

April 6, 2018

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 I Mine, C-1981-035

Stoner Engineering: Quarterly Inspection: Water Quality Improvements

1st Quarter 2018

Dear Mr. Zuber,

Please find enclosed a copy of Stoner Engineering's Quarterly Inspection report of the King I mine water quality improvements for the 1st quarter of 2018.

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: April 5, 2018

To: Tom Bird

Manager, Coal Services

GCC Energy, LLC

6473 County Road 120 Hesperus, CO 81326

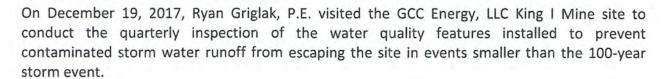
(970) 385-4528

From: Ryan Griglak, P.E.

Project Manager

Stoner Engineering & Surveying

Re: King Coal I – Quarterly Water Quality Improvements Inspection



Both ponds were dry at the time of the inspection (se Pic's. 1 & 2). The ponds are both in generally good condition. The required storage volume appears to be adequate at this time based upon the sedimentation gages installed. The ponds should continue to be monitored after storm events to ensure that excess sediment does not reduce the required storage capacity available for storm water runoff.

The drainage ditches and pipes were generally in good condition based upon a visual inspection from the inlet and outlet locations. There was some riprap added to the ditch leading to the west pond in an attempt to limit erosion during runoff events (see Pic. 3). All pipes, ditches and sediment traps should be inspected and repaired as necessary, especially after storm events.

The sediment traps located along the west side of the driveway at the entrance are in good condition though the sediment trap on the east side of the driveway has been repaired (see Pic. 4).



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The drainage for the overall site is functioning well and is generally in good shape. The drainage features have been constructed and are operating as stated in the drainage plan submitted to the Division of Reclamation, Mining & Safety.

Please let me know if you have any additional questions or concerns in regards to the issues that are discussed above.

Sincerely,

Ryan M. Griglak, P.E.

Project Manager

Stoner Engineering & Surveying

Engineering, Testing & Surveying



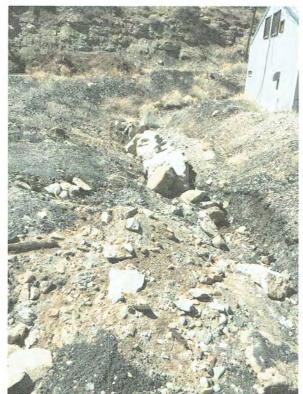
Pic. 1 – East pond.



Pic. 2 – West pond.

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Pic. 3 – New riprap in ditch to west pond.



Pic. 4 – Sediment trap along east side of driveway has been repaired.