

Hernandez, Alysha

From: Talvitie, Marcia
Sent: Wednesday, January 04, 2012 9:39 AM
To: Hernandez, Alysha
Subject: FW: King I Quarterly Engineer's Report 2011 Q4
Attachments: Don May 2011 Q4.pdf

Hi, Alysha – please file this report, as follows:

C-1981-035 / Hydrology / Sediment Pond Inspections / 2011 4th Qtr King I Inspections

Thank you,

Marcia

From: tbird@gcc.com [<mailto:tbird@gcc.com>]
Sent: Wednesday, January 04, 2012 9:12 AM
To: Talvitie, Marcia
Cc: kpoulson@gcc.com; jjarvis@gcc.com; bhodgson@gcc.com
Subject: King I Quarterly Engineer's Report 2011 Q4

Tom Bird
Manager of Coal Services
GCC Energy, LLC
970.385.4528 x 6503
970.769.1160 Cell



"Safety as a Value"

Telephone: 970.385.4528
Facsimile: 970.385.4638

GCC Energy, LLC
6473 County Road 120
Hesperus, CO 81326

January 4, 2012

State of Colorado
Division of Mining, Reclamation & Safety
691 CR 233, Suite A-2
Durango, CO 81301

Attn: Marcia Talvitie, Reclamation Specialist

Re: King I Mine, C-1981-035
Don May, P.E.: Quarterly Inspection
4th Quarter 2011

Dear Ms. Talvitie,

Please find enclosed a copy of Don May's Quarterly Inspection report of the King I mine for the 4th quarter of 2011.

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

Sincerely,

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

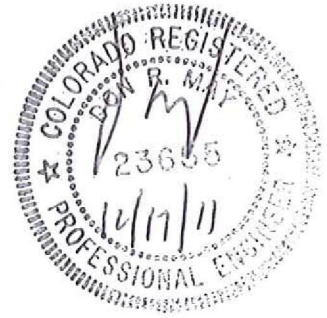
Tom Bird
Manager, Coal Services
GCC Energy, LLC

INSPECTION REPORT

Site: National King Coal Mine, GCC Energy , Hesperus, Colorado

Inspection Date: 4th Quarter Inspection, Dec 14, 2011

Don R. May, P.E., Project Engineer



Snow cover made detailed inspection difficult.

Ponds: Photograph 1 shows the west pond and photo 2 the east pond. Both ponds appear to operating properly. The inlets, outlets and embankments of both ponds are generally in good condition although the depth of both ponds should be checked and sediment removed to assure the design volume.

Drainage Ditches: The rock lined "dirty" drainage ditch that carries water from the top of the waste pile is shown in photograph 3. Flow in an area on the left bank, looking downstream, approximately half way down the channel appears to be jumping the channel bank and eroding the adjacent hillside, as mentioned in the previous report. In the spring the channel should be modified to prevent overtopping in this area. Photograph 4 shows one of the inlet-outlet drainage areas in the upper yard. All pipe and drainage grate inlets should be checked and cleared of blockage. In the Sept 2011 inspection one or more drainage grates was covered with debris. Snow cover prevented detailed inspection. These grates should be cleaned in the spring. Care should be taken not to bury drainage grates or ditches with the new fill being placed in the yard area.

Except where noted, all drainage features have been constructed and are operating as stated in the drainage plan submitted to the Division of Reclamation, Mining & Safety.

Coal Waste Pile: In general the waste rock refuse pile is in good condition. The face of the pile appears stable and shows no signs of unwarranted erosion although snow is covering the pile. This is shown in photo 5. The slope and compaction of the placed material should be checked to assure they meet the design requirements. As reported previously, a significant amount of mine waste has been stockpiled in the upper yard, adjacent to the toe of the waste pile and where the coal storage pile used to be.

Except for the items mentioned above the fill on the waste pile has been constructed as specified in the design approved by the Division of Minerals and Geology.

Photo 1. West pond.

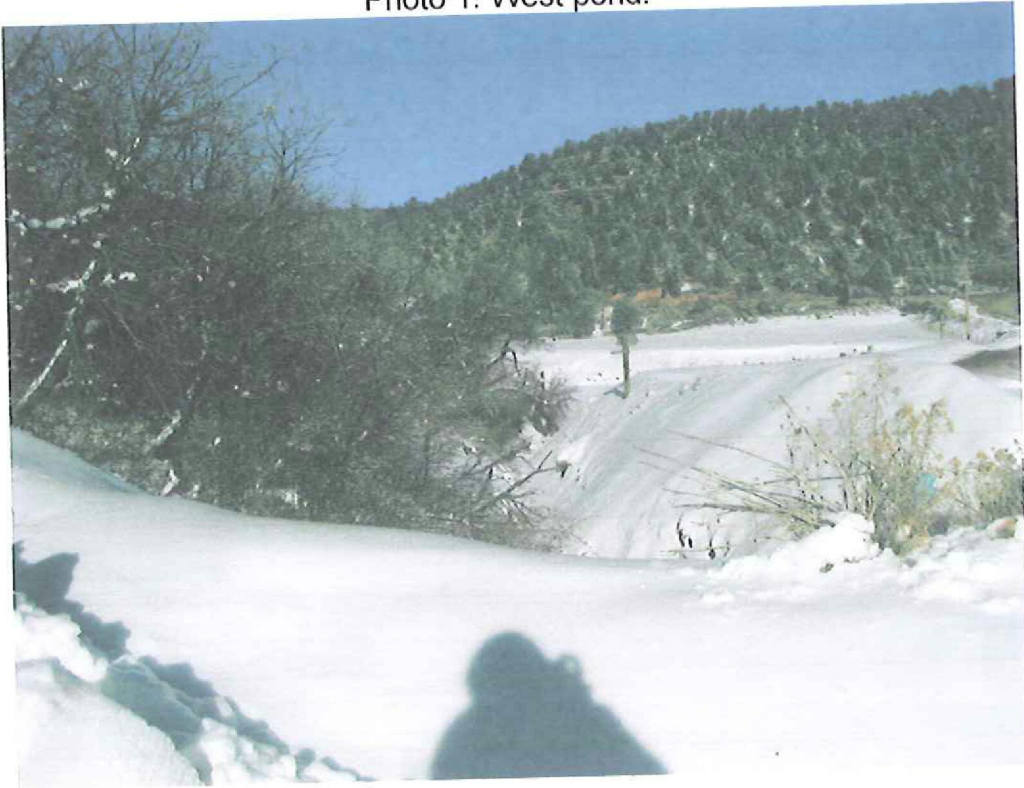


Photo 2. East pond.

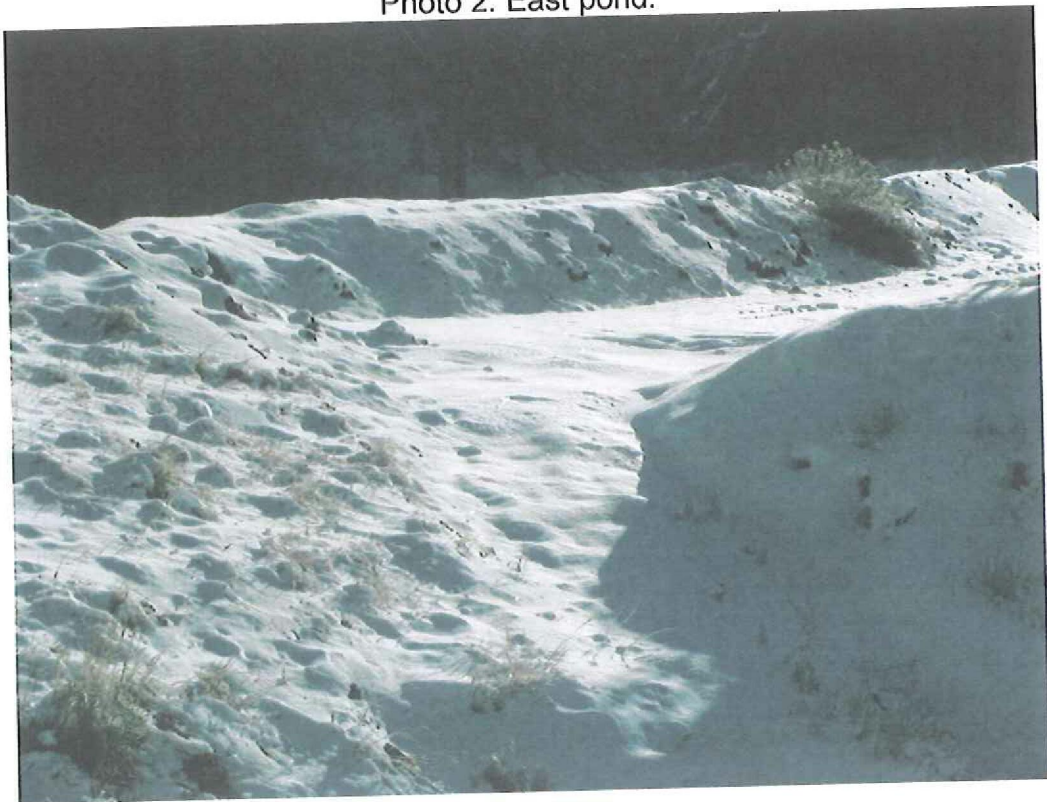


Photo 3. Drainage ditch.



Photo 4. Covered drain inlet.



Photo 5. Face of refuse pile.

