




COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY COAL PROGRAM INSPECTION REPORT



PERMIT INFORMATION

Permit Number: C-1981-035 Mine Name: King Coal Mine Operator: GCC Energy, LLC Operator Address: Mr. Tom Bird 6473 County Road 120 Hesperus, CO 81326	County: La Plata Operation Type: Underground Permit Status: Active Ownership: Federal
	Operator Representative Present: Wade Wymore
Operator Representative Signature: (Field Issuance Only) This report was issued electronically from the Division's Durango Field Office.	

INSPECTION INFORMATION

Inspection Start Date: December 18, 2013 Inspection Start Time: 10:20 Inspection End Date: December 18, 2013 Inspection End Time: 13:15		Inspection Type: Coal Complete Inspection Inspection Reason: Normal I&E Program Weather: Clear	
Joint Inspection Agency: None		Joint Inspection Contacts:	
Post Inspection Agency: None		Post Inspection Contacts:	
Inspector(s): Marcia L. Talvitie, P.E.	Inspector's Signature: 		Signature Date: 23 December 2013

Inspection Topic Summary

NOTE: Y=Inspected N=Not Inspected R=Comments Noted V=Violation Issued NA=Not Applicable

Y - Air Resource Protection

R - Availability of Records

NA - Backfill & Grading

R - Excess Spoil and Dev. Waste

NA - Explosives

Y - Fish & Wildlife

R - Hydrologic Balance

Y - Gen. Compliance With Mine Plan

NA - Other

Y - Processing Waste

R - Roads

Y - Reclamation Success

Y - Revegetation

Y - Subsidence

Y - Slides and Other Damage

R - Support Facilities On-site

Y - Signs and Markers

NA - Support Facilities Not On-site

NA - Special Categories Of Mining

R - Topsoil

COMMENTS

A complete inspection of the King Coal Mine was conducted by me, Marcia Talvitie of the Division, on Wednesday, December 18, 2013. Wade Wymore of GCC Energy escorted me throughout the inspection.

Skies were clear, and the temperatures warmed into the mid-40's. We toured the King II surface facilities on foot, conducted the records check, and concluded the inspection with the King I facilities.

PERMITTING UPDATE:

TR-20 Coal Mine Waste for Highwall Backfill: The Division issued a Preliminary Adequacy Review of the application on 29-Nov-2013. The Decision Date has been extended to 31-Jan-2014.

TR-21 Exploration Drill Holes: The application was deemed Incomplete on 06-Sep-2013.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

- Permit records were available for review in Tom Bird's office at the King II facilities. His office had been recently moved from the temporary trailer to the upstairs of the warehouse, and will ultimately be relocated to the new office building and bath house.
- A completed DRMS Availability of Records form is attached to this report.

EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09

Placement; Drainage Control; Surface Stabilization:

- Permanent disposal of Coal Mine Waste (CMW) is permitted in a valley-fill refuse pile located at King I. TR-20 seeks Division approval of an additional disposal area: abutting the western highwall at King I.
- In the winter, when ground conditions prevent trucks from accessing the top surface of the refuse pile, CMW is stored temporarily on the floor of the King I facilities area.

- The top surface of the refuse pile was covered with approximately six inches of snow. The surface appeared to have been graded in accordance with the approved design. A few loads of CMW had been dumped along the northern (uphill) side of the pile, before the snow fell. Subsequent loads had been dumped in the coal storage area below.
- The clear water diversion ditch, which flows along the northern side of the refuse pile, is now lower in elevation than the pile's top surface. The operator is considering options for shifting the clear water ditch further up the hillside. In the meantime, runoff from the northern side of the refuse pile is collected in a ditch, carried across the top front of the pile, and directed into the main collection ditch.
- The soil pile located up the valley from the refuse pile has been protected with a ditch and berm. Any runoff from the pile will be directed to the collection ditch.

HYDROLOGIC BALANCE - Rule 4.05

Drainage Control 4.05.1, 4.05.2, 4.05.3; Siltation Structures 4.05.5, 4.05.6; Discharge Structures 4.05.7, 4.05.10; Diversions 4.05.4; Effluent Limits 4.05.2; Ground Water Monitoring 4.05.13; Surface Water Monitoring 4.05.13; Drainage – Acid and Toxic Materials 4.05.8; Impoundments 4.05.6, 4.05.9; Stream Buffer Zones 4.05.18:

- The area received snow on December 8-9. At the time of the inspection, much of the snow had melted.
- The King I sediment ponds were both holding water, the surface of which was frozen. Ice partially covered the bottom of the King II sediment pond.
- Maintenance was conducted recently on the West Clearwater Ditch at King II. Mr. Wymore said the riprap lining from the flatter reaches next to the Haul Road had been excavated and set aside; accumulated sediment was removed, and the riprap was replaced.
- Ditches throughout the disturbed area at King II were found to be in good repair and functioning as designed. The operator has replaced straw wattles in the ditches with rock check dams - to slow the velocity of the flow, without silting-up.
- Inlets at King II were clear. A new grate-style inlet protection has been installed at culvert C11, adjacent to the truck scale. Mr. Wymore said this is working better than the straw wattles did previously. Water is allowed to pass through, together with finer sediment, but any larger objects are kept out.

ROADS – Rule 4.03

Construction 4.03.1(3) / 4.03.2(3); Drainage 4.03.1(4) / 4.03.2(4); Surfacing and Maintenance 4.03.1(5) and (6) / 4.03.2(5) and (6); Reclamation 4.03.1(7) / 4.03.2(7):

- The Haul Road and Access Road at King II were dry to damp, and in good condition overall. The road at King I was cleared of snow as far as the coal mine waste storage area. We used 4WD to reach the top of the refuse pile.

SUPPORT FACILITIES - Rule 4.04:

- GCC's contractor continues to make progress on the new office / warehouse / bath house at King II. The exterior of the building appears to be completed. Concrete pavement spans the area between this building and the three-sided storage building.

- When the new building is completed, the temporary trailers located south of the truck scales can be removed, and the area they now occupy will be used for equipment and material storage.
- Petroleum products are kept in the three-sided fuel storage building, which includes secondary containment for the tanks and barrels. The operator is considering making modifications to the collection of surface runoff from this structure which would eliminate the need for the sump behind the building that needs to be mucked out periodically.
- The 37,000 Gallon water tank from King I has been moved to King II, and placed on the upper bench NW of the existing 100,000 Gallon tank. Map King II-007 shows the location of this tank.

TOPSOIL – Rule 4.06

Removal 4.06.2; Substitute Materials 4.06.4(4); Storage and Protection 4.06.3; Redistribution 4.06.4:

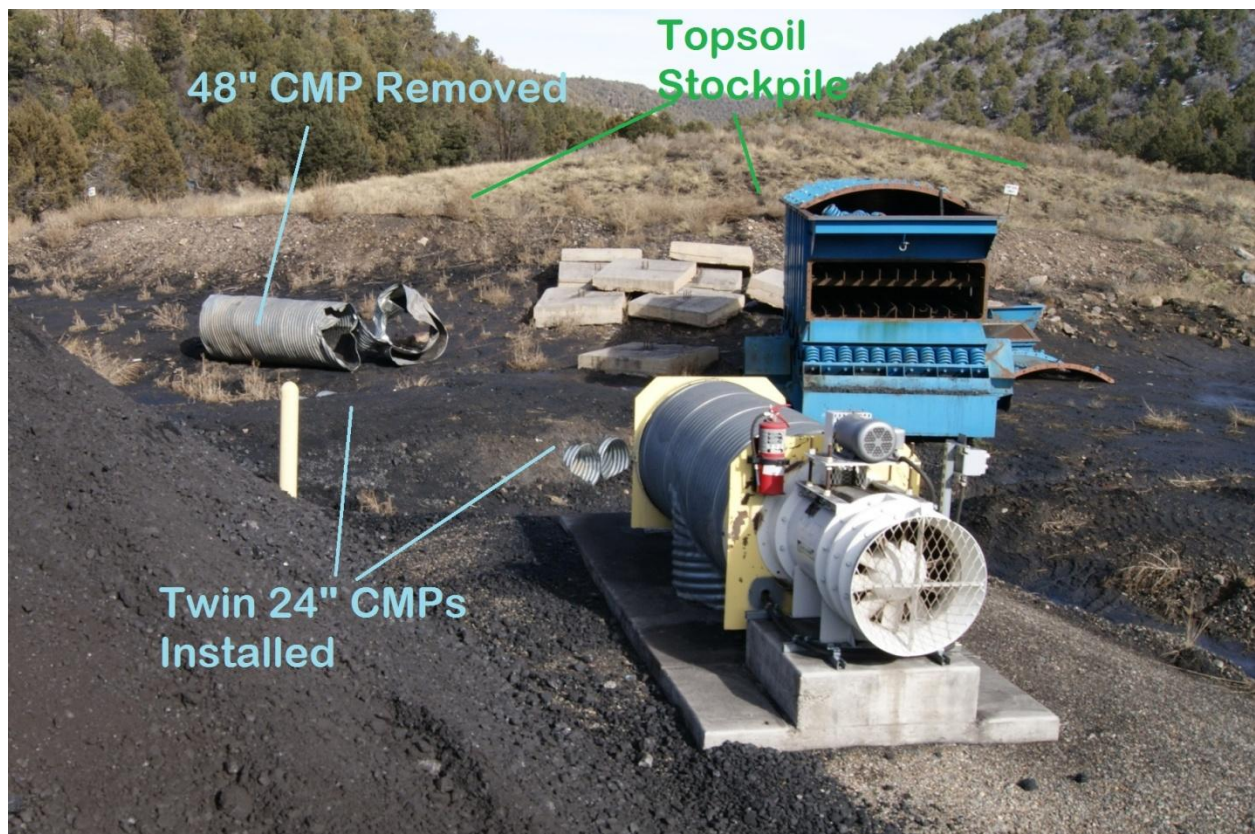
- The topsoil piles at King II were well vegetated, stable, and protected from erosion.

ENFORCEMENT ACTIONS/COMPLIANCE

No enforcement actions were issued as a result of this inspection, and none are pending.



King II Haul Road, ditch, inlet, and topsoil stockpile



Damaged culvert pipe (replaced) and King II topsoil stockpile

Number of Partial Inspection this Fiscal Year: 4

Number of Complete Inspections this Fiscal Year: 2



Stockpile of coal at Stack Tube #1



East side of new building

Number of Partial Inspection this Fiscal Year: 4Number of Complete Inspections this Fiscal Year: 2



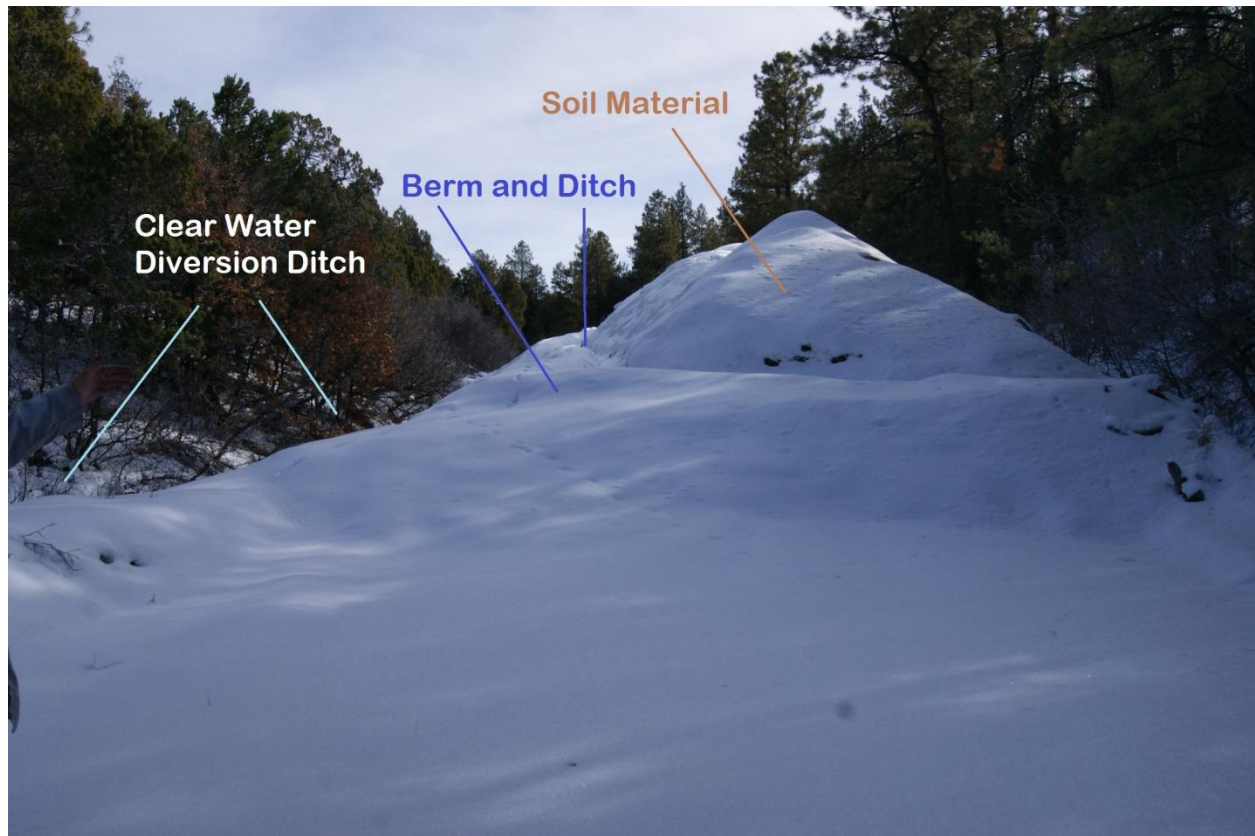
Access Road to belt portal, looking north



Water tank relocated from King I

Number of Partial Inspection this Fiscal Year: 4

Number of Complete Inspections this Fiscal Year: 2



Soil Material up-valley from King I Refuse Pile



Refuse pile and Clear Water ditch as seen from above

Number of Partial Inspection this Fiscal Year: 4

Number of Complete Inspections this Fiscal Year: 2

AVAILABILITY OF RECORDS**PERMIT RECORDS**

DRMS Permit	Yes
Permit Application w/Revisions	Yes
Findings Document	Yes (RN-06)
Insurance Certificate	Yes
Bond Document	Yes
Phased Bond Release Documents/Findings	n/a
Air Emission Permits	Yes*
County Special Use Permits	In Process
UG Mining Landowner Notification	Yes
Subsidence Monitoring Reports	Yes
Subsidence Monitoring Data	Yes
Rill & Gully Survey	n/a
Vegetation Monitoring Data	n/a
Specific Variance Approvals	n/a
Annual Reclamation Reports	Yes
Midterm Review Documents	Yes
DRMS/OSM Inspection Reports / Enforcement Actions (3 Years)	Yes
Transfers/Succession of Operator	Yes
Temporary Cessation Notification	n/a
Reclamation Cost Estimate	Yes
CERTIFICATIONS	
Pond Certifications	Yes
Annual Certifications for Impoundments	Yes
Fill Certifications for Excess Spoil or Underground Development Waste	
• Quarterly Inspections	Yes
• Compaction Testing	**
• Final Certification	n/a
Coal Processing Waste Banks	n/a
Haul Road Certifications	Yes
Access Road Certifications	Yes

HYDROLOGIC RECORDS

NPDES Permit	Yes
NPDES Records	Yes
Stormwater Management Plan	Yes
SPCC Plan	Yes
MSHA Pond Inspections	n/a
State Engineer's Pond Inspection	n/a
Quarterly Pond Inspections	Yes
Annual Hydrology Reports	Yes
• Ground Water Monitoring	Yes
• Surface Water Monitoring	Yes
• Spring & Seep Monitoring	n/a
• Mine Water Discharge Monitoring	n/a
• Mine Inflow Study	n/a
• Water Consumption Records	Yes
Well Permits	Yes

BLASTING RECORDS

Blasting Publication	n/a
Blasting Records (3 years)	n/a
ATFE Explosives Permit	n/a
Blasting Variances	n/a
Pre-Blast Surveys	n/a

**ADDITIONAL RECORDS
(specify)**

COMMENTS:

*For APCD Permit 11LP3252, Initial Approval was issued on 30-Nov-2011. Has Final Approval been granted? If so, please update the records and submit a Minor Revision application.

**April 2012 is latest compaction report – should be tests taken during any compaction of material (see related comment in TR-20 adequacy review letter.