FLEMING ENGINEERING, INC.
SCOTT FLEMING, PE, CPC

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Mr. Tom Kaldenbach
Colorado Division of Reclamation, Mining & Safety
Mined Land Reclamation Division
1313 Sherman Street Room 215
Denver, Co. 80203

September 15, 2009

Mr. Kaldenbach,

This letter serves to certify the haul road at the King II Coal Mine, CDRMS Permit # C-81-035, located at 5652 County Road 120, Hesperus, Colorado, 81326, as constructed, and as of the date of inspection by Fleming Engr. Inc., September 15, 2009, is in-place as designed per the King II Mine CDRMS permit design documentation. (See Maps King II-007 D,E,F,G)

Regards,

Scott Fleming, PE
Fleming Engineering, Inc.

COLORADO REGISTERED
SCOTT CANFIELD FLEMING
37663
PROFESSIONAL ENGINEER

TETRA TECH

Tetra Tech | Complex World, CLEAR SOLUTIONS™
102 West Park Drive, Suite 204 | Grand Junction, CO 81505
Tel: 970.986.3566 | Fax: 970.241-3120

March 28, 2012

Mr. Tom Bird
GCC Energy
6473 County Road 120
Hesperus, CO 81326

Re: GCC Energy, LLC
King II Mine
CDRMS Permit # C-81-035

Dear Tom:

This letter certifies that upper site and mine portal access roads for the King II Coal Mine, located at 6473 County Road 120, Hesperus, Colorado, 81326 have been constructed and as of the inspection on March 23, 2011 performed by Tetra Tech, are in place as designed per TR-19 Narrowing of Upper Site and Mine Portal Access Roads documentation, CDRMS Permit # C-81-035. (See Maps King II – 007 H, I, J, K, L)

Sincerely,
Tetra Tech

COLORADO REGISTERED PROFESSIONAL ENGINEER
WILLIAM P. BALAZ JR.
17129
03-28-12

William P. Balaz Jr.
Senior Mining and Civil Engineer

Cc: Marcia Talvitie, CDRMS
File

History Colorado- Office of Archaeology and Historic Preservation
COLORADO CULTURAL RESOURCE SURVEY
LIMITED-RESULTS CULTURAL RESOURCE SURVEY FORM
(Page 1 of 3)

OAHP 1420
Revised 9/98

This form (#1420) is for small scale limited results projects - block surveys less than 160 acres with linear surveys under four miles. Additionally, there should be no sites and a maximum of four Isolated Finds. This form must be typed.

I. IDENTIFICATION

1. Report Title (include County): A Class III Cultural Resources Inventory for King II Mine 2014 Exploration Core Drilling, La Plata County, Colorado
2. Date of Field Work: 01/29/2014
3. Form completed by: Kathy Mowrer Date: 02/19/2014
4. Survey Organization/Agency: SWCA Environmental Consultants (SWCA)
   Principal Investigator: Alex Wesson
   Principal Investigator's Signature: A L Wesson
   Other Crew: Kathy Mowrer
   Address: 130 Rock Point Dr., Suite A, Durango, CO 81301
5. Lead Agency / Land Owner: Colorado State Land Board
   Contact: Tobin Follenweider
   Address: 1127 Sherman Street, #300, Denver, Colorado 80203
6. Client: GCC Energy LLC
7. Permit Type and Number: CO State 2013-57
8. Report / Contract Number: SWCA Report No. 14-56
9. Comments: The proposed project area is on state land.

II. DESCRIPTION OF UNDERTAKING / PROJECT

10. Type of Undertaking: SWCA was contracted by GCC Energy, LLC, to conduct an intensive pedestrian survey for nine proposed exploration core drilling sites.
11. Size of Undertaking (acres): 2.07 Size of Project (if different)
12. Nature of the Anticipated Disturbance: The exploration drilling program will be implemented using a truck-mounted drill rig utilizing existing graded roads to access the drill hole locations. No grading or other ground-disturbing activity is proposed for the existing access roads.
13. Comments: GCC will require an area of approximately 100 feet X 100 feet (10,000 square feet or 0.23 acre) at each proposed drill hole location.

III. PROJECT LOCATION

Please attach a photocopy of USGS Quad. clearly showing the project location. The Quad. should be clearly labeled with the Prime Meridian, Township, Range, Section(s), Quad. map name, size, and date. Please do not reduce or enlarge the photocopy.

14. Description: The proposed project is in Section 36, Township 35 North, and Range 12 West, west of the town of Durango in La Plata County, Colorado.

15. Legal Location: Quad. Map: Hesperus 37108-C1 Date(s): 1968
Principal Meridian: 6th __ NM X Ute __

NOTE: Only generalized subdivision ("quarter quarters") within each section is needed

Township: 35N Range: 12W Sec.: 36 1/4s NW,
Township: 35N Range: 12W Sec.: 36 1/4s NE,
Township: 35N Range: 12W Sec.: 36 1/4s SW

If section(s) is irregular, explain alignment method: _____

16. Total number of acres surveyed: 9

17. Comments: Although the current project is not located on Bureau of Land Management (BLM) land, SWCA surveyed a 1-square-acre area at each proposed drill hole location following BLM guidelines for coal drilling projects (BLM Colorado Handbook of Guidelines and Procedures for Inventory, Evacuation and Mitigation of Cultural Resources). This allows for an approximately 100-foot cultural resource survey buffer around the proposed 0.23-acre area of disturbance at each location.

IV. ENVIRONMENT

18. General Topographic Setting: The project area is characterized by forested, south-facing ridges surrounded by steep canyons and mountainous terrain. Most of the proposed drill hole locations sit on ridge tops along graded roads.

Current Land Use: Although the project area is within the State Permit Boundary for the King II Mine, the area does not appear to have been used recently.

19. Flora: Natural vegetation varies slightly at each of the proposed drill hole locations but is generally characterized by piñon and juniper trees, with a few ponderosa pine and sagebrush, cottonwood, Gambel oak, rabbitbrush, yucca, and various grasses and forbs.

20. Soils/Geology: The primary types of soil in the project area are approximately 50 percent Zyme soils, 20 percent rock outcrops, 15 percent Ustic Torriorthent soils, and 15 percent other minor soil components (Natural Resources Conservation Service 2012). The soil observed in the field was a loose to moderately compacted, brownish orange sandy clay loam.

21. Ground Visibility: Surface visibility was good, ranging between 80 and 100 percent.

22. Comments: Small patches of snow were present within the survey area at most of the nine drill holes.

V. LITERATURE REVIEW

23. Location of File Search: Online Compass database Date: January 30, 2014

24. Previous Survey Activity - In the project area: Two previous surveys have been conducted within Section 36. Survey LP.CO.R4 consisted of a Cultural Resource Inventory of East Alkali Mine, Hay Gulch Area, La Plata County, Colorado, conducted in 2005. Survey LP.NP.R1 was conducted for Archaeological Resources for the Animas La Plata Project for the 1975 Season.

III. LITERATURE REVIEW (continued)

25. Known Cultural Resources - In the project area: None

    In the general region (summarize): Two sites, one isolated find (IF), and one isolated feature, were previously recorded within Section 36 (outside of the current project area). The sites consist of 5LP.1418, the Tipotsch Mine recorded in 1985, and 5LP.197, a possible multicomponent site recorded in 1976. The Tipotsch Mine was determined not eligible for the National Register of Historical Places (NRHP) and no determination of eligibility is listed for 5LP.197, the multicomponent site. The isolated feature, 5LP.7831, consists of a historic trash dump recorded in 1985. The site is considered not eligible for the NRHP. The isolated find, 5LP.7830, consists of two prehistoric stone tools and is also considered not eligible for the NRHP.

26. Expected Results: Results were expected to be limited, based on the file search.

VI. STATEMENT OF OBJECTIVES

27. To locate, record, and evaluate any prehistoric and historic cultural resources in the proposed project area.

VII. FIELD METHODS

28. Definitions: Site A discrete locus of patterned human activity greater than 50 years of age and consisting of 10 or more artifacts, with or without features.

    IF One artifact, or very few artifacts, that do not represent patterned behavior.

29. Describe Survey Method: This investigation was a Class III, 100 percent, pedestrian survey of the project area. Two SWCA archaeologists completed the pedestrian survey by walking parallel transects spaced approximately 15 m (50 feet) apart. The total surveyed area was 9 acres, which encompassed the nine proposed drill hole locations. Mapping was conducted with a handheld Trimble global positioning system (GPS) unit.

VIII. RESULTS

30. List IFs if applicable. Indicate IF locations on the map completed for Part III.

    A. Smithsonian Number: 5LP10542 Description: Isolated Find

    One IF was identified near proposed drill hole CO-14-4. The IF consists of two fragments of aqua bottle glass. The fragments measured 3.5 × 2.5 × 0.5 cm and 5 × 2 × 0.5 cm. The largest appears to be a bottle base with maker's mark "B57." See map below for location.

31. Using your professional knowledge of the region, why are there none or very limited cultural remains in the project area? The overall small area of the survey and the rugged terrain most likely account for the lack of cultural remains observed. Is there subsurface potential? Buried cultural remains are unlikely in this erosional environment.

Figure 1. Overview of proposed drill hole CO-14-8, view to the south.

Figure 2. Overview of proposed drill hole CO-14-3, view to the east.

Figure 3. Overview of project vegetation northeast of CO-14-9, La Plata Mountains in the background, view to the north.

Figure 4. Detail of aqua bottle glass bottle base, 5LP10542.

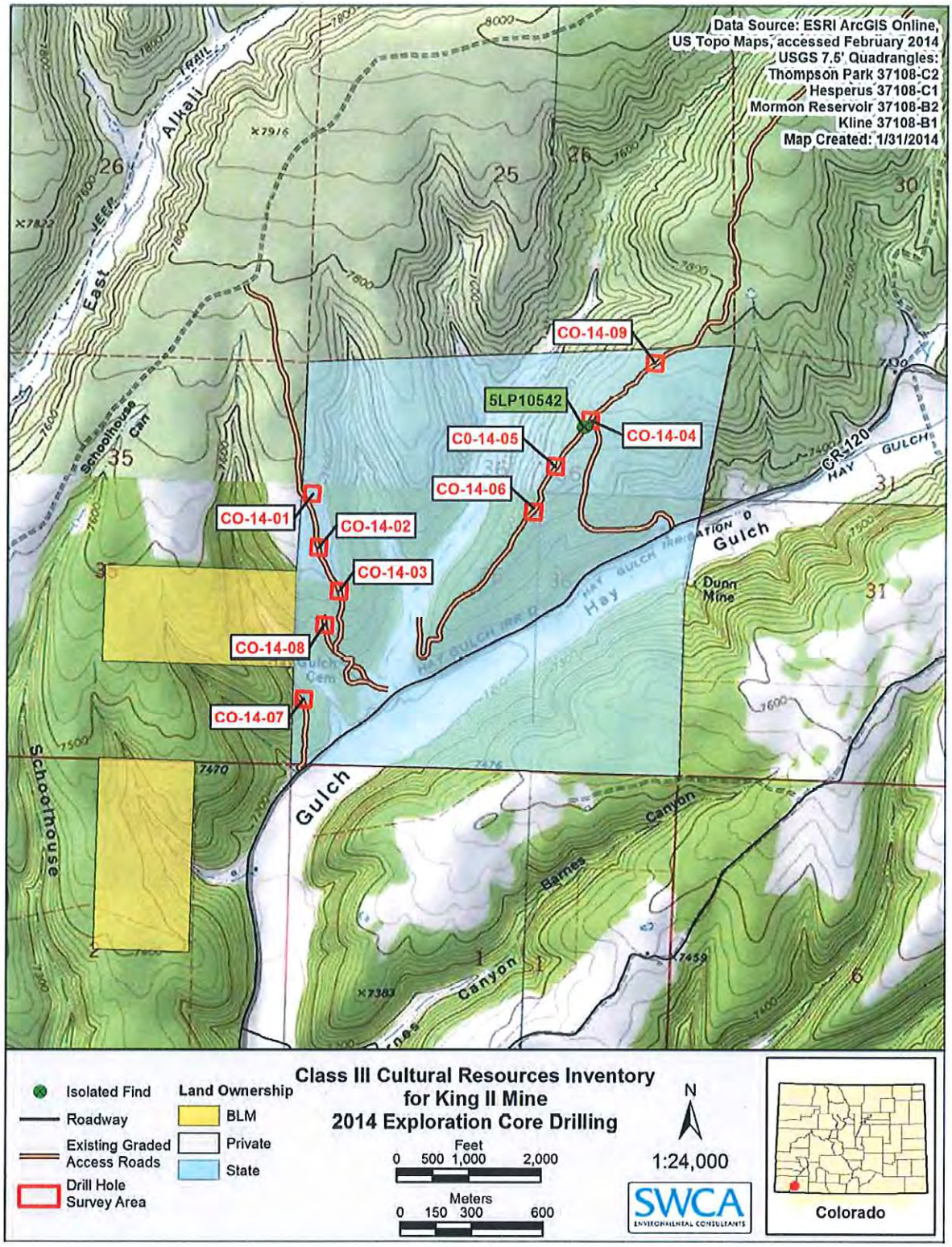

Figure 5. Project area.