



"Safety as a Value"

Telephone: 970.385.4528
Facsimile: 970.385.4638

GCC Energy, LLC
6473 County Road 120
Hesperus, CO 81326

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: Refuse Pile
1st Quarter 2018

Dear Mr. Zuber,

Please find enclosed a copy of Stoner Engineering's Quarterly Inspection report of the King I mine refuse pile/embankment for the 1st quarter of 2018.

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

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Bird'. The signature is fluid and cursive, with a large loop at the end.

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 Waste Pile/Embankment Inspection

On March 29, 2018, Ryan Griglak, P.E. visited the GCC Energy, LLC King I Mine site to conduct the quarterly inspection of the coal waste pile/embankment. Mr. Griglak, P.E. has conducted inspections for the placement of earthwork/embankment fill material for numerous commercial, residential and municipal projects in which buildings, roadways and parking facilities were installed over the placed materials.

The condition of the perimeter ditches located along the north and south sides of the property were generally in good condition. The drainage channels were generally clear of debris (see Pic. 1) and there was no damage observed to any of the channel sections. The pipe sections were found to be clear of debris and functioning as designed (see Pic. 2).

Additional embankment fill continues to be stockpiled and placed at the base of the waste pile/embankment (see Pic. 3). The existing grade to the west of the under drain outlet has been improved to direct flows away from the pipe outlet (see Pic. 4). At the time of the inspection there was a small amount of water located at the pipe outlet. Standing water can accumulate near the pipe outlet to a depth of approximately two inches before it flows away in the newly improved channel. This area should be monitored and maintained regularly given the proximity of the tie-in location of Reach 10 and the potential for sedimentation to inhibit flows from the under drain. The pipe that drains into Reach 10 is clear of debris/sediment and appears to be functioning as designed (see Pic. 5). There was no visible staining at the outlet at the time of the inspection.

There is no material stockpiled at the top of the embankment as it is currently being installed at the base of the waste pile/embankment. The face of the embankment was in good condition and does not show any signs of excessive erosion, instability or weakness (see Pic. 6).

There is single trailer stored on the site just north and east of the old bath house. The only structure with any proximity to the embankment material is the old bath house which is no longer utilized and is abandoned. Personnel are only on-site to bring and/or place material on the embankment or for mine rescue training. The mine rescue training is performed on the north side of the site well away from the embankment material. The site is closed to the public and there is a locked gate at the entrance to keep the public out.

The waste pile has been and continues to be constructed and maintained as specified in the design approved by the Division of Reclamation, Mining & Safety. Potential hazards to life and property are minimal due to the fact that GCC has moved most of their operations to their King II facility.

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 – North channel in good condition.



Pic. 2 – Culvert under road near top of embankment.

P.O. Box 1163
Tel 970.565.7483

28 South Washington Street
stonerengineer@frontier.net

Cortez, Colorado 81321
Fax 970.565.7704



Pic. 3 – New material installed at base of embankment/waste pile.



Pic. 4 – Grading improved at outlet of under drain from Reach 10 ditch.

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Pic. 5 – Pipe drain into Reach 10.



Pic. 6 – Waste pile/embankment face in good condition.

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