

"Safety as a Value"

January 17, 2019

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

Re: King II Mine Pond Quarterly Inspection 4th Quarter 2018

Dear Mr. Bowles,

An inspection of the pond at the King II mine was performed on November 8, 2018 for the 4th quarter of 2018. 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