity will be updated when a new elevation is survey. The capacity is not based on material hauled to site, as described below.

As of June 1, 2010 there were 8020.05 cu yd3 of material hauled YTD. This estimate is based on invoices from the trucking company of truckloads hauled to the site. Each truckload is assumed to be full at 15 tons and a density of 88 pcf. This estimate could lag actual haul dates by 1 to 3 months, depending of invoicing and accounting.

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[Cert. Stamp]

By: John Christensen, Sr. Construction Engineer
(Full Name and Title)

Signature: *John Christensen*

Date: 10/18/10

P.E. Number & State: 165651, Utah

