




## COLORADO DIVISION OF RECLAMATION, MINING AND SAFETY COAL PROGRAM INSPECTION REPORT



### PERMIT INFORMATION

<b>Permit Number:</b> C-1981-035 <b>Mine Name:</b> King Coal Mine <b>Operator:</b> GCC Energy, LLC <b>Operator Address:</b> Mr Tom Bird 6473 County Road 120 Hesperus, CO 81326	<b>County:</b> La Plata <b>Operation Type:</b> Underground <b>Permit Status:</b> Active <b>Ownership:</b> Federal
	<b>Operator Representative Present:</b>  Tom Bird and Wade Wymore
<b>Operator Representative Signature: (Field Issuance Only)</b>  This report was issued electronically from the Division's Durango Field Office.	

### INSPECTION INFORMATION

<b>Inspection Start Date:</b> February 21, 2013 <b>Inspection Start Time:</b> 13:45 <b>Inspection End Date:</b> February 21, 2013 <b>Inspection End Time:</b> 16:25		<b>Inspection Type:</b> Coal Complete Inspection <b>Inspection Reason:</b> Normal I&E Program <b>Weather:</b> Snowing	
<b>Joint Inspection Agency:</b>  None		<b>Joint Inspection Contacts:</b>	
<b>Post Inspection Agency:</b>  None		<b>Post Inspection Contacts:</b>	
<b>Inspector(s):</b>  Marcia L. Talvitie, P.E.	<b>Inspector's Signature:</b>  		<b>Signature Date:</b>  06 March 2013

**Inspection Topic Summary**

NOTE:            **Y**=Inspected    **N**=Not Inspected            **R**=Comments Noted  
                  **V**=Violation Issued       **NA**=Not Applicable

**Y** - Air Resource Protection**R** - Availability of Records**NA** - Backfill & Grading**R** - Excess Spoil and Dev. Waste**NA** - Explosives**Y** - Fish & Wildlife**R** - Hydrologic Balance**Y** - Gen. Compliance With Mine Plan**R** - Other**NA** - Processing Waste**R** - Roads**NA** - Reclamation Success**NA** - Revegetation**Y** - Subsidence**Y** - Slides and Other Damage**R** - Support Facilities On-site**Y** - Signs and Markers**NA** - Support Facilities Not On-site**NA** - Special Categories Of Mining**Y** - Topsoil**COMMENTS**

A complete inspection of the King Coal Mine was conducted by me, Marcia Talvitie, of the Division on the afternoon of Thursday, February 21, 2013. Snow was falling intermittently, and temperatures were chilly. Tom Bird was present during the records check, and informed me that GCC was preparing to submit supplemental materials for the TR-20 application. Wade Wymore accompanied me on the field portion of the inspection.

Two MSHA inspectors were also at the mine site. The lead inspector asked me about the Division's requirements for permanent storage of coal mine waste, and we briefly discussed the NOV that was issued in 2012 for coal mine waste used as backfill at the King I Mine.

**PERMITTING UPDATE:**

**RN-06:** The Division has completed the findings document for this renewal, and anticipates issuing its proposed decision to approve during the first week of March.

**TR-20:** Completeness of the application for purposes of filing will be determined by the Division within 10 days of the receipt of supplemental information from GCC.

**AVAILABILITY OF RECORDS – Rule 5.02.4(1):**

- Mine records were available for inspection in Tom Bird's office at the King II facilities. A completed DRMS Availability of Records form is attached to this report.

**EXCESS SPOIL and DEVELOPMENT WASTE – Rule 4.09****Placement; Drainage Control; Surface Stabilization:**

- The refuse pile at King I was covered with snow (Photo 1), and access to the pile was not attempted.
- During the winter, the operator has been dumping loads of development waste in the yard at King I, for temporary storage until final placement can be accomplished on the refuse pile.

Number of Partial Inspection this Fiscal Year: 5

Number of Complete Inspections this Fiscal Year: 3

#### HYDROLOGIC BALANCE - Rule 4.05

Drainage Control 4.05.1, 4.05.2, 4.05.3; Siltation Structures 4.05.5, 4.05.6; Discharge Structures 4.05.7, 4.05.10; Diversions 4.05.4; Effluent Limits 4.05.2; Ground Water Monitoring 4.05.13; Surface Water Monitoring 4.05.13; Drainage – Acid and Toxic Materials 4.05.8; Impoundments 4.05.6, 4.05.9; Stream Buffer Zones 4.05.18:

- The area had received snowfall in recent days, and the ground surface was nearly all blanketed with a layer of snow.
- Where the snow had melted, the ground was extremely muddy.
- The ponds at King I, which lies in a shaded, northward-trending valley, were covered in snow. The east sediment pond may have held some water, which had iced over prior to the snow fall (Photo 2).
- At King II, the floor of the sediment pond was wet at the north, snow-covered in the middle, and iced over at the southern end, near the spillways (Photo 3).
- There was sufficient melting taking place at King II that we could readily observe the functionality of the various ditches and culverts within the disturbed area. Runoff appeared to be flowing freely to the sediment pond, and no obstructions to the ditches or culverts were observed.
- The clear water diversion ditches at King II were still covered with snow, and no appreciable melting was taking place on the hillsides upslope of the ditches.
- The operator is considering some options to improve the collection and conveyance of water from beneath the main conveyor on the coal portal bench.
- GCC continues to take a proactive approach to the issue of surface water management at the sites. Mr. Wymore said that an environmental manager from GCC Energy, LLC had been on site recently to conduct a joint inspection with him.

#### OTHER - Lease Modification and La Plata County Land Use

- A proposed lease modification with the BLM has resulted in the County's requiring GCC to obtain a Special Use Permit for the expansion. Mr. Bird said that GCC has conducted vibration studies for homes located west of the King II Mine, and was preparing to proceed with an air noise/vibration study in the near future. GCC is also conducting a study of the various water wells located within a certain distance of the King Coal Mine permit boundary.

#### ROADS – Rule 4.03

Construction 4.03.1(3) / 4.03.2(3); Drainage 4.03.1(4) / 4.03.2(4); Surfacing and Maintenance 4.03.1(5) and (6) / 4.03.2(5) and (6); Reclamation 4.03.1(7) / 4.03.2(7):

- The King I haul/access road was covered with fresh snow that had fallen during the inspection, in addition to the snow-packed surface that existed beneath (Photo 4).
- Roadways at King II had been cleared of snow, and highway-legal trucks were arriving at the site to be loaded with coal.

**SUPPORT FACILITIES - Rule 4.04:**

- Petroleum products are stored in a three-sided structure at the King II surface facilities (Photo 5). Secondary containment is provided for the large fuel tanks in the form of a concrete-lined depression in the floor. Drums and smaller items are kept on grates above an oil collection area or on pallets which provide secondary containment (Photo 6).
- Construction of the foundation for the permanent office and bath house building appears to be complete (Photo 7). Mr. Bird said that GCC is still working with the County to obtain approval to finish the superstructure.
- The area surrounding the rock dust silo has been regraded, and surfaced with concrete (Photo 8).

**ENFORCEMENT ACTIONS/COMPLIANCE**

No enforcement actions were issued as a result of this inspection, and none are pending.



Photo 1 – King I refuse pile, temporary CMW storage, and shop bench



Photo 2 – East sedimentation pond at King I

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Photo 3 – King II sedimentation pond, looking SE



Photo 4 – King I surface facilities, looking north

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Photo 5 – Petroleum storage – fuel tanks



Photo 6 – Petroleum storage – drums and smaller containers

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Photo 7 – Foundation for office / bath building at King II

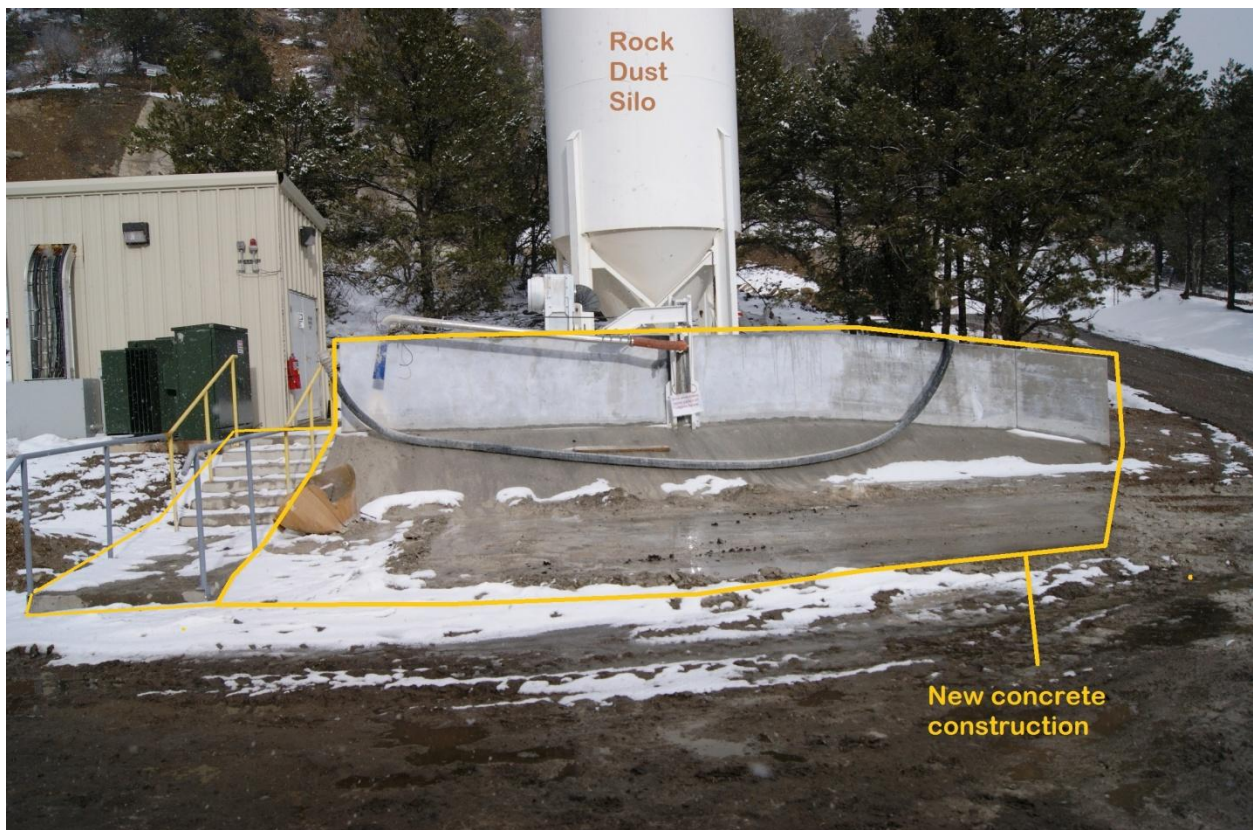


Photo 8 – Rock dust silo modifications



**AVAILABILITY OF RECORDS****PERMIT RECORDS**

DRMS Permit	Yes
Permit Application w/Revisions	Yes
Findings Document	Yes (RN-05)
Insurance Certificate	Yes(Exp.9/1/2013)
Bond Document	Yes
Phased Bond Release Documents/Findings	n/a
Air Emission Permits	Yes
County Special Use Permits	n/a
UG Mining Landowner Notification	Yes
Subsidence Monitoring Reports	Yes
Subsidence Monitoring Data	n/a
Rill & Gully Survey	n/a
Vegetation Monitoring Data	n/a
Specific Variance Approvals	n/a
Annual Reclamation Reports	Yes (thru 2011)
Midterm Review Documents	Yes (MT-06)
DRMS/OSM Inspection Reports/Enforcement Actions (3 Years)	Yes
Transfers/Succession of Operator	Yes (SO-1,2 & 3)
Temporary Cessation Notification	n/a
Reclamation Cost Estimate	Yes
<b>CERTIFICATIONS</b>	
Pond Certifications	Yes
Annual Certifications for Impoundments	Yes (2012-Q4)
Fill Certifications for Excess Spoil or Underground Development Waste	
• Quarterly Inspections	Yes
• Compaction Testing	Yes (Apr-2012)
• Final Certification	n/a
Coal Processing Waste Banks	n/a
Haul Road Certifications	Yes
Access Road Certifications	Yes

**HYDROLOGIC RECORDS**

NPDES Permit	Yes(Exp.6/30/2013)
NPDES Records	Yes (2012-Q4)
Stormwater Management Plan	Yes
SPCC Plan	Yes
MSHA Pond Inspections	n/a
State Engineer's Pond Inspection	n/a
Quarterly Pond Inspections	Yes (2012-Q4)
Annual Hydrology Reports	Yes (2012)
• Ground Water Monitoring	Yes
• Surface Water Monitoring	Yes
• Spring & Seep Monitoring	n/a
• Mine Water Discharge Monitoring	n/a
• Mine Inflow Study	n/a
• Water Consumption Records	Yes
Well Permits	Yes (#260656)

**BLASTING RECORDS**

Blasting Publication	n/a
Blasting Records (3 years)	n/a
ATFE Explosives Permit	n/a
Blasting Variances	n/a
Pre-Blast Surveys	n/a

**ADDITIONAL RECORDS (specify)**


**COMMENTS:**


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