Telephone: 970.385.4528

Facsimile: 970.385.4638



February 11, 2019

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

Attention: Brock Bowles, Environmental Protection Specialist

Re: King Coal Mine, Permit #C-1981-035: RY 2018 Annual Reclamation Report

Dear Mr. Bowles:

Please find attached the Report Year 2018 Annual Reclamation Report for the King I and King II mines.

Every effort has been made to incorporate previous and new data into the new report format released in 2018.

Please contact me at (970) 385-4528 x 6503, or (970) 769-1160 if you have any questions or comments.

Sincerely,

Tom Bird

Manager of Coal Services GCC Energy, LLC

Colorado Division of Reclamation, Mining and Safety

Annual Reclamation Report for Calendar Year - 2018

 King I & King II (Combined)
 C-1981-035
 ■ GCC Energy, LLC

 Mine Name
 Permit Number
 Permittee

6473 C.R. 120, Hesperus, CO 81326

Address

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 identified on a map included with the report.

| Land Catagory | Last Year's Cumulative Total | This Cale | endar Year | | Cumulative Total |
|--|------------------------------|-----------------|----------------------|---|------------------|
| Land Category | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Acreage in Active Mining Areas ¹ | 40.41 | 0.33 | 0.00 | П | 40.74 |

| I and Catalana | Last Year's Cumulative Total | This Cale | endar Year | | Cumulative Total |
|------------------------------|------------------------------|-----------------|----------------------|---|------------------|
| Land Category | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Acres Disturbed ² | 40.41 | 0.33 | 0.00 | = | 40.74 |
| Acres Backfilled and Graded | 1.69 | 0.00 | 0.00 | = | 1.69 |
| Acres Topsoiled | 1.69 | 0.00 | 0.00 | = | 1.69 |

| Acreage in Long-term | Last Year's Cumulative | This Cal | endar Year | | C 1. T. 1 |
|----------------------------------|---------------------------------|-----------------|----------------------|---|------------------|
| Facilities ³ | Total (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Non-Permanent Facilities | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Permanent Facilities (permitted) | 38.72 | 0.33 | 0.00 | = | 39.05 |
| Totals | 38.72 | | | = | 39.05 |

| Acres Seeded | Last Year's Cumulative Total | This Calendar Year | | | Cumulative Total |
|----------------------|------------------------------|--------------------|----------------------|---|------------------|
| (permanent) | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| 9 Years and Less | 1.69 | 0.00 | 1.00 | = | 0.69 |
| 10 Years and Greater | 0.00 | 1.00 | 0.00 | Ш | 1.00 |
| Totals | 0.69 | | | = | 1.69 |

| Last Year's Cumulative Total | | This Calendar Year | | | |
|------------------------------|------------------------|--------------------|----------------------|---|------------------|
| Bond Release | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Phase I Released | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Phase II Released | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Phase III Released | 0.00 | 0.00 | 0.00 | = | 0.00 |

¹Includes pits, topsoil stripped areas in advance of pits, and spoil not backfilled and graded

²Surface Mine Acres Disturbed = B&G + Long-Term Facilities + Active Mining Areas; Underground Mine Acres Disturbed = B&G + Long-Term Facilities; Separately-permitted Loadouts = B&G + Long-Term Facilities

³Includes haul, access and light-use 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; refuse piles and coal mine waste impoundments; head-of-hollow fills; valley fills; ventilation shafts and entryways; and non-coal waste disposal area (garbage dumps and coal combustion by-products disposal areas).

Colorado Division of Reclamation, Mining and Safety

Annual Reclamation Report for Calendar Year - 2018

King IC-1981-035■ GCC Energy, LLCMine NamePermit NumberPermittee6473 C.R. 120, Hesperus, CO 81326

Address

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 identified on a map included with the report.

| Land Catagory | Last Year's Cumulative Total | This Calendar Year | | | Cumulative Total |
|--|------------------------------|--------------------|----------------------|---|------------------|
| Land Category | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Acreage in Active Mining Areas ¹ | 15.42 | 0.33 | 0.00 | = | 15.75 |

| Land Catagory | Last Year's Cumulative Total | This Cale | endar Year | | Cumulative Total |
|------------------------------|------------------------------|-----------------|----------------------|----|------------------|
| Land Category | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Acres Disturbed ² | 15.42 | 0.33 | 0.00 | Ш | 15.75 |
| Acres Backfilled and Graded | 0.69 | 0.00 | 0.00 | II | 0.69 |
| Acres Topsoiled | 0.69 | 0.00 | 0.00 | = | 0.69 |

| Acreage in Long-term | Last Year's Cumulative | This Cal | endar Year | | C 1. T. 1 |
|----------------------------------|---------------------------------|-----------------|----------------------|---|------------------|
| Facilities ³ | Total (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Non-Permanent Facilities | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Permanent Facilities (permitted) | 14.73 | 0.33 | 0.00 | = | 15.06 |
| Totals | 14.73 | | | = | 15.06 |

| Acres Seeded | Last Year's Cumulative Total | This Calendar Year | | | Cumulative Total |
|----------------------|------------------------------|--------------------|----------------------|---|------------------|
| (permanent) | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| 9 Years and Less | 0.69 | 0.00 | 0.00 | = | 0.69 |
| 10 Years and Greater | 0.00 | 0.00 | 0.00 | Ш | 0.00 |
| Totals | 0.69 | | | = | 0.69 |

| Last Year's Cumulative Total | | This Calendar Year | | | |
|------------------------------|------------------------|--------------------|----------------------|---|------------------|
| Bond Release | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Phase I Released | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Phase II Released | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Phase III Released | 0.00 | 0.00 | 0.00 | = | 0.00 |

¹Includes pits, topsoil stripped areas in advance of pits, and spoil not backfilled and graded

²Surface Mine Acres Disturbed = B&G + Long-Term Facilities + Active Mining Areas; Underground Mine Acres Disturbed = B&G + Long-Term Facilities; Separately-permitted Loadouts = B&G + Long-Term Facilities

³Includes haul, access and light-use 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; refuse piles and coal mine waste impoundments; head-of-hollow fills; valley fills; ventilation shafts and entryways; and non-coal waste disposal area (garbage dumps and coal combustion by-products disposal areas).

Colorado Division of Reclamation, Mining and Safety

Annual Reclamation Report for Calendar Year - 2018

 King II
 C-1981-035
 ■ GCC Energy, LLC

 Mine Name
 Permit Number
 Permittee

6473 C.R. 120, Hesperus, CO 81326

Address

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 identified on a map included with the report.

| Land Catagory | Last Year's Cumulative Total | This Calendar Year | | | Cumulative Total |
|--|------------------------------|--------------------|----------------------|---|------------------|
| Land Category | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Acreage in Active Mining Areas ¹ | 24.99 | 0.00 | 0.00 | = | 24.99 |

| Land Catagory | Last Year's Cumulative Total | This Cale | endar Year | | Cumulative Total |
|------------------------------|------------------------------|-----------------|----------------------|----|------------------|
| Land Category | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Acres Disturbed ² | 24.99 | 0.00 | 0.00 | Ш | 24.99 |
| Acres Backfilled and Graded | 1.00 | 0.00 | 0.00 | II | 1.00 |
| Acres Topsoiled | 1.00 | 0.00 | 0.00 | II | 1.00 |

| Acreage in Long-term Facilities ³ | Last Year's Cumulative Total (from last year's ARR) | This Calendar Year | | | G 1.: T.1 |
|---|---|--------------------|----------------------|---|------------------|
| | | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Non-Permanent Facilities | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Permanent Facilities (permitted) | 23.99 | 0.00 | 0.00 | = | 23.99 |
| Totals | 23.99 | | | = | 23.99 |

| Acres Seeded | Last Year's Cumulative Total | This Calendar Year | | | Cumulative Total |
|----------------------|------------------------------|--------------------|----------------------|---|------------------|
| (permanent) | (from last year's ARR) | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| 9 Years and Less | 1.00 | 0.00 | 1.00 | = | 0.00 |
| 10 Years and Greater | 0.00 | 1.00 | 0.00 | Ш | 1.00 |
| Totals | 1.00 | | | = | 1.00 |

| Bond Release | Last Year's Cumulative Total (from last year's ARR) | This Calendar Year | | | |
|--------------------|--|--------------------|----------------------|---|------------------|
| | | Acres Added (+) | Acres Subtracted (-) | | Cumulative Total |
| Phase I Released | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Phase II Released | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Phase III Released | 0.00 | 0.00 | 0.00 | = | 0.00 |

¹Includes pits, topsoil stripped areas in advance of pits, and spoil not backfilled and graded

²Surface Mine Acres Disturbed = B&G + Long-Term Facilities + Active Mining Areas; Underground Mine Acres Disturbed = B&G + Long-Term Facilities; Separately-permitted Loadouts = B&G + Long-Term Facilities

³Includes haul, access and light-use 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; refuse piles and coal mine waste impoundments; head-of-hollow fills; valley fills; ventilation shafts and entryways; and non-coal waste disposal area (garbage dumps and coal combustion by-products disposal areas).



