EarthFax Engineering Group, LLC
7324 South Union Park Avenue, Suite 100, Midvale, Utah 84047 • 801.561.1555 • FAX 801.561.1861

EarthFax

February 18, 2016

Kyle Edwards
BRC Wellington, LLC
1865 West Ridge Road
Wellington, UT 84654

Subject: Quarterly inspection of Deer Creek waste rock pile and sedimentation pond

Dear Kyle:

On February 17, 2016 I conducted the quarterly inspection of the waste rock pile and sedimentation pond at the Deer Creek waste rock site. The results of that inspection are attached.

The embankment and appurtenances associated with the pond appear to be in excellent condition. I did not observe any structural weaknesses or other hazardous conditions associated with the pond or the pile. It is my opinion that the pond and pile adequately serve their intended purposes and may continue to be used for those purposes.

Please contact me if you have any questions.

Sincerely,

Richard B. White, P.E.
President

Enclosure

REGISTERED PROFESSIONAL ENGINEER
No. 168246
RICHARD B. WHITE
18 Feb 2016
STATE OF UTAH

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
Telephone (801) 538-5340 facsimile (801) 359 3940 TTY (801) 538-7458
www.ogm.utah.gov

UTAH DNR OIL, GAS & MINING

Quarterly Inspection Form - Refuse Disposal Areas

(please provide to DOGM promptly after inspection is complete)

Permit Number :	C/015/0035	Inspection Date :	17 Feb 2016
Mine Name :	Bowie Waste Rock Site	Quarter / Year :	1st quarter 2016
Mine Operator (Permittee) :	BRC Wellington, LLC	Inspector Name :	Richard B. White, P.E.
MSHA ID # :	4202398	Inspector Signature :	Richard B White

Facility Name / Location / Address : Bowie Waste Rock Site, near mouth of Huntington Canyon, Emery County, Utah

1. Describe any changes in the geometry of the structure (as well as instrumentation, if any, used to monitor changes):
No changes have occurred to the site since 2013. This site is currently inactive.

2. Lift Height / Thickness Avg NA Maximum NA # ____ Elevation of Active Benches : 6365.7, 6342.6, ____

3. Vertical Angle of Outslope(s) / Location(s) where measured 2.0:1 (NW) /1.5:1 (SW) / 1.9:1 (NE) / 3.0:1 (SE)

4. Total storage capacity: 468,215 CY Remaining storage capacity 161,515 CY Volume placed during year : 0

5. Describe foundation preparation (including removal of vegetation, stumps, topsoil, and all other organic material) :
Topsoil and subsoil were stripped, including associated organic matter, prior to the beginning of waste rock placement. An underdrain was also installed to capture water from a seep at the base of the pile.

6. Describe placement and compaction of fill materials (including an explanation of how compaction is confirmed) :
No waste rock has been placed at the site since 2013.

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) :
A drain was installed in 1989. A small amount of seepage (<<1 gpm) was flowing from this drain at the time of the inspection.

9. Describe any appearances of instability, structural weakness, or other hazardous conditions :
None

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 ☐	NO ☑
Is there any detectable sloughing or bulging ?	YES ☐	NO ☑
Do slope erosion problems exist ?	YES ☐	NO ☑
Cracks or scarps in slope ?	YES ☐	NO ☑
Surface movements? (valley bottom, hillsides)	YES ☐	NO ☑
Erosion of Toe ?	YES ☐	NO ☑
Water impounded by structure ?	YES ☐	NO ☑
Are diversion ditches stable?	YES ☑	NO ☐
Is drainage positive ?	YES ☑	NO ☐

Could failure of structure create an impoundment (provide description) ? No significant potential exists for impounding water in the event of a failure.

Are design standards established within the mining and reclamation plan for the disposal facility being met ?
Yes

Proctor Determination : Since the site is inactive, no recent Proctor determinations have been performed.

(place P.E. certification below)

REGISTERED PROFESSIONAL ENGINEER
No. 168246
RICHARD B. WHITE
18 Feb 2016
STATE OF UTAH

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.

*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	18 Feb 2016
Permit Number	C/015/0035
Mine Name	Bowie Waste Rock Site
Company Name	BRC Wellington, LLC

IMPOUNDMENT IDENTIFICATION

Impoundment Name	Waste Rock Sedimentation Pond
Impoundment Number	N/A
UPDES Permit Number	UT0022896
MSHA ID Number	42-02398

IMPOUNDMENT INSPECTION

Inspection Date	17 Feb 2016
Inspected by	Richard B. White
Reason for Inspection	Quarterly Inspection

(Annual, quarterly or other periodic inspections, critical installation , or completion of construction.)

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

Other than a small amount of erosion existing in the form of rills on the interior slopes of the pond, no signs of instability, structural weakness, or any other hazardous condition were observed. This erosion is not considered problematic.

Questions a and b are required for an impoundment, which functions as a Sedimentation pond.

a. Sediment storage capacity, including elevation of 60% and 100% sediment storage volumes, and estimated average elevation of existing sediment.

60 % sediment capacity 25,610 cf (at elev. 6312.70 ft). 100% sediment capacity 42,690 cf (at elev. 6313.45 ft). Sediment storage at the time of the inspection appeared to be less than the 60% cleanout elevation.

b. Principle and emergency spillway elevations.

Outlet elevation = 6,320 feet.

2. 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.

No water was present in the pond at the time of the inspection. A small amount of rill erosion exists on the interior slopes of the pond. This is not substantial. The resulting sediment is captured by the pond.

3. Field Evaluation.

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation 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

The pond adequately serves its intended purpose and can remain in use as currently constructed.

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 designs 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 and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: Richard Bayla Date: 18 Feb 2016

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please 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 conditions?	☒	☐
3.	Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	☒	☐

COMMENTS/ OTHER INFORMATION

The pond adequately serves its intended purpose.

CERTIFICATION STATEMENT:

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 designs 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 in accordance with the Utah R645 Coal Mining Rules.

By: Richard B. White

Full Name and Title

Signature: Richard B White Date 18 Feb 2016

P.E. Number & State 168246

[P.E. Cert. Stamp]

EarthFax Engineering Group, LLC
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February 18, 2016

Kyle Edwards
BRC Wellington, LLC
1865 West Ridge Road
Wellington, UT 84654

Subject: Quarterly inspection of Deer Creek waste rock pile and sedimentation pond

Dear Kyle:

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The embankment and appurtenances associated with the pond appear to be in excellent condition. I did not observe any structural weaknesses or other hazardous conditions associated with the pond or the pile. It is my opinion that the pond and pile adequately serve their intended purposes and may continue to be used for those purposes.

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Sincerely,

Richard B. White, P.E.
President

Enclosure

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GENERAL INFORMATION

Report Date	18 Feb 2016
Permit Number	C/015/0035
Mine Name	Bowie Waste Rock Site
Company Name	BRC Wellington, LLC

IMPOUNDMENT IDENTIFICATION

Impoundment Name	Waste Rock Sedimentation Pond
Impoundment Number	N/A
UPDES Permit Number	UT0022896
MSHA ID Number	42-02398

IMPOUNDMENT INSPECTION

Inspection Date	17 Feb 2016
Inspected by	Richard B. White
Reason for Inspection	Quarterly Inspection

(Annual, quarterly or other periodic inspections, critical installation , or completion of construction.)

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

Other than a small amount of erosion existing in the form of rills on the interior slopes of the pond, no signs of instability, structural weakness, or any other hazardous condition were observed. This erosion is not considered problematic.

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b. Principle and emergency spillway elevations.

Outlet elevation = 6,320 feet.

2. 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.

No water was present in the pond at the time of the inspection. A small amount of rill erosion exists on the interior slopes of the pond. This is not substantial. The resulting sediment is captured by the pond.

3. **Field Evaluation.**

Describe any changes in the geometry of the impounding structure, average and maximum depths and elevation 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

The pond adequately serves its intended purpose and can remain in use as currently constructed.

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 designs 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 and include any appearances of instability, structural weakness or other hazardous condition of the structure affecting stability.

Signature: Richard Tsuter Date: 18 Feb 2016

CERTIFIED REPORT

IMPOUNDMENT EVALUATION

If you answer NO to these questions, please 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 conditions?	☒	☐
3.	Has the impoundment met all applicable performance standards and effluent limitations from the previous date of inspection?	☒	☐

COMMENTS/ OTHER INFORMATION

The pond adequately serves its intended purpose.

CERTIFICATION STATEMENT:

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By: Richard B. White

Full Name and Title

Signature: Richard B White Date 18 Feb 2016

P.E. Number & State 168246

[P.E. Cert. Stamp]

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
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UTAH DNR OIL, GAS & MINING

Quarterly Inspection Form - Refuse Disposal Areas

(please provide to DOGM promptly after inspection is complete)

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Mine Operator (Permittee) :	BRC Wellington, LLC	Inspector Name :	Richard B. White, P.E.
MSHA ID # :	4202398	Inspector Signature :	Richard B White

Facility Name / Location / Address : Bowie Waste Rock Site, near mouth of Huntington Canyon, Emery County, Utah

1. Describe any changes in the geometry of the structure (as well as instrumentation, if any, used to monitor changes):
No changes have occurred to the site since 2013. This site is currently inactive.

2. Lift Height / Thickness Avg NA Maximum NA # ____ Elevation of Active Benches : 6365.7, 6342.6, ____
3. Vertical Angle of Outslope(s) / Location(s) where measured 2.0:1 (NW) / 1.5:1 (SW) / 1.9:1 (NE) / 3.0:1 (SE)
4. Total storage capacity: 468,215 CY Remaining storage capacity 161,515 CY Volume placed during year : 0
5. Describe foundation preparation (including removal of vegetation, stumps, topsoil, and all other organic material) :
Topsoil and subsoil were stripped, including associated organic matter, prior to the beginning of waste rock placement. An underdrain was also installed to capture water from a seep at the base of the pile.
6. Describe placement and compaction of fill materials (including an explanation of how compaction is confirmed) :
No waste rock has been placed at the site since 2013.

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) :
A drain was installed in 1989. A small amount of seepage (<<1 gpm) was flowing from this drain at the time of the inspection.

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None

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 ☐	NO ☑
Is there any detectable sloughing or bulging ?	YES ☐	NO ☑
Do slope erosion problems exist ?	YES ☐	NO ☑
Cracks or scarps in slope ?	YES ☐	NO ☑
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Erosion of Toe ?	YES ☐	NO ☑
Water impounded by structure ?	YES ☐	NO ☑
Are diversion ditches stable?	YES ☑	NO ☐
Is drainage positive ?	YES ☑	NO ☐

Could failure of structure create an impoundment (provide description) ? No significant potential exists for impounding water in the event of a failure.

Are design standards established within the mining and reclamation plan for the disposal facility being met ?
Yes

Proctor Determination : Since the site is inactive, no recent Proctor determinations have been performed.

(place P.E. certification below)

REGISTERED PROFESSIONAL ENGINEER
No. 168246
RICHARD B. WHITE
18 Feb 2016
STATE OF UTAH

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