Asbury Kenneth
Form 4
May 21, 2018

FORM 4

OMB APPROVAL

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
Asbury Kenneth

(Last) (First) (Middle)

1100 N. GLEBE ROAD

(Street)

ARLINGTON, VA 22201

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
CACI INTERNATIONAL INC /DE/ [CACI]

3. Date of Earliest Transaction (Month/Day/Year)
05/17/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
President, CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
CACI Common Stock	05/17/2018		S (1)		18,994	D	$ 164.2 (1)	58,700	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Asbury Kenneth 1100 N. GLEBE ROAD ARLINGTON, VA 22201	X		President, CEO	

Signatures

Kenneth Asbury	05/21/2018
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Mr. Asbury contributed CACI Common Stock to an exchange fund in exchange for shares in the exchange fund. The CACI Common Stock was valued at $164.20 per share (the market closing price on the contribution date) for the purpose of deterrmining the number of shares of the exchange fund issuable to Mr. Asbury.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. yle="PADDING-BOTTOM: 2px">
Total current assets

26,232

30,269

Coal properties, at cost:

Land, buildings and equipment

114,476

95,270

Mine development

59,351

47,479

173,827

142,749

Less - accumulated DD&A

(28,435
)

(16,958
)

145,392

125,791

Investment in Savoy

7,717

6,259

Other assets (Note 8)

7,323

2,771

$
186,664
$
165,090

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Current portion of bank debt

$
10,000
$
10,000

Accounts payable and accrued liabilities

8,809

9,950

State income tax payable

464

Interest rate swaps, at estimated fair value

692

Other

179

Total current liabilities

19,501

20,593

Long-term liabilities:

Bank debt, net of current portion

17,500

27,500

Interest rate swaps, at estimated fair value

1,404

Deferred income taxes

17,435

1,699

Asset retirement obligations

1,150

922

Other

4,345

4,345

Total long-term liabilities

40,430

35,870

Total liabilities

59,931

56,463

Commitments and Contingencies

Stockholders' equity:

Preferred stock, $.10 par value, 10,000 shares authorized; none issued

Common stock, $.01 par value, 100,000 shares authorized;
27,924 and 27,782 outstanding, repectively

279

277

Additional paid-in capital

84,073

85,245

Retained earnings

42,381

23,105

Total equity

126,733

108,627

$
186,664
$
165,090

See accompanying notes.

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Consolidated Statement of Operations
For the years ended December 31,
(in thousands, except per share data)

		2010		2009
Revenue:				
Coal sales	$	129,003	$	117,445
Equity income (loss) - Savoy		1,005		(1,652)
Other income (loss) (Note 8)		(772)		541
		129,236		116,334
Costs and expenses:				
Cost of coal sales		73,307		65,442
DD&A		11,818		8,837
SG&A		5,556		4,038
Interest (1)		1,926		2,040
		92,607		80,357
Income before income taxes		36,629		35,977
Less income taxes:				
Current		885		728
Deferred		13,369		13,044
		14,254		13,772
Net income		22,375		22,205
Less net income attributable to the noncontrolling interest				(2,020)
Net income attributable to Hallador	$	22,375	$	20,185
Net income per share attributable to Hallador:				
Basic	$	.81	$	.84
Diluted	$	.78	$	.83
Weighted average shares outstanding:				
Basic		27,790		24,017
Diluted		28,571		24,441

(1) Included in interest expense for 2010 and 2009 is a credit of $712 and $886, respectively, for the change in the estimated fair value of our interest rate swaps. We also capitalized nil and $ 293 in interest charges for 2010 and 2009, respectively.

See accompanying notes.

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Consolidated Statement of Cash Flows

For the years ended December 31,
(in thousands)

	2010	2009
Operating activities:		
Net income	$ 22,375	$ 22,205
Deferred income taxes	13,369	13,044
Equity (income) loss – Savoy	(1,005)	1,652
DD&A	11,818	8,837
Change in fair value of interest rate swaps	(712)	(886)
Stock-based compensation	2,194	534
Other		379
Taxes paid on vesting of RSUs	(746)	
Change in current assets and liabilities:		
Accounts receivable	(163)	900
Coal inventory	66	(1,389)
Income tax accounts	(2,807)	(141)
Accounts payable and accrued liabilities	1,415	795
Other	(259)	(710)
Cash provided by operating activities	45,545	45,220
Investing activities:		
Capital expenditures for coal properties	(34,714)	(43,491)
Capital expenditures for oil and gas properties	(915)	(713)
Investment in Sunrise Energy Joint Venture	(2,375)	
Investment in Savoy	(453)	
Change in CDs	2,167	(2,458)
Other	(752)	
Cash used in investing activities	(37,042)	(46,662)
Financing activities:		
Proceeds from bank debt		4,000
Payments of bank debt	(10,000)	(6,500)
Proceeds from stock sales		24,900
Acquisition of remaining 20% interest in Sunrise		(25,805)
Cash distributions to noncontrolling interests	(163)	(909)
Cash dividends	(2,937)	
Stock option buy-out	(679)	
Tax benefit from stock-based compensation	327	
Other		(31)
Cash used in financing activities	(13,452)	(4,345)
Decrease in cash and cash equivalents	(4,949)	(5,787)
Cash and cash equivalents, beginning of year	15,226	21,013
Cash and cash equivalents, end of year	$ 10,277	$ 15,226
Cash paid for interest (net of amount capitalized -nil and $293)	$ 2,255	$ 3,307
Cash paid for income taxes	$ 4,400	$ 850
Changes in accounts payable for coal properties	$ (2,088)	$ (1,810)
Non cash portion of Sunrise buyout		$ 6,800

See accompanying notes.

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Consolidated Statement of Stockholders' Equity
(in thousands)

	Shares	Common Stock	Additional Paid-in Capital	Retained Earnings	Total
Balance January 1, 2009	22,446	$ 224	$ 69,739	$ 2,920	$ 72,883
Equity offering	4,150	42	24,858		24,900
Stock issued to Sunrise members for their remaining 20% interest valued at par (fair value of $6,800); See Note 4.	1,133	11	(11)		
Cash ($25,805) paid to Sunrise members for their remaining 20% interest, net of deferred income tax assets of $13,045 and $3,703 to close out the noncontrolling interest (treated as an equity transaction) and a $909 cash distribution to the noncontrolling interests			(9,966)		(9,966)
Restricted shares issued	29		161		161
Stock-based compensation			292		292
Bonus shares for employees	24		181		181
Other			(9)		(9)
Net income				20,185	20,185
Balance December 31, 2009	27,782	277	85,245	23,105	108,627
Stock issued to board member for director services	9	1	99		100
Stock- based compensation			2,194		2,194
Stock issued on vesting of RSUs	133	1			1
Taxes paid on vesting of RSUs			(746)		(746)
Tax benefit from stock-based compensation			327		327
Stock option buy out for cash			(679)		(679)
Reduction in deferred tax asset resulting			(2,367)		(2,367)

from Sunrise acquisition (see above)											
Cash distributions to former noncontrolling interests for personal income taxes								(162	)	(162	)
Dividends on common stock								(2,778	)	(2,778	)
Dividends on RSUs and stock options								(159	)	(159	)
Net income								22,375		22,375	
Balance December 31, 2010	27,924	$	279	$	84,073	$		42,381	$	126,733	

See accompanying notes.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The consolidated financial statements include the accounts of Hallador Energy Company (the Company) and its wholly-owned subsidiary Sunrise Coal, LLC (Sunrise). All significant intercompany accounts and transactions have been eliminated. We are engaged in the production of steam coal from a shallow underground mine located in western Indiana. We own a 45% equity interest in Savoy Energy L.P., a private oil and gas company which has operations in Michigan and a 50% interest in Sunrise Energy LLC, a private entity engaged in natural gas operations in the same vicinity as our coal mine. We purchased our interest in December 2010. Since closing, operations through the end of the year have not been material.

We have entered into significant equity transactions with Yorktown and other entities that invest with Yorktown. Yorktown currently owns about 55% of our common stock and represents one of the seven seats on our board.

Reclassification

To maintain consistency and comparability, certain amounts in the 2009 financial statements have been reclassified to conform to current year presentation.

Inventories

Coal and supplies inventories are valued at the lower of average cost or market. Coal inventory costs include labor, supplies, equipment costs and overhead.

Advance Royalties

Coal leases that require minimum annual or advance payments and are recoverable from future production are generally deferred and charged to expense as the coal is subsequently produced.

Coal Properties

Coal properties are recorded at cost. Interest costs applicable to major asset additions are capitalized during the construction period. Expenditures that extend the useful lives or increase the productivity of the assets are capitalized. The cost of maintenance and repairs that do not extend the useful lives or increase the productivity of the assets are expensed as incurred. Other than land and underground mining equipment, coal properties are depreciated using the units-of-production method over the estimated recoverable reserves. Underground mining equipment is depreciated using estimated useful lives ranging from five to twenty years.

If facts and circumstances suggest that a long-lived asset may be impaired, the carrying value is reviewed for recoverability. If this review indicates that the carrying value of the asset will not be recoverable through estimated undiscounted future net cash flows related to the asset over its remaining life, then an impairment loss is recognized by reducing the carrying value of the asset to its estimated fair value.

Mine Development

Costs of developing new coal mines, including asset retirement obligation assets, or significantly expanding the capacity of existing mines, are capitalized and amortized using the units-of-production method over estimated recoverable (proved and probable) reserves.

Asset Retirement Obligations - Reclamation

At the time they are incurred, legal obligations associated with the retirement of long-lived assets are reflected at their estimated fair value, with a corresponding charge to mine development. Obligations are typically incurred when we commence development of underground mines, and include reclamation of support facilities, refuse areas and slurry ponds.

Obligations are reflected at the present value of their discounted cash flows. We reflect accretion of the obligations for the period from the date they are incurred through the date they are extinguished. The asset retirement obligation assets are amortized using the units-of-production method over estimated recoverable (proved and probable) reserves. We are using a 6% discount rate.

Federal and state laws require that mines be reclaimed to their previous condition in accordance with specific standards and approved reclamation plans, as outlined in mining permits. Activities include reclamation of pit and support acreage at surface mines, sealing portals at underground mines, and reclamation of refuse areas and slurry ponds.

We assess our ARO at least annually, and reflect revisions for permit changes, as granted by state authorities, for revisions to the estimated reclamation costs, and for revisions to the timing of those costs.

The following table reflects the changes to our ARO:

	2010	2009
Balance beginning of period	$922	$686
Accretion	66	58
Change in cost estimate		178
Additions	162	
Balance end of period	$1,150	$922

Statement of Cash Flows

Cash equivalents include investments with maturities when purchased of three months or less.

Income Taxes

Income taxes are provided based on the liability method of accounting. The provision for income taxes is based on pretax financial income. Deferred tax assets and liabilities are recognized for the future expected tax consequences of temporary differences between income tax and financial reporting and principally relate to differences in the tax basis of assets and liabilities and their reported amounts, using enacted tax rates in effect for the year in which differences are expected to reverse.

Earnings per Share

Basic earnings per share is computed on the basis of the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed on the basis of the weighted average number of shares of common stock plus the effect of dilutive potential common shares outstanding during the period using the treasury stock method. Dilutive potential common shares include outstanding stock options and restricted stock awards.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates. The most significant estimates included in the preparation of the financial statements are related to deferred income tax assets and liabilities and coal reserves.

Revenue Recognition

We recognize revenue from coal sales at the time risk of loss passes to the customer at contracted amounts.

Long-term Contracts

We evaluate each of our contracts to determine whether they meet the definition of a derivative and they do not. As of December 31, 2010, we are committed to supply to three customers about 10 million tons of coal during the next four years. These contracts represent about 20% of our recoverable reserves for the Carlisle mine. During 2010 and 2009, three of our customers accounted for 97% or more of our sales: for 2010 one customer accounted for 45%, the second for 36%, and the third for 17%; for 2009 one customer accounted for 62%, the second for 18%, and the third for 17%; We are paid every two to four weeks and do not expect any credit losses.

Stock Based Compensation

Stock-based compensation is measured at the grant date based on the fair value of the award and is recognized as expense over the applicable vesting period of the stock award (generally three to four years) using the straight-line method.

New Accounting Pronouncements

None of the recent FASB pronouncements will have any material effect on us.

Subsequent Events

We have evaluated all subsequent events through the date the financial statements were issued. No material recognized or non-recognizable subsequent events were identified.

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(2) Income Taxes (in thousands)

Our income tax is different than the expected amount computed using the applicable federal and state statutory income tax rates. The reasons for and effects of such differences for the years ended December 31 are below:

	2010	2009
Expected amount	$12,820	$11,885
State income taxes, net of federal benefit	1,808	1,784
Other	(374)	103
	$14,254	$13,772

The deferred tax assets and liabilities resulting from temporary differences between book and tax basis are comprised of the following at December 31:

	2010	2009
Long-term deferred tax assets:		
Federal NOL carryforwards	$	$921
AMT credit carryforwards	1,162	1,008
Stock-based compensation	113	605
Investment in Savoy	1,575	2,134
Oil and gas properties	873	
Other		1,014
Net long-term deferred tax assets	3,723	5,682
Long-term deferred tax liabilities:		
Coal properties	(21,158)	(7,381)
Net deferred tax liability	$17,435	$1,699

For accounting purposes the 2009 Sunrise buyout (see Note 4) was treated as an equity transaction among members of a controlled group. For income tax purposes we were able to increase our tax basis in the coal properties and will receive future tax deductions; accordingly, a deferred tax asset of $13 million was recognized with the credit recorded directly to additional paid-in capital. Upon further analysis, in preparing the 2010 tax provision we determined that the tax basis of the incremental assets acquired was less than that originally calculated. As such, in 2010, we reduced our deferred tax assets by $2.37 million with an offset to additional paid-in capital. We have percentage depletion carry forwards of about $2 million which have no expiration date and AMT credit carryforwards of about $1 million.

We have analyzed our filing positions in all of the federal and state jurisdictions where we are required to file income tax returns, as well as all open tax years in these jurisdictions. We identified our federal tax return and our Indiana state tax return as “major” tax jurisdictions. None of our corporate tax returns have been examined in the last ten years. We believe that our income tax filing positions and deductions will be sustained on audit and do not anticipate any adjustments that will result in a material change to our consolidated financial position. Therefore, no reserves for uncertain income tax positions have been recorded.

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(3) Common Stock, Restricted Stock Units and Stock Options

Common Stock

In September 2009, in a private placement transaction, we sold 4,150,000 shares of our common stock for an aggregate cash purchase price of $24.9 million ($6/share). The proceeds from the sale were used to purchase the remaining 20% membership interests in Sunrise. All but 450,000 shares were sold to our existing shareholders and board members. Yorktown Energy Partners VIII, LP, a private partnership affiliated with board member Bryan Lawrence, purchased 2,950,000 shares and an entity affiliated with board member Sheldon Lubar purchased 750,000 shares.

Restricted Stock Units

At December 31, 2010 we had 953,000 Restricted Stock Units (RSUs) outstanding and about 838,000 available for future issuance. The outstanding RSUs have a value of about $9.5 million based on our current stock price of about $10. During April 2010 we issued 126,500 RSUs with cliff vesting over three years. On the date of issuance of the RSUs our stock was selling for $8.40. We expect 345,000 RSUs to vest during 2011 under our current vesting schedule. Other than 10,000 RSUs granted in January 2011 and 20,000 to be granted in the spring, we do not expect any more grants during 2011.

During December 2010, 195,000 RSUs vested relating to the December 2009 grant discussed below. On vesting date the shares had a value of about $2.3 million. Under our RSU plan participants are allowed to relinquish shares to pay for their income taxes. During 2010 we only allowed relinquishments based on their minimum statutory withholding rates; accordingly, 61,800 shares were relinquished resulting in about 133,000 shares being issued.

On September 14, 2009 our board authorized the issuance of up to 1,000,000 RSUs to current management. At a meeting of our compensation committee held in December 2009, 330,000 RSUs were granted to Victor Stabio, our CEO; 250,000 were granted to Brent Bilsland our president and 200,000 were granted to W. A. Bishop, our CFO. The RSUs vest equally over four years. The closing price of our stock on the date of grant was $7.90. During 2009 we also issued to other employees 73,000 RSUs with cliff vesting over three years and 22,500 with cliff vesting over five years.

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Stock based compensation expense for 2010 and 2009 was $2,194,000 and $353,000, respectively. For 2011 based on existing RSUs outstanding, stock based compensation expense will be about $2.1 million.

Stock Options

In April 2005, we granted 750,000 options at an exercise price of $2.30. No additional grants have been made since then. These options fully vested in April 2008 and expire in April 2015. During 2007, 200,000 options were exercised by our CEO. No options were exercised during the 2009 and 2008. At December 31, 2009 we had outstanding 550,000 fully vested stock options.

On January 7, 2010 we allowed four Denver employees (non officers) a one-time opportunity to relinquish 1/3 of their vested options (115,833) for cash of $679,000; the intrinsic value on such date. This transaction was treated as a charge to equity. On January 7, 2011 we allowed the same four Denver employees (non officers) an opportunity to relinquish 100% of their vested options (234,167) for 181,261 shares of our common stock. The exchange ratio was based on the intrinsic value of their options. These shared were issued under our Stock Bonus Plan which was created in December 2009. Under such plan our employees are allowed to relinquish shares to pay for their income taxes; accordingly, 41,645 shares were relinquished resulting in about 140,000 shares being issued.

Currently we have 200,000 outstanding stock options to our CEO with an exercise price of $2.30. The options are fully vested and expire in April 2015.

Stock Bonus Plan

Our stock bonus plan was authorized by our BODs in late 2009 with 250,000 shares. In early December 2009, we distributed 24,000 shares of our common stock to all of our hourly mine employees as an incentive bonus and recorded a charge of $181,000 based on the stock price that day. As mentioned above under Stock Options, during January 2011, 139,616 shares were issued. Currently, we have about 86,000 shares left in such plan.

(4) 2009 Sunrise Coal Acquisition

On September 16, 2009, we entered into agreements to purchase the remaining 20% membership interest in Sunrise Coal LLC (Sunrise), from the existing members for an aggregate purchase price of about $32.6 million, consisting of about $25.8 million in cash and 1,133,328 in shares of our common stock valued at $6/share ($6.8 million). Brent Bilsland, our new president and board member, received cash of about $3.185 million and 8,333 shares of our stock for his approximate 2% interest and his spouse received cash of about $1.775 million and 208,333 shares of our stock for her interest (slightly less than 2%). His parents also sold their approximate 8% interest in Sunrise under the same terms receiving 383,332 shares and the remainder in cash. In addition, simultaneously Brent Bilsland purchased for cash 200,000 shares (at $6/share) directly from Victor Stabio, our CEO. For accounting purposes the 2009 Sunrise buyout was treated as an equity transaction among members of a controlled group.

(5) Notes Payable

In December 2008, we entered into a new loan agreement with a bank consortium that provides for a $40 million term loan and a $30 million revolving credit facility. At December 31, 2010, we owe $27.5 million on the term loan. We have outstanding letters of credit in the amount of $6 million, which leaves about $24 million available under the revolver. We pay a 2.75% fee on the letters of credit and a .5% commitment fee on the unused funds. Substantially all of Sunrise's assets are pledged under this loan agreement and we are the guarantor. Debt maturities are $10 million during 2011 and $17.5 million during 2012. The loan agreement requires customary covenants, required financial ratios and restrictions on distributions. Closing costs on this loan agreement were about $1.2 million and are being amortized using the effective interest method over its term. The current interest rate is LIBOR- one month (0.27%) plus 2.50% or 2.77%.

In connection with the old loan agreements, we entered into two agreements swapping variable rates for fixed rates. Considering the two swap agreements, fees and amortization of the closing costs, our current interest rate is about 6.6%. One of the swaps expire in December 2011 and the other in July 2012. Accounting rules require us to recognize all derivatives on the balance sheet at estimated fair value. Derivatives that are not hedges must be adjusted to estimated fair value through earnings. We have no derivatives designated as a hedge. The recorded value of our bank debt approximates fair value as it bears interest at a floating rate.

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(6) Equity Investment in Savoy

We own a 45% interest in Savoy Energy L.P., a private company engaged in the oil and gas business primarily in the State of Michigan. Savoy uses the successful efforts method of accounting. We account for our interest in Savoy using the equity method of accounting.

Below (in thousands) is a condensed balance sheet at December 31, for both years and a condensed statement of operations for both years.

Condensed Balance Sheet

	2010	2009
Current assets	$11,719	$7,764
PP&E, net	18,026	12,114
	29,745	19,878
Total liabilities	12,620	5,987
Partners' capital	17,125	13,891
	$29,745	$19,878

Condensed Statement of Operations

	2010	2009
Revenue	$14,447	$7,732
Gain on sale of unproved properties	2,225	
Expenses	(14,438)	(11,381)
Net income (loss)	$2,234	$(3,649)

During the fourth quarter of 2010 Savoy recognized a non-recurring gain of $2.2 million on the sale of some of their unproved acreage. If not for the gain, 2010 would have been a breakeven year for them.

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Unaudited

Savoy's proved reserves at December 31, 2010 were 774,000 barrels of oil and 787,000 Mcf of gas using prices as dictated by the SEC. Our 45% share was 348,000 barrels and 354,000 Mcf. The SEC prices are based on the average first-of-month prices for the year which was $74 for oil and $4.40 for gas. The pre-tax (Savoy is a partnership) present value of their future cash flows discounted at 10% (PV10) was about $34 million. About 95% of the PV10 value is attributable to oil. Our 45% of such PV10 amount is about $15 million.

Our 45% equity interest in Savoy's proved reserves at December 31, 2009 were 232,000 barrels of oil and 1,493,000 Mcf of gas. Our 45% equity interest in Savoy's standardized measure of discounted future net cash flows (pre tax since Savoy is an LLP) at December 31, 2009 was about $6.3 million.

(7) Employee Benefits

We have no defined benefit pension plans or any post-retirement benefit plans. We offer our employees a 401(k) Plan, where we match 100% of the first 3% that an employee contributes, a bonus plan based on meeting certain production levels and a discretionary Deferred Bonus Plan for certain key employees. We also offer health benefits to all employees. Our 2010 costs for the 401(k) matching were about $320,000 and our costs for health benefits were about $2.1 million. Our 2009 costs for the 401(k) matching were about $283,000 and our costs for health benefits were about $1.8 million. The 2010 amortized costs for the Deferred Bonus Plan were about $180,000 and the 2009 amortized costs for were about $90,000. The costs for the production bonus plan were $328,000 in 2010 and $324,000 in 2009.

Our mine employees are also covered by workers' compensation and such costs for 2010 and 2009 were about $1.5 million and $1.9 million, respectively. Workers' compensation is a no-fault system by which individuals who sustain work related injuries or occupational diseases are compensated. Benefits and coverage are mandated by each state which include disability ratings, medical claims, rehabilitation services, and death and survivor benefits. Our operations are protected from these perils through insurance policies. Our maximum annual exposure is limited to $2 million which is our aggregate deductible. Based on discussions and representations from our insurance carrier we believe that our reserve for our workers' compensation benefits are adequate. We have a safety conscious work force and our worker's compensation injuries have been minimal.   Our mine has been in operation for about four years.

(8) Other long-term assets and other income (loss)

	2010	2009
Long-term assets:		
Undeveloped oil and gas leases	$1,232	$431
Developed oil and gas properties, net	512	534
Investment in Sunrise Energy	2,375	
Advance coal royalties	1,863	1,515
Deferred financing costs, net	616	938
Miscellaneous	725	(647)
	$7,323	$2,771
Other income (loss):		
Exploration and dry hole costs	$(1,302)	$(443)
Oil and gas sales, net of expenses	172	109
Gain on sale of oil and gas properties		604
Miscellaneous	358	271
	$(772)	$541

(9) Self Insurance

In late August 2010 we decided to drop the property insurance on $76 million (historical cost) of our underground mining equipment. We feel comfortable with this decision as such equipment is allocated among four mining units spread out over eight miles.

(10) Fair Value Measurements

We account for certain assets and liabilities at fair value. The hierarchy below lists three levels of fair value based on the extent to which inputs used in measuring fair value are observable in the market. We categorize each of our fair value measurements in one of these three levels based on the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. We consider active markets as those in which transactions for the assets or liabilities occur in sufficient frequency and volume to provide pricing information on an ongoing basis. We have no Level 1 instruments.

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Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability. We have no Level 2 instruments.

Level 3: Measured based on prices or valuation models that require inputs that are both significant to the fair value measurement and less observable from objective sources (i.e., supported by little or no market activity). Our Level 3 instruments are comprised of interest rate swaps. The fair values of our swaps were estimated using discounted cash flow calculations based upon forward interest-rate yield curves. Although we utilize third party broker quotes to assess the reasonableness of our prices and valuation, we do not have sufficient corroborating market evidence to support classifying these liabilities as Level 2.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES.

Disclosure Controls

We maintain a system of disclosure controls and procedures that are designed for the purposes of ensuring that information required to be disclosed in our SEC reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our CEO and CFO as appropriate to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our CEO and CFO of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon that evaluation, our CEO and CFO concluded that our disclosure controls and procedures are effective for the purposes discussed above.

Internal Control Over Financial Reporting (ICFR)

We are responsible for establishing and maintaining adequate ICFR. We assessed the effectiveness of our ICFR based on criteria for effective ICFR described in Internal Control- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Based on our assessment, we concluded that we maintained effective ICFR as of December 31, 2010.

There has been no change in our internal control over financial reporting during the quarter ended December 31, 2010 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

This annual report does not include an attestation report from Ehrhardt Keefe Steiner & Hottman PC (EKSH), our auditors, regarding ICFR. Our report was not subject to attestation by EKSH pursuant to existing rules of the SEC that permits us to provide only our report in this annual report.

ITEM 9B. OTHER INFORMATION

Our principles are safety, honesty, and compliance. We firmly believe that these values compose a dedicated workforce and with that, come high production. The core to this is our strong training programs that include accident prevention, workplace inspection and examination, emergency response, and compliance. We have currently budgeted over $250,000 over the next nine months for management and employee safety and compliance training. We work with the Federal and State regulatory agencies to help eliminate safety and health hazards from our workplace and increase safety and compliance awareness throughout the mining industry. Sunrise has not had a fatality since its establishment in 2005.

Sunrise is regulated by the MSHA under the Federal Mine Safety and Health Act of 1977 (“Mine Act”). MSHA inspects our mine on a regular basis and issues various citations and orders when it believes a violation has occurred under the Mine Act. We present information below regarding certain violations which MSHA has issued with respect to our mine. While assessing this information please consider that the number and cost of violations will vary depending on the MSHA inspector and can be contested and appealed, and in that process, and are often reduced in severity and amount, and are sometimes dismissed. We are currently contesting 26 citations with MSHA; some involve the amount of the assessments and some involve the citation itself.

The disclosures listed below are provided pursuant to the recently enacted Dodd-Frank Act. We believe that the following disclosures comply with the requirements of the Dodd-Frank Act; however, it is possible that future SEC rule making may require disclosures to be filed in a different format than the following.

Sunrise has not been issued written notice from MSHA of a pattern of, or the potential to have a pattern of, violations of mandatory health or safety standards that are of such a nature as could significantly and substantially cause and effect health or safety standards under section 104(e) of the Mine Act.

The table that follows outlines citations and orders issued to us by MSHA during the fourth quarter 2010. The citations and orders outlined below may differ from MSHA`s data retrieval system due to timing, special assessed citations, and other factors.

Definitions:

Section 104(a) Significant and Substantial Citations “S&S”: An alleged violation of a mining safety or health standard or regulation where there exists a reasonable likelihood that the hazard outlined will result in an injury or illness of a serious nature.

Section 104(b) Orders: Failure to abate a 104(a) citation within the period of time prescribed by MSHA. The result of which is an order of immediate withdraw of non-essential persons from the affected area until MSHA determines the violation has been corrected.

Section 104(d) Citations and Orders: An alleged unwarrantable failure to comply with mandatory health and safety standards.

Section 107(a) Orders: An order of withdraw for situations where MSHA has determined that an imminent danger exists.

Section 110(b)(2) Violations: An alleged flagrant violation issued by MSHA under section 110(b)(2) OF THE Mine Act.

Pattern or Potential Pattern of Violations: A pattern of violations of mandatory health or safety standards that are of such a nature as could have significantly and substantially contributed to the cause and effect of coal mine health or safety hazards under section 104(e) of the Mine Act or a potential to have such a pattern.

Contest of Citations, Orders, or Proposed Penalties: A contest proceeding may be filed with the Commission by the operator or miners/miners representative to challenge the issuance or penalty of a citation or order issued by MSHA.

Month	Section 104(a) Citations	Section 104(b) Orders	Section 104(d) Citation/Orders	Section 107(a) Orders	Section 110(b)(2) Violations	Proposed MSHA Assessments (in thousands)
January	6	0	0	0	0	$19.5
February	4	0	0	0	0	8.1
March	3	0	0	0	0	8.2
April	2	0	0	0	0	3.3
May	6	0	0	0	0	9.8
June	6	0	3	0	0	45.6
July	7	0	0	0	0	14.8
August	6	0	0	1	0	54.3
September	1	0	0	0	0	2.3
October	3	0	0	0	0	11.6
November	1	0	0	0	0	0.2
December	3	0	0	0	0	4.5

PART III

The information required for Items 10-14 are hereby incorporated by reference to that certain information in our Information Statement to be filed with the SEC on or before April 29, 2011.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

ITEM 11. EXECUTIVE COMPENSATION

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

See Item 8 for an index of our financial statements.

Because we are a smaller reporting company we are not required to provide financial statement schedules.

Our exhibit index is as follows:

3.1	Second Restated Articles of Incorporation of Hallador Energy Company effective December 24, 2009. (1)
3.2	By-laws of Hallador Energy Company, effective December 24, 2009 (1)
10.1	Purchase and Sale Agreement dated December 31, 2005 between Hallador Petroleum Company, as Purchase and Yorktown Energy Partners II, L.P., as Seller relating to the purchase and sale of limited partnership interests in Savoy Energy Limited Partnership (2)
10.2	Letter of Intent dated January 5, 2006 between Hallador Petroleum Company and Sunrise Coal, LLC (3)
10.3	Subscription Agreement - by and between Hallador Petroleum Company and Yorktown Energy Partners VI, L.P., et al dated February 22, 2006. (2)
10.4	Subscription Agreements - by and between Hallador Petroleum Company and Hallador Alternative Assets Fund LLC, et al dated February 14, 2006. (3)
10.5	Continuing Guaranty, dated April 19, 2006, by Hallador Petroleum Company in favor of Old National Bank (6)
10.6	Collateral Assignment of Hallador Master Purchase/Sale Agreement, dated April 19, 2006, among Hallador Petroleum Company, Hallador Petroleum, LLLP, and Hallador Production Company and Old National Bank (6)
10.7	Reimbursement Agreement, dated April 19, 2006, between Hallador Petroleum Company and Sunrise Coal, LLC (6)
10.8	Membership Interest Purchase Agreement dated July 31, 2006 by and between Hallador Petroleum Company and Sunrise Coal, LLC. (7)
10.9	Subscription Agreements - by and between Hallador Petroleum Company and Yorktown Energy Partners VII, L.P., et al dated October 5, 2007 (7)

10.10	Purchase and Sale Agreement dated effective as of October 5, 2007 between Hallador Petroleum Company, as Purchaser and Savoy Energy Limited Partnership, as Seller (11)
10.11	First Amendment to Credit Agreement, Waiver and Ratification of Loan Documents dated June 28, 2007 by and between Sunrise Coal, LLC, Hallador Petroleum Company and Old National Bank (9)
10.12	Amended and Restated Continuing Guaranty, dated as of June 28, 2007, between Hallador Petroleum Company, Sunrise Coal, LLC, and Old National Bank. (10)
10.13	Hallador Petroleum Company Restricted Stock Unit Issuance Agreement dated as of June 28, 2007, between Hallador Petroleum Company and Victor P. Stabio(10)*
10.14	Hallador Petroleum Company Restricted Stock Unit Issuance Agreement dated as of July 19, 2007, between Hallador Petroleum Company and Brent Bilsland(11)*
10.15	Hallador Petroleum Company 2008 Restricted Stock Unit Plan. (12)*
10.16	Form of Amended and Restated Purchase and Sale Agreement dated July 24, 2008 to purchase additional minority interest from Sunrise Coal, LLC's minority members (13)
10.17	Form of Hallador Petroleum Company Restricted Stock Unit Issuance Agreement dated July 24, 2008 (13)*
10.18	Credit Agreement dated December 12, 2008, by and among Sunrise Coal, LLC, Hallador Petroleum Company as a Guarantor, PNC Bank, National Association as administrative agent for the lenders, and the other lenders party thereto. (14)
10.19	Continuing Agreement of Guaranty and Suretyship dated December 12, 2008, by Hallador Petroleum Company in favor of PNC Bank, National Association (14)
10.20	Amended and Restated Promissory Note dated December 12, 2008, in the principal amount of $13,000,000, issued by Sunrise Coal, LLC in favor of Hallador Petroleum Company (14)
10.21	Form of Purchase and Sale Agreement dated September 16, 2009 (15)
10.22	Form of Subscription Agreement dated September 15, 2009 (15)
10.23	Form of Hallador Petroleum Company Restricted Stock Unit Issuance Agreement. (15)*
10.24	2009 Stock Bonus Plan(16)*
14	Code Of Ethics For Senior Financial Officers. (5)
21.1	List of Subsidiaries (17)
23.1	Consent of Independent Registered Public Accounting Firm (17)
31	SOX 302 Certifications (17)
32	SOX 906 Certification (17)

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(1) IBR to Form 8-K dated December 31, 2009.
(2) IBR to Form 8-K dated January 3, 2006.
(3) IBR to Form 8-K dated January 6, 2006.
(4) IBR to Form 8-K dated February 27, 2006.
(5) IBR to the 2005 Form 10-KSB.
(6) IBR to Form 8-K dated April 25, 2006.
(7) IBR to Form 8-K dated August 1, 2006.
(8) IBR to Form 10-QSB dated September 30, 2007.
(9) IBR to Form 10-QSB dated June 30, 2007.
(10) IBR to Form 8-K dated July 2, 2007.
(11) IBR to Form 10-KSB dated December 31, 2007.
(12) IBR to March 31, 2007 Form 10-Q.
(13) IBR to Form 8-K dated July 24, 2008.
(14) IBR to Form 8-K dated December 12, 2008.
(15) IBR to Form 8-K dated September 18, 2009.
(16) IBR to Form S-8 dated December 1, 2009.
(17) Filed herewith.

* Management contracts or compensatory plans.

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Explanation of Responses:

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

HALLADOR ENERGY COMPANY

Date: March 4, 2011 /S/W. ANDERSON BISHOP
W. Anderson Bishop, CFO and CAO

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/DAVID HARDIE David Hardie	Chairman	March 4, 2011
/s/VICTOR P. STABIO Victor P. Stabio	CEO and Director	March 4, 2011
/s/BRYAN LAWRENCE Bryan Lawrence	Director	March 4, 2011
/s/BRENT BILSLAND Brent Bilsland	President and Director	March 4, 2011
/s/JOHN VAN HEUVELEN John Van Heuvelen	Director	March 4, 2011

Explanation of Responses:

Explanation of Responses: