Telephone: 970.385.4528

Facsimile: 970.385.4638



October 4, 2017

State of Colorado Division of Reclamation, Mining & Safety 1313 Sherman St, Room 215 Denver, CO 80203

Attn: Rob Zuber, Environmental Protection Specialist II

Re: King II Mine

Pond Quarterly Inspection

3rd Quarter 2017

Mr. Zuber:

Please find attached the 3rd quarter inspection report on the King II sedimentation pond performed by Ryan Griglak, P.E. on September 27, 2017.

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

Sincerely,

Tom Bird

Manager, Coal Services

GCC Energy, LLC

Stoner Engineering & Surveying

Engineering, Testing & Surveying

Date: September 29, 2017

To: Tom Bird

Manager, Coal Services

GCC Energy, LLC

6473 County Road 120 Hesperus, CO 81326 (970) 385-4528

From: Ryan Griglak, P.E.

Project Manager

Stoner Engineering & Surveying

Re: King Coal II - Annual Water Quality Improvements Inspection (Amended)



On September 27, 2017, Ryan Griglak, P.E. visited the GCC Energy, LLC King Coal II site to conduct the annual inspection of the water quality pond installed to prevent contaminated storm water runoff from escaping the site in events smaller than the 100-year storm event.

There were approximately 2-inches of water (Surface EI. = 7226.9) in the water quality pond at the time of the inspection. The elevation at the bottom of the pond was determined to be at an elevation of 7226.7, approximately 15-inches below the concrete of the outlet structure. Based upon this elevation, the pond can collect an additional three (3) feet of sediment before reaching the 60% cleanout level (EI. = 7229.25). The current sediment level in the detention pond represents less than 10% of the allowable 1.57 [ac-ft] of sediment which is the 60% cleanout level as shown in the Sediment Pond Stage Discharge Curve prepared by EIS Environmental & Engineering Consulting dated 12/18/08.

The vegetation established both inside and out of the pond is well established to minimize the erosion impacts of storm runoff. The outlet structure shows no signs of damage and was functioning as designed at the time of the inspection (see Pic. 1). The water quality pond appears to be in generally good condition. There were no signs of weakness or distress to either the outlet structure or the embankment material. The water quality pond has the storage capacity to function as designed.



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The drainage ditches were found to be in generally good condition and clean of debris (see Pic. 2 & 3). All ditches should be inspected and repaired as necessary, especially after storm events.

The culvert pipes on the site were in good condition overall. The west clear water ditch has been cleaned out which prevents runoff from overtopping and potentially eroding the main roadway (see Pic. 4).

The drainage features for the King II site are functioning as designed and are being maintained in accordance with the approved plans.

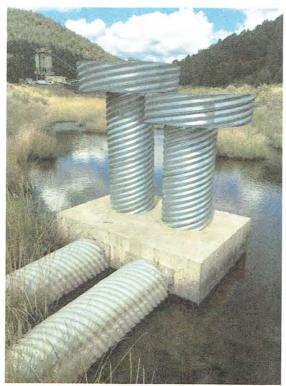
Please let me know if you have any additional questions or concerns in regards to the issues discussed in this report.

Sincerely,

Ryan M. Griglak, P.E. Project Manager

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Pic. 1 – Detention Pond with 2-inches of water at outlet structure.



Pic. 2 – Dual culverts under main access driveway in good condition.

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Pic. 3 Inlet east of truck loading/scale area.



Pic. 4 –West clean water ditch has been cleaned.

P.O. Box 1163

Tel 970.565.7483

28 South Washington Street stonerengineer@frontier.net