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July 15, 2021
Project#01349-0001

Bowie Resources, LLC
43659 Bowie Road
Paonia, Colorado 81428

Attention: Mr. Basil Bear

Subject: Summary of Instrumentation Monitoring
2nd Quarter 2021
Bowie Coal Waste Disposal Area No. 2
Paonia, Colorado

Reference: *Summary of Instrumentation Monitoring, 1st Quarter 2021, Bowie Coal Waste Disposal Area No. 2, Paonia, Colorado* by Huddleston-Berry Engineering & Testing, LLC for Bowie Resources, LLC, May 3, 2021.

Stability Evaluation, Technical Revision #85, Gob Pile #2 Drying Area, Bowie No. 2 Mine by Huddleston-Berry Engineering & Testing, LLC for Bowie Resources, LLC, June 3, 2014.

Dear Mr. Bear,

At the request of the Colorado Division of Reclamation, Mining and Safety (DRMS), Huddleston-Berry Engineering & Testing, LLC (HBET) prepared this letter regarding quarterly monitoring of vibrating wire piezometers and inclinometers at Coal Waste Disposal Area No. 2 (CWDA No. 2) at the Bowie mine near Paonia, Colorado. The intent of the monitoring was to detect significant changes in the pore water pressures or significant displacements within the coal waste which may impact the stability of the waste pile.

Inclinometers

In 2005, three inclinometers, designated BG05-04, BG05-05, and BG05-07, were installed at CWDA No. 2 through the coal refuse and into the native foundation soils. The inclinometers have been monitored quarterly since August 2005. The 2nd Quarter 2021 monitoring was completed by Buckhorn Engineering (Buckhorn) on June 22nd, 2021. The monitoring report prepared by Buckhorn includes a site plan showing the locations of the inclinometers and cumulative displacement curves relative to the baseline readings in 2005. Axis "A" reflects deformation with depth in the direction of anticipated movement perpendicular to the face of the gob. Axis "B" reflects deformation with depth parallel to the face of the gob.

Discussion of Inclinometer Monitoring

The latest inclinometer readings indicate no major movements since the last quarterly reading. In general, the 2nd Quarter 2021 monitoring data does not provide any indication of instability in CWDA No. 2.

Vibrating Wire Piezometers

Between 2005 and 2012, a total of ten vibrating wire piezometers were installed in CWDA No. 2. However, several of the piezometers have been damaged or have otherwise ceased to function. Currently, five of the piezometers are functional.

Monitoring of the functioning piezometers was completed by Buckhorn June 22nd, 2021. The attached monitoring report prepared by Buckhorn includes the piezometer monitoring data and the data is summarized in the following table.

VWP ID	Initial Pore Pressure (psi)	03/24/21 Pore Pressure (psi)	06/22/21 Pore Pressure (psi)	Difference Since Installation (psi)	Difference Since Last Reading (psi)
VWP-05	6.8	1.3	1.0	-5.8	-0.3
VWP-06	11.3	11.5	11.3	0.0	-0.2
VWP-08	8.2	8.4	8.4	+0.2	0.0
VWP-09	2.8	2.9	2.9	+0.1	0.0
VWP-10	-1.9	-1.9	-1.7	+0.2	+0.2

Discussion of Vibrating Wire Piezometers

VWP-05

VWP-05 was installed on August 3, 2005 near the toe of CWDA No. 2 adjacent to the access road/bench. The pore pressures recorded at VWP-05 have shown some seasonal fluctuations; however, the range of pore pressure changes is fairly small. In general, HBET does not believe that the pore pressures in VWP-05 are cause for concern regarding stability of the gob pile.

VWP-06

VWP-06 was installed on June 5, 2009 near the existing top of CWDA No. 2. The pore pressures recorded at VWP-06 have fluctuated since installation. In general, the fluctuations have been seasonal and reflect the level of coal mine waste placement activity on top of CWDA No. 2. In general, HBET does not believe that the measured pore pressures are an indication of any instability in CWDA No. 2.

VWP-08

VWP-08 was installed on June 5, 2009 at a slightly lower elevation than VWP-06. The pore pressures recorded at VWP-08 have fluctuated since installation. However, the fluctuations have generally been within a narrow range of values. The measured pore pressures are generally consistent with the level of coal mine waste placement activity at CWDA No. 2.

As indicated in the referenced *Stability Evaluation* report, the stability of CWDA No. 2 is sensitive to increases in pore pressures in VWP-08. An increase in the pore pressure of 7 psi in VWP-08 would result in a reduction of the Factor of Safety to below 1.5.

The current pore pressure reflects a piezometric surface elevation of approximately 6096 feet which is much less than the critical elevation of 6113 feet. As a result, HBET does not believe that the measured pore pressures in VWP-08 are any indication of instability in CWDA No. 2.

VWP-09

VWP-09 was installed on May 18, 2012 near the toe of CWDA No. 2. The pore pressures recorded at VWP-09 have been fairly steady since installation. This suggests that dewatering of the gob in this area is likely nearly complete. It is anticipated that the pore pressures at VWP-09 will remain fairly steady over time.

VWP-10

VWP-10 was installed on May 18, 2014 near the toe of CWDA No. 2. The pore pressures recorded at VWP-10 have been fairly steady since installation. This suggests that dewatering of the gob in this area is likely nearly complete. It is anticipated that the pore pressures at VWP-10 will remain fairly steady over time.

General

In general, based upon the results of the recent VWP and inclinometer monitoring data, HBET does not believe that there is any reduction in the stability of CWDA No. 2. Due to the limited activity at the mine, HBET recommends that the monitoring frequency be reduced to semi-annually.

We are pleased to be of service to your project. Please contact us if you have any questions or comments regarding the contents of this report.

Respectfully Submitted:

Huddlestone-Berry Engineering and Testing, LLC



Michael A. Berry, P.E.
Vice President of Engineering

ATTACHMENTS

June 30, 2021

Mr. Mike Berry, PE
Huddleston-Berry Engineering and Testing, LLC
2789 Riverside Parkway
Grand Junction, CO 81501

SUBJECT: Summary Report, 2nd Quarter 2021, Inclinator and Active Vibrating Wire Piezometer Data April – June 2021, Bowie Mine #2 Coal Waste Disposal Area (CWDA) #2

Greetings Mr. Berry:

Buckhorn Engineering, Inc. (BEI) conducted quarterly monitoring of inclinometers and vibrating wire piezometers (VWP) at Coal Waste Disposal Area #2 (CWDA #2), Bowie Resources, LLC Bowie Mine #2. This report covers the period of April through June 2021. Field VWP data and inclinometer data were recorded on June 22, 2021. Per Colorado Division of Reclamation, Mining & Safety (CDRMS) and your instructions, vibrating wire piezometer and inclinometer readings for all active instruments are currently recorded and reported quarterly.

Vibrating Wire Piezometers

The physical locations of the piezometers are shown on the attached Instrumentation Site Plan (Map 1). As seen on this map, five of the original piezometers were damaged, and some were replaced. Currently, there are five active VWP's, and three of them are adjacent to inclinometers. The graph of historical VWP data from May 16, 2005 through May 21, 2014 is presented in Figure 1. A graph of measured pore pressures of active piezometers is presented on the attached Figure 2 and is presented numerically in Table 1 below.

Table 1. Summary of VWP Pore Pressure Readings

VWP ID #	Measured Pore Pressures (psi)				Pore Pressure Difference (psi)		
	Installation	Last Year (Qtr 2) 6/25/2020	Last Quarter (Qtr 1) 3/24/2021	Current (Qtr 2) 6/22/2021	Since Installation	Last Year (Qtr 2)	Last Quarter (Qtr 1)
VWP-05	6.8	1.5	1.3	1.0	-5.8	-0.5	-0.3
VWP-06	11.3	11.7	11.5	11.3	0.0	-0.4	-0.2
VWP-08	8.2	8.6	8.4	8.4	0.2	-0.2	0.0
VWP-09	2.8	2.9	2.9	2.9	0.1	0.0	0.0
VWP-10	-1.9	-1.7	-1.9	-1.7	0.2	0.0	0.2

As seen on Table 1 and Figure 2, the VWP readings and trends are consistent with recent and historic readings. Pore pressure readings changed by small amounts (0 to -0.5 psi) since the readings one year ago (Q2 2020). When compared with a last quarter (Q1 2021), pore pressures also changed by small amounts (-0.3 to +0.2 psi). Although four of the five VWP's remain steady or have general declining trends in pore pressure over the life of the VWP's, one of the piezometers (VWP-05) exhibits seasonal cyclical behavior since installation. This piezometer shows low pore pressures for Q1 and Q2 and higher pressures for Q3 and Q4, with a net loss of 5.8 psi over the lifetime of that VWP. The other four VWP's have experienced net changes of 0.2 psi or less since installation.

Inclinometers

Three inclinometers (designated BG05-4, BG05-5, and BG05-7) were installed at CWDA #2 in August 2005. The inclinometers were installed through the coal refuse and approximately 20 feet into the native foundation soils. The locations of the inclinometers are shown on the attached Instrumentation Site Plan (Map 1). Baseline readings were taken on August 10, 2005 and subsequent readings have generally been taken quarterly since that time. Displacement curves for each of the three inclinometers for the current and the prior three readings are presented as attachments to this letter in Figure 3. Axis "A" reflects deformation with depth in the direction of anticipated movement (downslope), while Axis "B" is orthogonal to Axis A.

As described in previous reports, historic displacements indicated on the plots for the approximate upper ten feet of the inclinometers since installation in 2005 are due to placement of cover soil on the face of the waste pile during revegetation operations in late 2006 and early 2007. This man-caused displacement is documented in a report by Buckhorn Geotech dated September 22, 2008 to Bowie Resources called *Revised Stability Evaluations for Coal Mine Waste Disposal Area No. 2, Bowie No. 2 Mine*.

Based on the current inclinometer readings, there has not been evidence of significant downslope movement (Axis A) in any of the inclinometers since 2007 and they are generally consistent with previous readings. However, we did observe what appears to be about an inch of down-slope movement in BG05-07. This may be an anomalous reading; however, we will look closely at the September readings. Some "noise" which is understood to be relatively common in orthogonal direction (Axis B) readings, was observed over the past few years for inclinometer BG05-5B. This can be due to various mechanical or installation causes that are unrelated to slope movement. For example, grout voids, poor grout coverage, or soil settlement around the instrument can all contribute to vibrations and pipe movement that impacts inclinometer readings. Software bias adjustments were applied which filtered this noise. All readings were consistent with previous ones and the "displacement" error was within equipment tolerances and not deemed to be due to slope movement.

It should be noted that water was standing in the BGI05-04 inclinometer pipe at a depth of about 5 feet below grade (while it was at 12 feet during our Q4 2020 site visit). Based on our observations there has always been water in this pipe. We also measured water around 10.5

feet in inclinometer BGI05-07 (while it was at 12 feet during our Q4 2020 readings). There was no water in the BGI05-05 pipe.

If you have any questions regarding this letter or the instrumentation monitoring at CWDA #2, please contact me at (970) 497-8821 or LBrandt@buckhornengineering.com.

Respectfully Submitted,



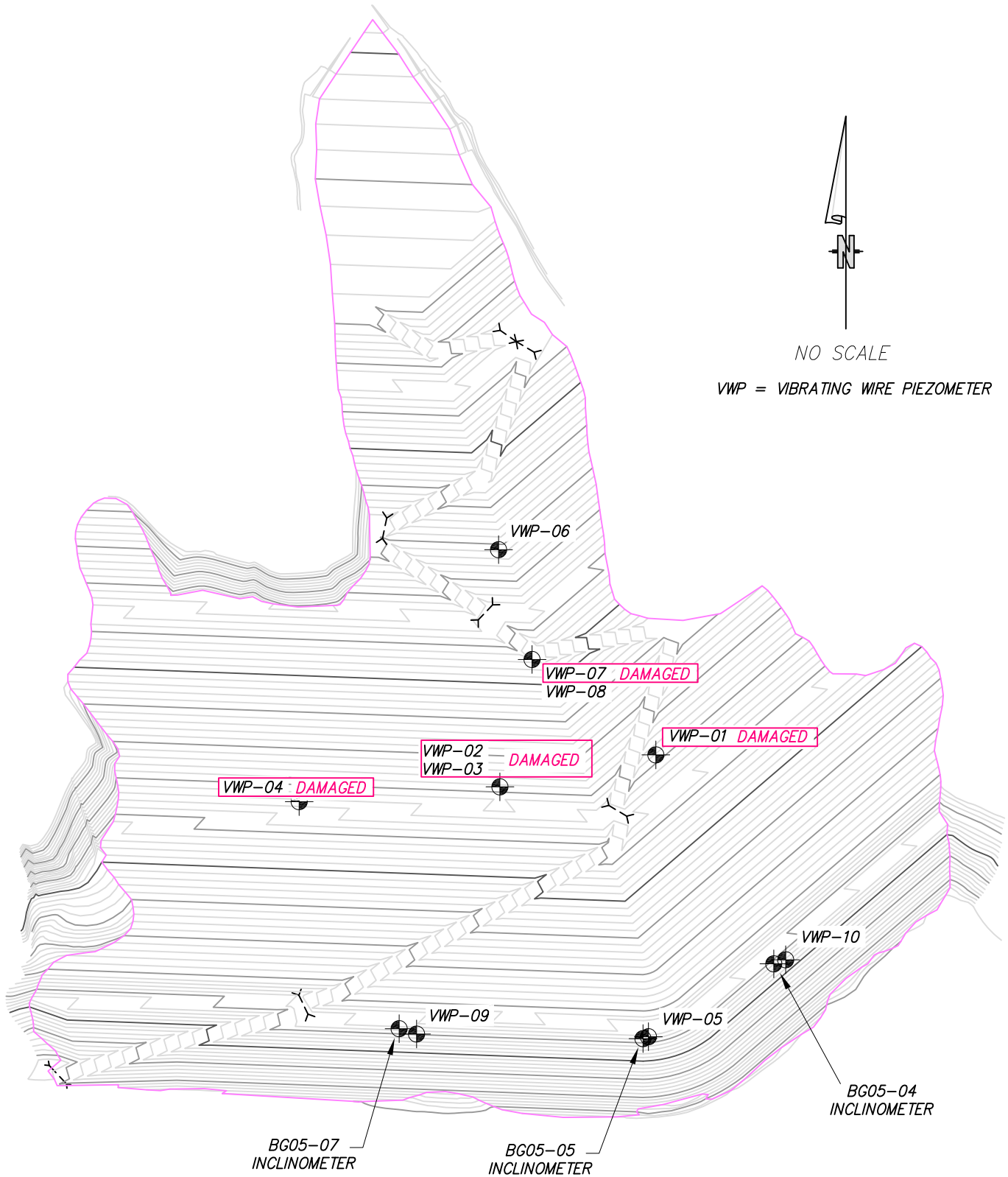
Laurie J. Brandt, CPG
Certified Professional Geologist
Buckhorn Engineering, Inc.



Dennis A. Russell, P.E.
Senior Geotechnical Engineer
DOWL, LLC

Attachments: Map 1 – Instrumentation Location Plan
Figure 1 – Active and Damaged Piezometer Data Graph (2005-2014)
Figure 2 – Active Vibrating Wire Piezometer Data Graph (installation to present)
Figure 3 – Inclinometer Displacement Curves

INSTRUMENTATION SITE PLAN



Map

1

OF 1

DATE

2021

JOB NO.

2021-008-GEO

Huddleston-Berry

BOWIE #2 GOB PILE

DELTA COUNTY, COLORADO

BUCKHORN
ENGINEERING

Figure 1 - Bowie Mine #2 - CWDA #2
Active and Damaged Vibrating Wire Piezometer Data

Inception (5/16/05) through 5/21/14

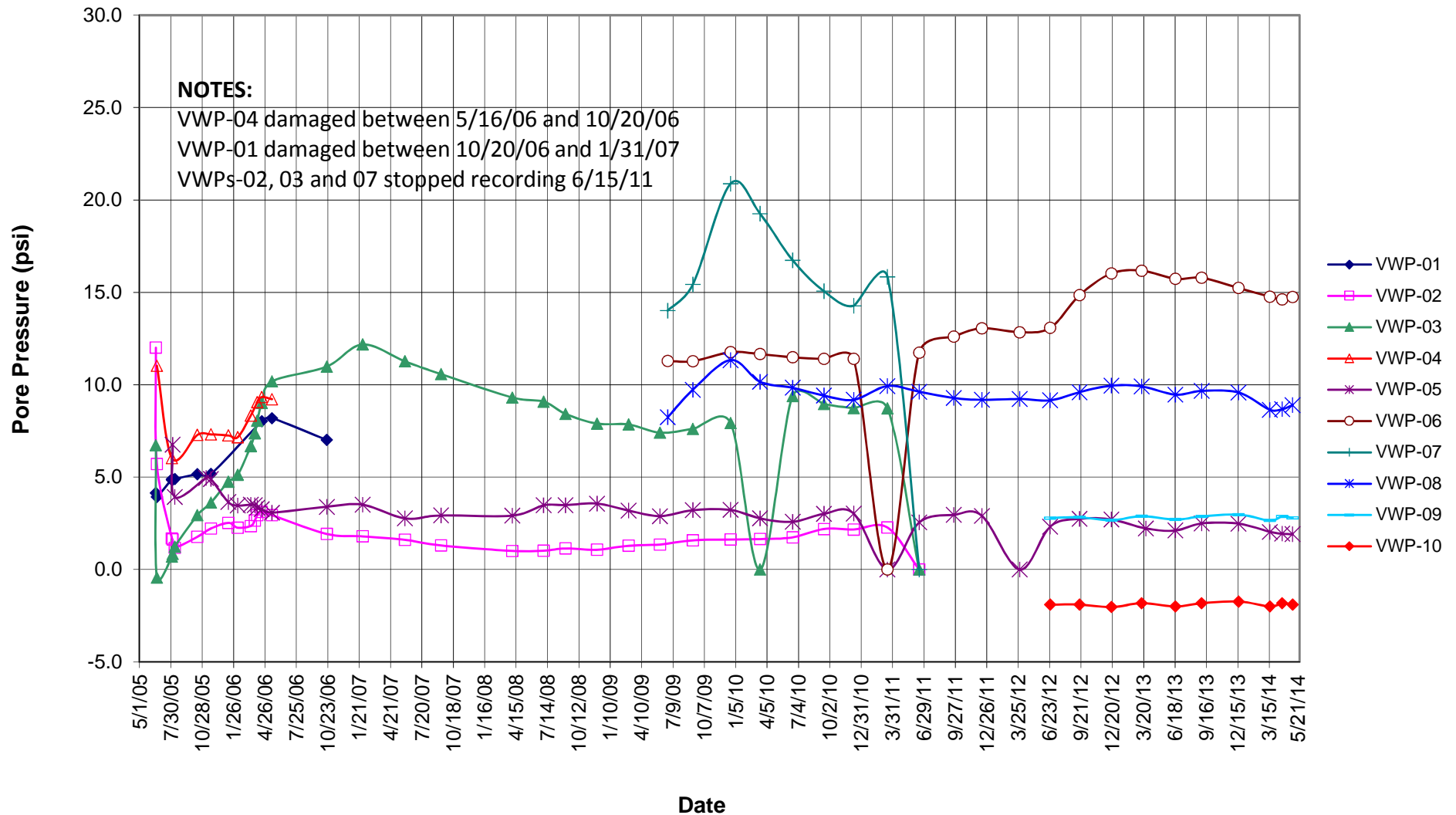
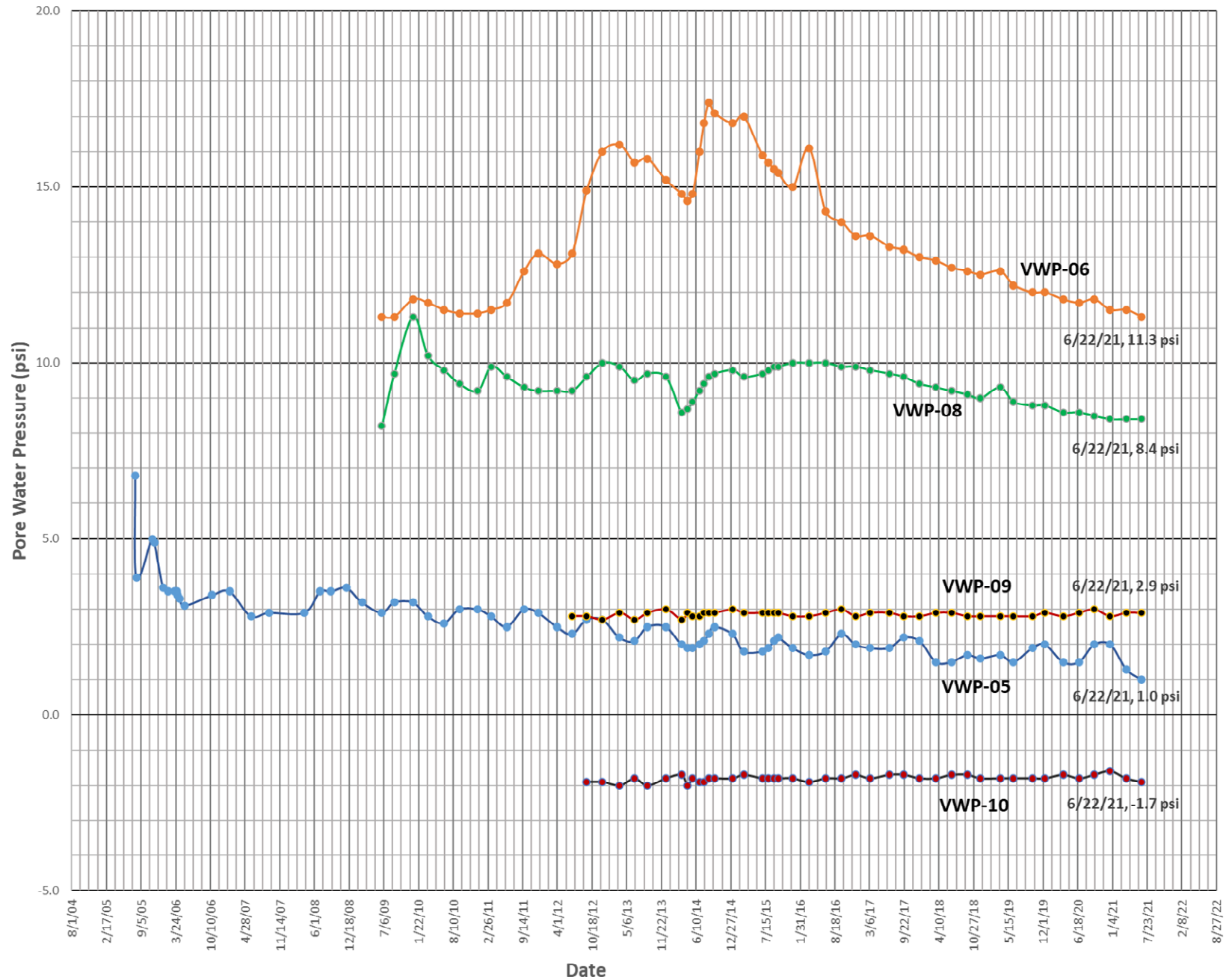
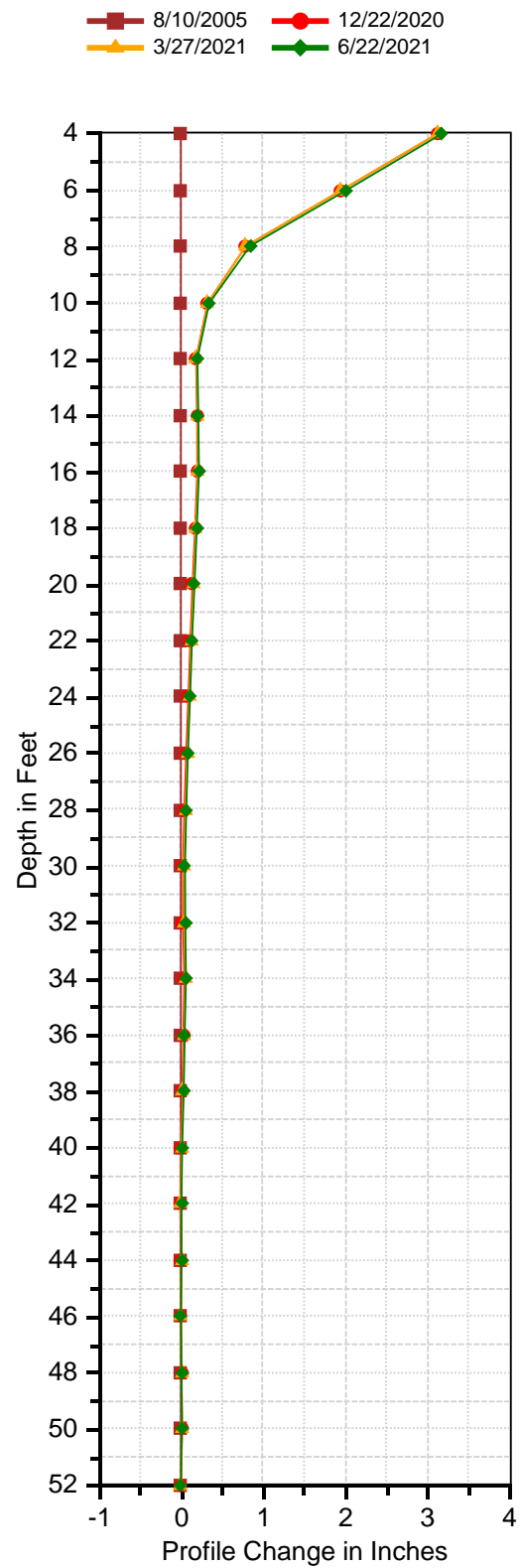


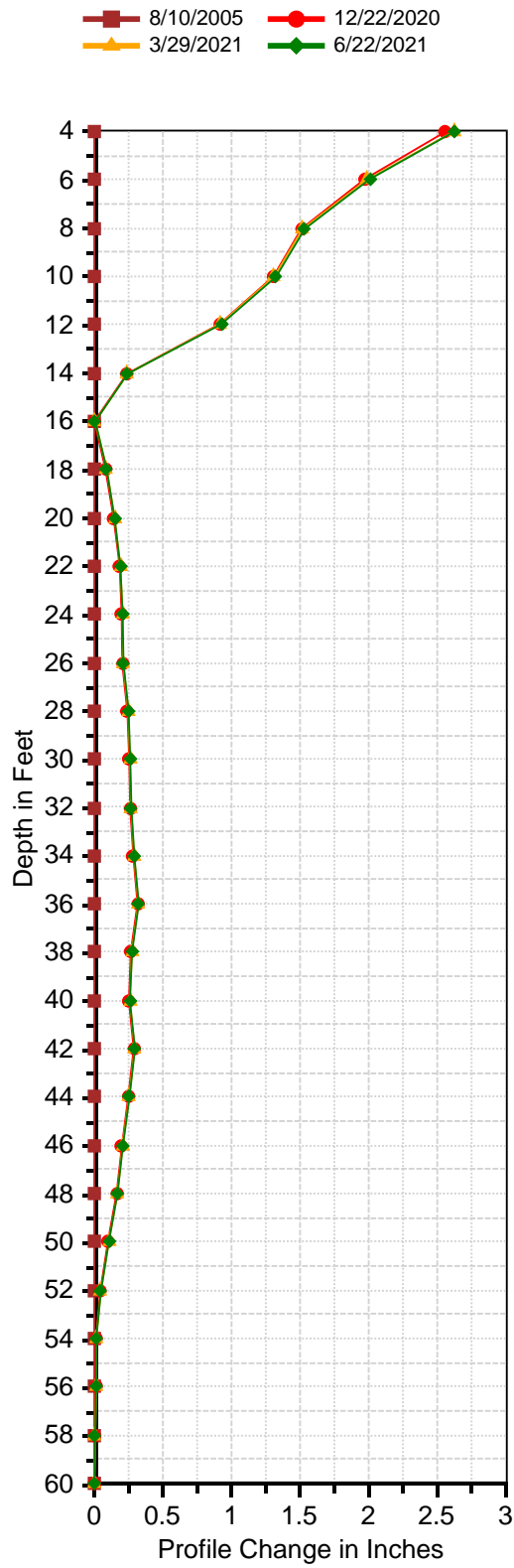
Figure 2 - Bowie Mine #2 - CWDA #2
Active Vibrating Wire Piezometer Data



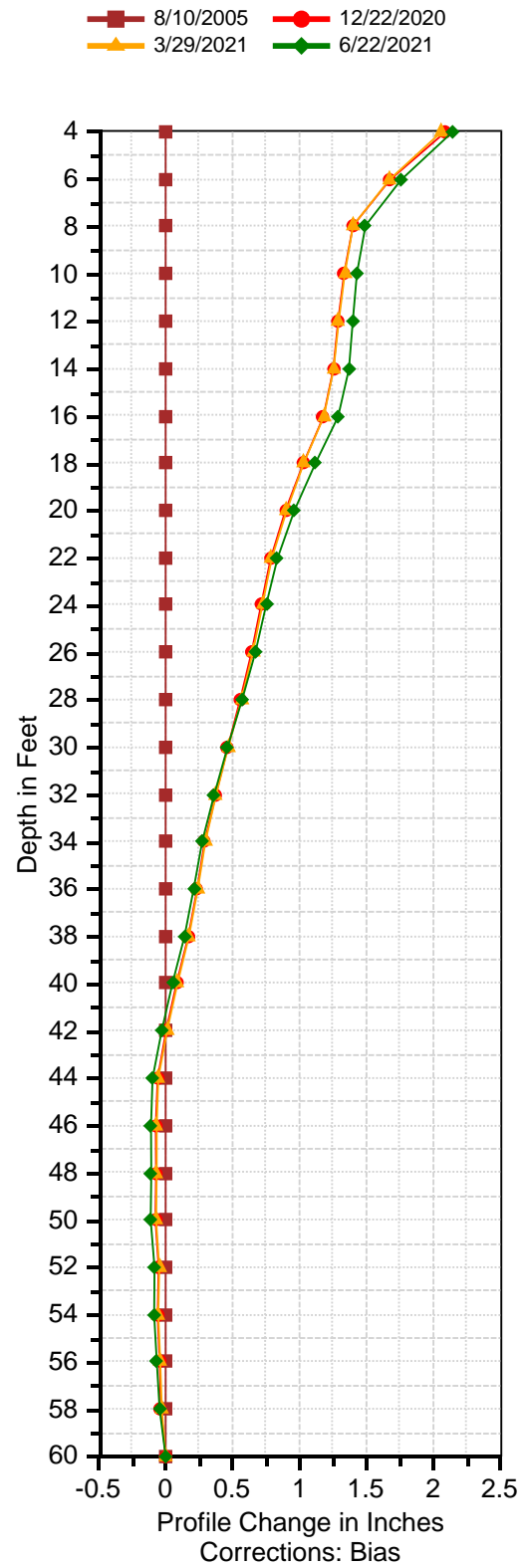
BOWIE BG05_4 A



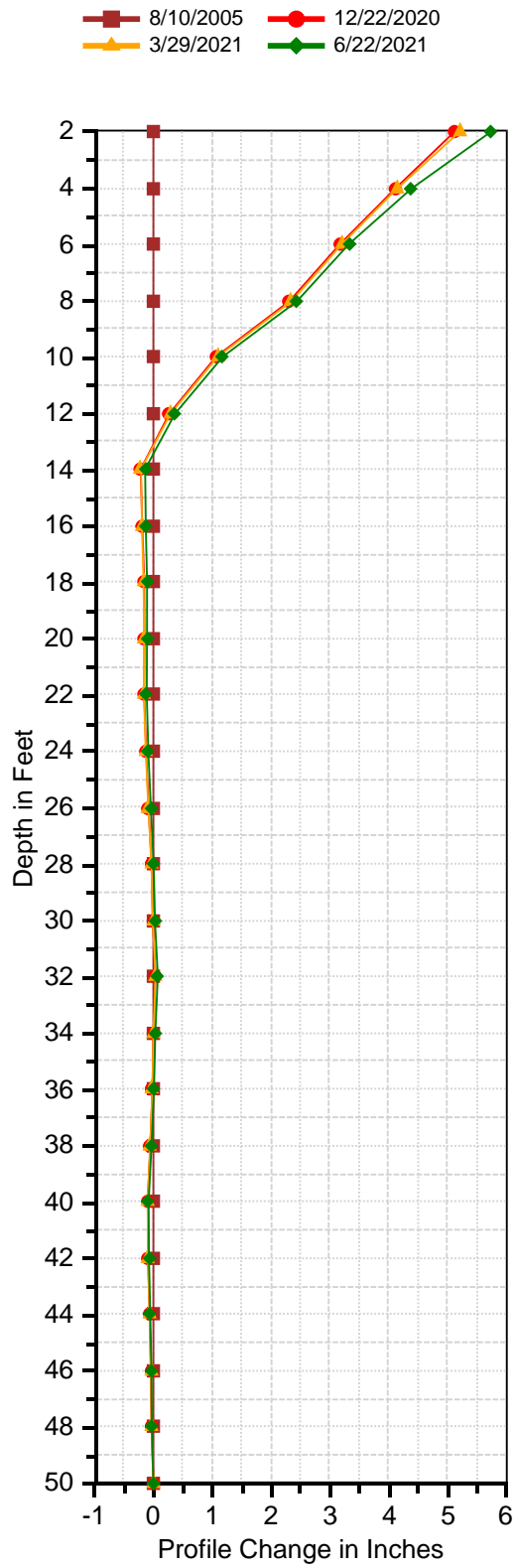
BOWIE BG05_5 A



BOWIE BG05_5 B



BOWIE BG05_7 A



BOWIE BG05_7 B

