



"Safety as a Value"

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

June 4, 2019

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: RY 2018 Annual Reclamation Report, Review Response

Dear Mr. Zuber:

In response to your letter of June 3, 2019, review of 1018 ARR, please find attached the revised ARR forms for Report Year 2018 Annual Reclamation Report for the King I and King II mines.

The values in the line "Acreage in Active Mining Areas" have been replaced by zeros as per your suggestion.

The existing haul road at King I (approximately 1.22 acres) has been placed in "Permanent Facilities" and all other acreages have been moved to "Non- Permanent Facilities".

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

Sincerely,

Tom Bird

A handwritten signature in black ink, appearing to read 'Tom Bird', with a stylized flourish at the end.

Manager of Coal Services
GCC Energy, LLC

Colorado Division of Reclamation, Mining and Safety

Annual Reclamation Report for Calendar Year – 2018

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

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

| Acreage in Long-term Facilities ³ | Last Year's Cumulative Total (from last year's ARR) | This Calendar Year | | | Cumulative Total |
|--|--|--------------------|----------------------|---|------------------|
| | | Acres Added (+) | Acres Subtracted (-) | | |
| Non-Permanent Facilities | 13.51 | 0.33 | 0.00 | = | 13.84 |
| Permanent Facilities (permitted) | 1.22 | 0.00 | 0.00 | = | 1.22 |
| Totals | 14.73 | | | = | 15.06 |

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

| Bond Release | Last Year's Cumulative Total (from last year's ARR) | This Calendar Year | | | Cumulative Total |
|--------------------|--|--------------------|----------------------|---|------------------|
| | | Acres Added (+) | Acres Subtracted (-) | | |
| 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 | | |

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

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

| Acreage in Long-term Facilities ³ | Last Year's Cumulative Total (from last year's ARR) | This Calendar Year | | | Cumulative Total |
|--|--|--------------------|----------------------|---|------------------|
| | | Acres Added (+) | Acres Subtracted (-) | | |
| Non-Permanent Facilities | 23.99 | 0.00 | 0.00 | = | 23.99 |
| Permanent Facilities (permitted) | 0.00 | 0.00 | 0.00 | = | 0.00 |
| Totals | 23.99 | | | = | 23.99 |

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

| Bond Release | Last Year's Cumulative Total (from last year's ARR) | This Calendar Year | | | Cumulative Total |
|--------------------|--|--------------------|----------------------|---|------------------|
| | | Acres Added (+) | Acres Subtracted (-) | | |
| 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 I & King II (Combined) | C-1981-035 | GCC Energy, LLC |
| Mine Name | Permit Number | Permittee |
| 6473 C.R. 120, Hesperus, CO 81326 | | |
| Address | | |

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

| Land Category | Last Year's Cumulative Total (from last year's ARR) | This Calendar Year | | | Cumulative Total |
|------------------------------|--|--------------------|----------------------|---|------------------|
| | | Acres Added (+) | Acres Subtracted (-) | | |
| 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 Facilities ³ | Last Year's Cumulative Total (from last year's ARR) | This Calendar Year | | | Cumulative Total |
|--|--|--------------------|----------------------|---|------------------|
| | | Acres Added (+) | Acres Subtracted (-) | | |
| Non-Permanent Facilities | 37.50 | 0.33 | 0.00 | = | 37.83 |
| Permanent Facilities (permitted) | 1.22 | 0.00 | 0.00 | = | 1.22 |
| Totals | 38.72 | | | = | 39.05 |

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

| Bond Release | Last Year's Cumulative Total (from last year's ARR) | This Calendar Year | | | Cumulative Total |
|--------------------|--|--------------------|----------------------|---|------------------|
| | | Acres Added (+) | Acres Subtracted (-) | | |
| 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).