



"Safety as a Value"

Telephone: 970.385.4528
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GCC Energy, LLC
6473 County Road 120
Hesperus, CO 81326

February 9, 2018

State of Colorado
Division of Mining, Reclamation & Safety
1313 Sherman Street, Room 215
Denver, CO 80203

Attention: Rob Zuber, Environmental Protection Specialist II

Re: King Coal Mine, Permit #C-1981-035: 2017 Annual Reclamation Report

Dear Mr. Zuber:

Please find attached the 2017 Annual Reclamation Report for the King I and King II mines.

Please note that the area of the lower part of the Refuse Pile below the lower road at the King I mine is being re-worked to attain design grade. This 0.30-acre area has been removed from backfilled, graded, topsoiled and seeded status as was shown on reports from previous years.

Please contact me at (970) 385-4528 x 6503 if you have any questions or comments.

Sincerely,

Tom Bird

A handwritten signature in black ink, appearing to read 'Tom Bird'. The signature is fluid and cursive, with a large, stylized 'B' at the end.

Manager of Coal Services
GCC Energy, LLC

Colorado Division of Reclamation, Mining and Safety

Annual Reclamation Report for the Year 2016

King I & II (Combined) C-1981-035 GCC Energy, LLC
mine name permit # Permittee

Address: 6473 C.R. 120, Hesperus, CO 81326

This report, required by Rule 2.04.13, is due by February 15 of each year, or other date, as agreed upon by the Division. It should include text, discussion, and maps, at a minimum, in addition to any other reclamation monitoring data as required by the approved permit. The location of the acreage reported under each land status category and year of seeding (if applicable) should be clearly and accurately identified on a map included with the report.

Land Status Category	Last Years Cumulative Total		This Calendar Year		Cumulative Total ¹
Acres disturbed	40.41	+	0.00	=	40.41
Acres backfilled and graded	1.99	-	-0.30	=	1.69
Acres topsoiled	1.99	+	-0.30	=	1.69

Seeding typically begins the minimum 10-year reclamation liability period. Please report the acres for each category below. Do not include acres that have achieved final, Phase III release.

	Last Years Cumulative Total		This Calendar year		Cumulative Total ¹		10 years or less		Greater than 10 years ¹
Acres seeded*	1.99	-	-0.30	=	1.69	=	1.69	+	0.00

*include, if necessary, a description of any augmented seeding or cultural practices

For the Entire Life of Mine, the total number of acres disturbed 40.41 and the total number of acres:

Phase I released 0.00 Phase II released 0.00 Phase III released 0.00

For Mines in Permanent Cessation:

Total acreage in facilities subject to reclamation but yet to be completed N/A

For Government Performance and Results Act

Acreage in long-term mining or reclamation facilities ² 40.41

Acreage in active mining areas ³ 0.0

¹ (exclude acres where Phase III release has been achieved)

² Includes haul and access roads; temporary dams and impoundments; permanent dams and impoundments; diversion and collector ditches, water and air monitoring sites; topsoil stockpiles; overburden stockpiles; repair, storage and construction areas; office area, repair shops, and parking; coal stockpiles, loading, and processing areas; railroads; coal conveyors; nonbackfilled and graded areas of refuse piles, coal mine waste impoundments, head-of-hollow fills, and valley fills; ventilation shafts and entryways; and noncoal waste disposal area (garbage dumps and coal combustion by-products disposal areas).

³ Includes pits, topsoil stripped areas in advance of pits, and spoil not backfilled and graded

Colorado Division of Reclamation, Mining and Safety

Annual Reclamation Report for the Year 2016

King I
mine name

C-1981-035
permit #

GCC Energy, LLC
Permittee

Address: 6473 C.R. 120, Hesperus, CO 81326

This report, required by Rule 2.04.13, is due by February 15 of each year, or other date, as agreed upon by the Division. It should include text, discussion, and maps, at a minimum, in addition to any other reclamation monitoring data as required by the approved permit. The location of the acreage reported under each land status category and year of seeding (if applicable) should be clearly and accurately identified on a map included with the report.

Land Status Category	Last Years Cumulative Total		This Calendar Year		Cumulative Total ¹
Acres disturbed	15.42	+	0.00	=	15.42
Acres backfilled and graded	0.99	-	-0.30	=	0.69
Acres topsoiled	0.99	+	-0.30	=	0.69

Seeding typically begins the minimum 10-year reclamation liability period. Please report the acres for each category below. Do not include acres that have achieved final, Phase III release.

	Last Years Cumulative Total		This Calendar year		Cumulative Total ¹		10 years or less		Greater than 10 years ¹
Acres seeded*	0.99	-	-0.30	=	0.69	=	0.69	+	0.00

*include, if necessary, a description of any augmented seeding or cultural practices

For the Entire Life of Mine, the total number of acres disturbed 15.42 and the total number of acres:

Phase I released 0.00 Phase II released 0.00 Phase III released 0.00

For Mines in Permanent Cessation:

Total acreage in facilities subject to reclamation but yet to be completed N/A

For Government Performance and Results Act

Acreage in long-term mining or reclamation facilities ² 15.42

Acreage in active mining areas ³ 0.0

¹ (exclude acres where Phase III release has been achieved)

² Includes haul and access roads; temporary dams and impoundments; permanent dams and impoundments; diversion and collector ditches, water and air monitoring sites; topsoil stockpiles; overburden stockpiles; repair, storage and construction areas; office area, repair shops, and parking; coal stockpiles, loading, and processing areas; railroads; coal conveyors; nonbackfilled and graded areas of refuse piles, coal mine waste impoundments, head-of-hollow fills, and valley fills; ventilation shafts and entryways; and noncoal waste disposal area (garbage dumps and coal combustion by-products disposal areas).

³ Includes pits, topsoil stripped areas in advance of pits, and spoil not backfilled and graded

Colorado Division of Reclamation, Mining and Safety

Annual Reclamation Report for the Year 2016

King II
mine name

C-1981-035
permit #

GCC Energy, LLC
Permittee

Address: 6473 C.R. 120, Hesperus, CO 81326

This report, required by Rule 2.04.13, is due by February 15 of each year, or other date, as agreed upon by the Division. It should include text, discussion, and maps, at a minimum, in addition to any other reclamation monitoring data as required by the approved permit. The location of the acreage reported under each land status category and year of seeding (if applicable) should be clearly and accurately identified on a map included with the report.

Land Status Category	Last Years Cumulative Total		This Calendar Year		Cumulative Total ¹
Acres disturbed	24.99	+	0.00	=	24.99
Acres backfilled and graded	1.00	+	0.00	=	1.00
Acres topsoiled	1.00	+	0.00	=	1.00

Seeding typically begins the minimum 10-year reclamation liability period. Please report the acres for each category below. Do not include acres that have achieved final, Phase III release.

	Last Years Cumulative Total		This Calendar year		Cumulative Total ¹		10 years or less		Greater than 10 years ¹
Acres seeded*	1.00	+	0.00	=	1.00	=	1.00	+	0.00

*include, if necessary, a description of any augmented seeding or cultural practices

For the Entire Life of Mine, the total number of acres disturbed 24.99 and the total number of acres:

Phase I released 0.00 Phase II released 0.00 Phase III released 0.00

For Mines in Permanent Cessation:

Total acreage in facilities subject to reclamation but yet to be completed N/A

For Government Performance and Results Act

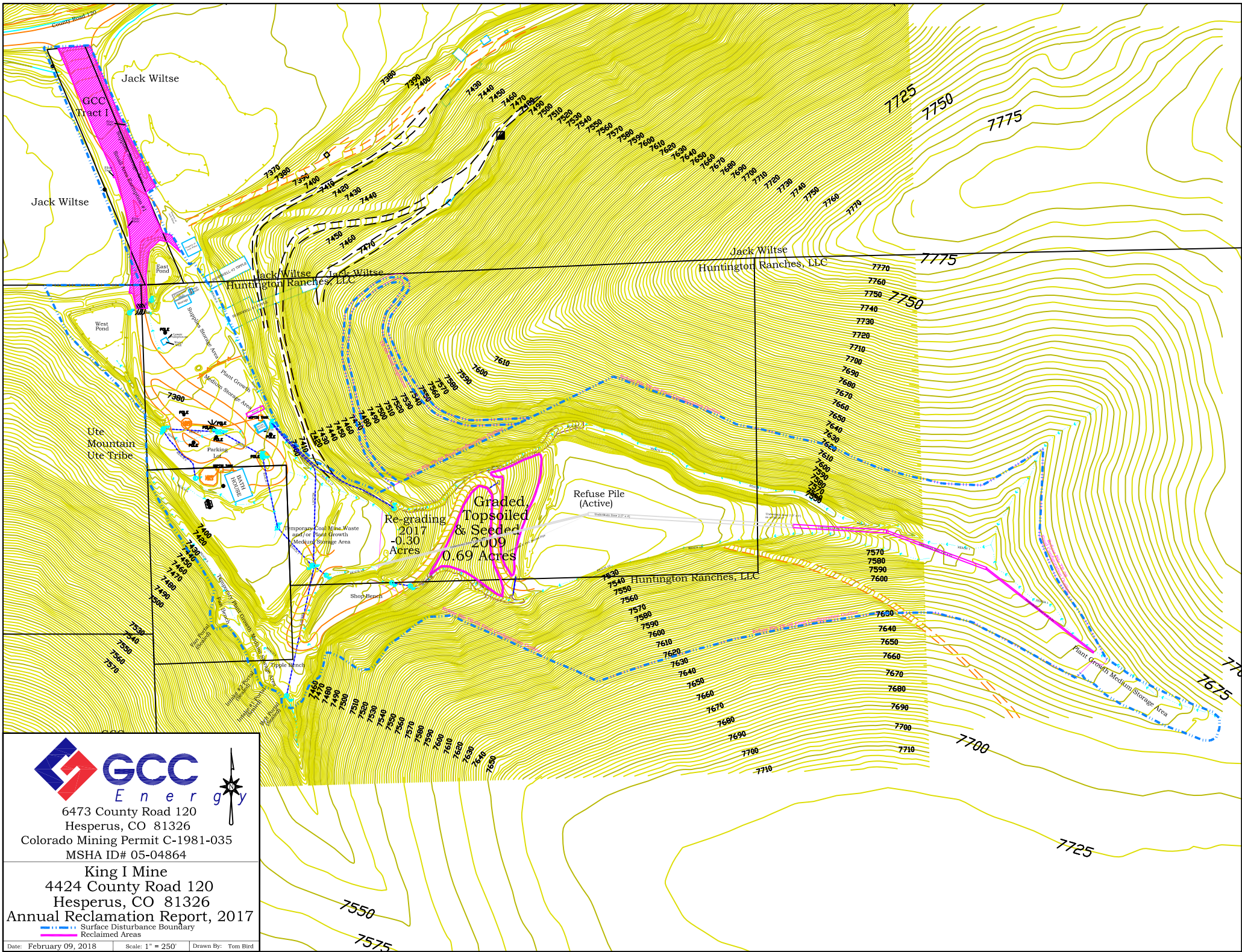
Acreage in long-term mining or reclamation facilities ² 24.99

Acreage in active mining areas ³ 0.0

¹ (exclude acres where Phase III release has been achieved)

² Includes haul and access roads; temporary dams and impoundments; permanent dams and impoundments; diversion and collector ditches, water and air monitoring sites; topsoil stockpiles; overburden stockpiles; repair, storage and construction areas; office area, repair shops, and parking; coal stockpiles, loading, and processing areas; railroads; coal conveyors; nonbackfilled and graded areas of refuse piles, coal mine waste impoundments, head-of-hollow fills, and valley fills; ventilation shafts and entryways; and noncoal waste disposal area (garbage dumps and coal combustion by-products disposal areas).

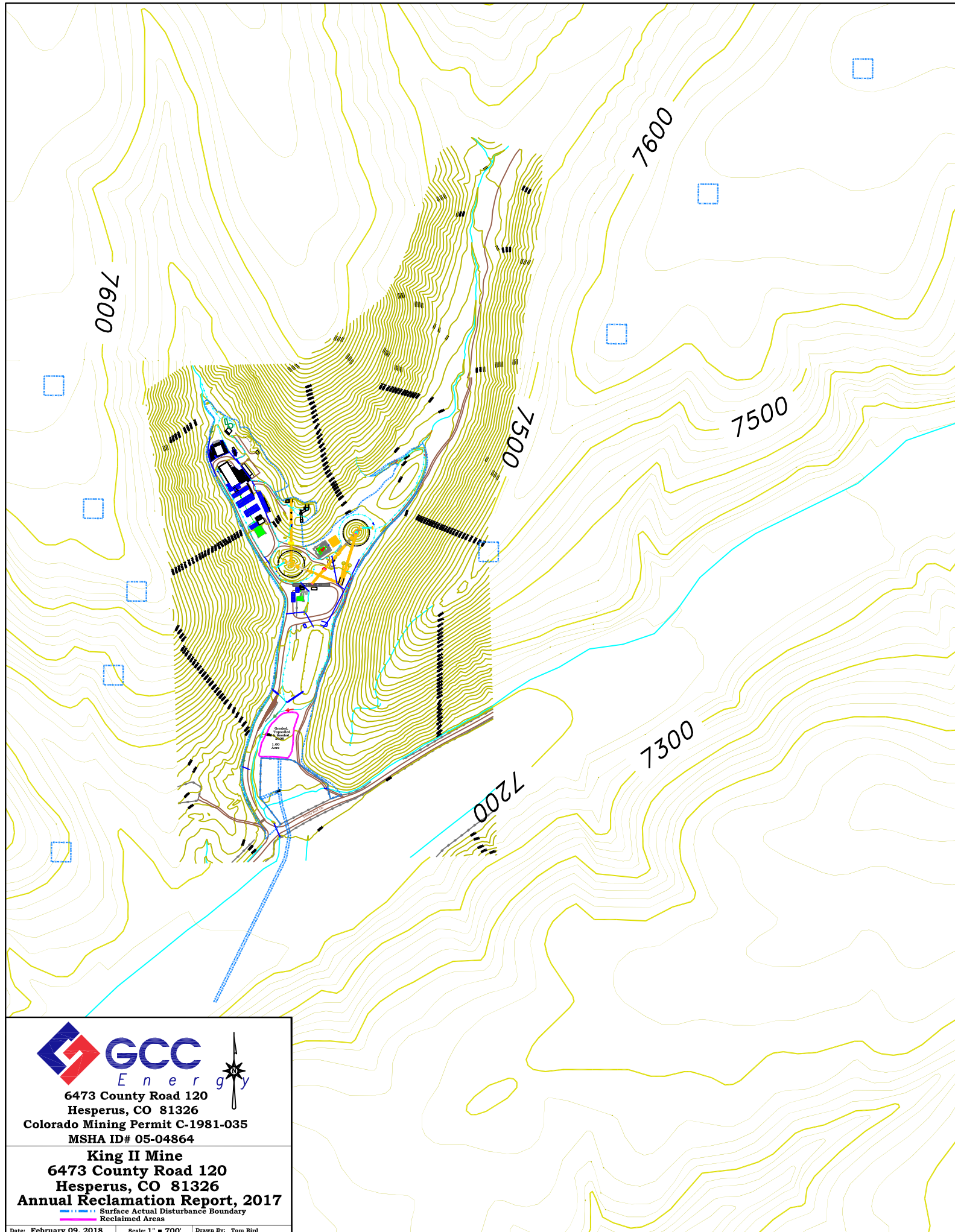
³ Includes pits, topsoil stripped areas in advance of pits, and spoil not backfilled and graded



6473 County Road 120
Hesperus, CO 81326
Colorado Mining Permit C-1981-035
MSHA ID# 05-04864

King I Mine
4424 County Road 120
Hesperus, CO 81326
Annual Reclamation Report, 2017

Date: February 09, 2018 Scale: 1" = 250' Drawn By: Tom Bird



Colorado Mining Permit C-1981-035
MSHA ID# 05-04864

King II Mine
6473 County Road 120
Hesperus, CO 81326
Annual Reclamation Report, 2017
--- Surface Actual Disturbance Boundary
--- Reclaimed Areas

Date: February 09, 2018 Scale: 1" = 700' Drawn By: Tom Bird