

Telephone: 970.385.4528

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December 29, 2017

State of Colorado Division of Reclamation, Mining & Safety 1313 Sherman Street, Room 215 Denver, Colorado 80203-2273 Attn: Rob Zuber, Environmental Protection Specialist II

Re: King II Mine

Pond Quarterly Inspection

4th Quarter 2017

Dear Mr. Zuber,

An inspection of the pond at the King II mine was performed on December 29, 2017 for the 4th quarter of 2017. The pond contained very little water (in the form of ice) and was not discharging. The pond embankment, in-slopes and spillway all appeared stable with no evidence of slumping, settling or excessive erosion. All features appeared to be in place and functioning as designed.

Please call Tom Bird at (970) 385-4528 x 6503 if you have any questions or comments.

Sincerely,

Tom Bird

Manager, Coal Services

GCC Energy, LLC