



October 9, 2019

Twentymile Coal Company
29515 RCR #27
Oak Creek, CO 80467

Attn: Miranda Kawcak

Job Number: 99-3983

Subject: Quarterly Observation Report, Refuse
Pile, Foidel Creek Mine, Routt County, Colorado.

Miranda,

As requested, NWCC, Inc. (NWCC) has prepared this report outlining our observations made during the third quarter of 2019 at the Refuse Pile located at Twentymile Coal Company's (TCC) Foidel Creek Mine in Routt County, Colorado. During this quarter, Timothy Travis of NWCC visited the project site on September 30, 2019 to provide the quarterly inspection/observations of the Refuse Pile.

At the time of our site visit on September 30, 2019, NWCC completed a site inspection of the existing refuse pile. Based on our observations made during this visit, it appeared that the contractor was presently stockpiling and compacting refuse coal in the new Expansion Area. At the time of our site visit, the refuse coal had been placed and compacted to an elevation near the third bench situated along the east side of the stockpile.

In addition, a representative of NWCC visited the refuse pile on September 27, 2019 to conduct compaction testing in the new Expansion Area of the refuse pile. Three compaction tests (#580 to #582) were taken in Expansion Area during this quarter. All of the tests taken during this quarter met the minimum compaction requirement of 90% of the maximum standard Proctor density. Copies of the compaction test results and the daily field reports are attached. It should be noted that the abbreviations given in the Nuclear Density Test Results (Proctor Data) are as follows: Maximum DD = Maximum Dry Density and OMC = Optimum Moisture Content. Both of these values have been determined in accordance with ASTM D698.

The internal roadways in the new expansion area of the pile are in good condition. The upper haul road to Areas 2, 3 and 4 of the refuse pile was accessible at the time of our site visit and in good condition.

A seepage area at the toe of the northeast end of the refuse pile expansion area, approximately 30 feet northwest of the outlet of the underdrain, developed in fall 2014. At the time of our observations, the seepage was surfacing at the toe of the slope and flowing into the drainage from the undrain outlet then into the existing pond east of the Refuse Pile Expansion Area. The discharge was clear, with no evidence of

sediment. No signs of washout, slumps or slope instability were observed at this time. The seepage area will be monitored during future inspections and noted in our inspection reports. Photographs of the seepage area taken at the time of our inspection on September 30, 2019 are attached.

Based on our observations, the surface drainage conditions, generally appeared to be adequate across the top and sides of the pile. Based on our observations, we did not observe any signs of instability, structural weakness or hazardous conditions at the refuse pile.

We were advised that the wash plant had produced approximately 36,405 tons of waste coal during the month of July 2019; approximately 67,402 tons during August 2019; and approximately 28,338 tons during September 2019. It is our understanding that the fines being produced at the wash plant, which consists of approximately 10 to 20 percent of the total materials being produced, are being pumped underground into the mine. It should also be noted that the wash plant was down periodically during this period due to construction of the new thickener tank.

We were previously informed by Brian Watterson of TCC that all of the original monitor wells installed in the Refuse Pile were destroyed in July 2012. Two new monitor wells were constructed in Area 1 of the Refuse Pile in December 2013. NWCC was provided monthly monitor well readings for this quarter by Miller Water Monitor Service, Inc. The water level in the western monitor well (RW#1) was measured at 57.66 feet below the existing ground surface (bgs) on July 14th, at 57.52 feet bgs on August 26th and at 57.36 feet bgs on September 3rd of 2019. The water level in the eastern monitor well (RW#2) was measured at 56.55 feet bgs on July 14th, at 56.40 feet bgs on August 26th and at 56.25 feet bgs on September 3rd of 2019. An additional monitor well (RW#3) was constructed at the southeast end of the 1st bench in new Expansion Area in June of 2014. The water level in the expansion area monitor well (RW#3) was dry when checked on July 14th, August 26th and September 3rd of 2019.

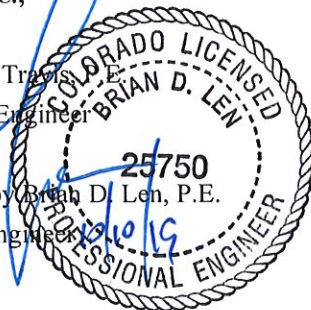
Based on our observations, it appears that the pile is currently being constructed and maintained in general accordance with the project specifications and plans submitted under 2.05.3(8) and that the potential hazard to human life and property at the site in its present condition is minimal. This report fulfills the quarterly inspection requirements as specified by Rules 4.09.1(11)(a), 4.09.1(11)(b), 4.10.2(2)(a) and 4.10.2(2)(b).

If you have any questions regarding this report or our observations, please contact this office.

Sincerely,
NWCC, Inc.,

Timothy S. Travis
Sr. Project Engineer

Reviewed by Brian D. Len, P.E.
Principal Engineer





September 30, 2019-Drain Outlet/Seepage Area



September 30, 2019-Seepage Area



September 30, 2019- Expansion Area



September 30, 2019-Expansion Area from Areas 2, 3, 4



September 30, 2019-Areas 2, 3, 4



September 30, 2019- Southwest End of Drain

NORTHWEST COLORADO CONSULTANTS, INC.

Project: Refuse Pile	Project No.: 99-3983	Date: 9/27/19
Location: Foidel Creek Mine	Report No.: 93	Time: 4.0
Client: Twentymile Coal Co.		Mileage: 44
		Engr. /Tech: CR

Work Performed:

As requested, we visited the project site on today's date and conducted compaction test No's 580 through 582 on the fill materials being placed within the Refuse Pile.

Twentymile Coal Company crews placed and compacted processed waste coal in the Refuse Pile.

We also obtained a sample of material and returned it to our laboratory in Steamboat Springs, CO for standard checkpoint Proctor testing. The sample matched a previous Proctor 12P for this project.

The yearly site specific safety training was also completed during today's site visit.

Remarks:

The material tested today generally met project specifications for compaction.

Please refer to attached sheet for results of today's testing.

Verbal Discussions:

Twentymile Coal Co. was notified of today's test results.

NUCLEAR DENSITY TEST RESULTS

Project: Refuse Pile

Project No.: 99-3983

Date: 9/27/19

Report No.: 92

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Test No.	Location Northing/Easting/Elevation	Depth Elev.	Proctor No.	Dry Density (pcf)	Water Content (%)	Actual Compaction	Required Compaction
580	31338.03/17064.09	7004.677	12	106.7	3.6	97	90
581	30952.03/16951.12	7008.411	12	108.8	1.7	99	90
582	30358.77/16750.44	7008.319	12	109.1	1.9	99	90

PROCTOR DATA

No.	Maximum Dry Density (pcf)	Optimum Moisture Content (%)	Relative Density Minimum Density (pcf)	Relative Density Maximum Density (pcf)	Soil Type
12	109.8	7.6			Processed Waste Coal
11	100.3	10.2			Processed Waste Coal
10	107.6	11.0			Processed Waste Coal

Comments:

BSG= Below Subgrade Grade SG= Subgrade Grade SBG= Subbase Grade BSBG= Below Subbase Grade BCG= Base Course Grade BBF= Below Bottom of Footing	NWC= Northwest Corner NEC= Northeast Corner SWC= Southwest Corner SEC= Southeast Corner BFG= Below Footing Grade FG= Footing Grade
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