



"Safety as a Value"

Telephone: 970.385.4528
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GCC Energy, LLC
6473 County Road 120
Hesperus, CO 81326

January 17, 2019

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

Attn: Brock Bowles, Environmental Protection Specialist

Re: King I Mine, C-1981-035
Stoner Engineering: Quarterly Inspection: Water Quality Improvements
4th Quarter 2018

Dear Mr. Bowles,

Please find enclosed a copy of Stoner Engineering's Quarterly Inspection report of the King I mine water quality improvements for the 4th 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', with a large, stylized 'D' at the end.

Tom Bird
Manager, Coal Services
GCC Energy, LLC



Stoner Engineering & Surveying

Engineering, Testing & Surveying

Date: December 19, 2018

To: Jordan McCourt
Project Coordinator
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

On December 14, 2018, Ryan Griglak, P.E. visited the GCC Energy, LLC King I Mine site to conduct the quarterly inspection of the water quality features installed to prevent contaminated storm water runoff from escaping the site in events smaller than the 100-year storm event.

Both ponds appeared to be dry at the time of the inspection (see Pic. 1). The ponds both appeared to generally be in good condition though the ground was covered in snow. The required storage volume appears to be adequate at this time. 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 were covered with snow and difficult to observe while the culvert pipes appeared to be generally in good condition based upon a visual inspection from the inlet and outlet locations. The north clean water ditch still needs to be cleaned out, though the lower portion appears to have had some work completed (see Pic. 2). The south treated water ditch was covered in snow at the time of the inspection (see Pic. 3). All pipes, ditches and sediment traps should be inspected and repaired as necessary, especially after storm events.

The drainage for the overall site appears to be functioning well and be generally in good shape from what was visible at the time of the inspection. The drainage features have been constructed and appear to be operating as stated in the drainage plan submitted to the Division of Reclamation, Mining & Safety.

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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 – West pond.



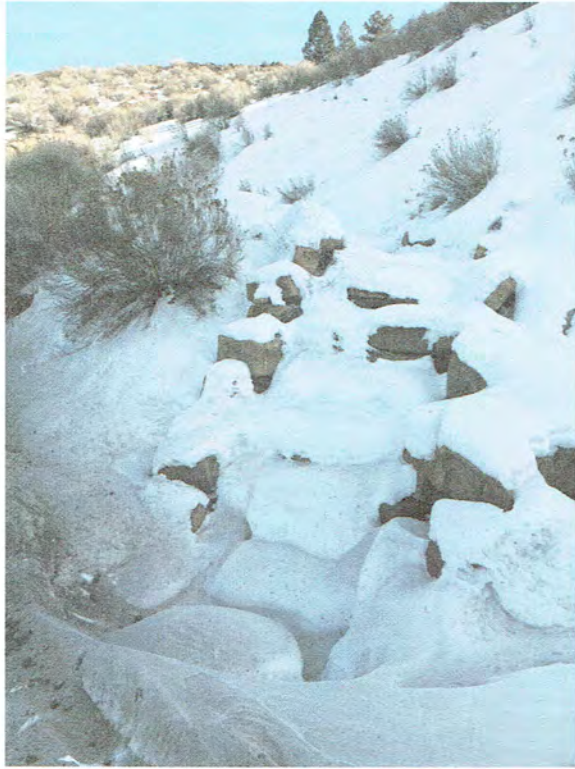
Pic. 2 – North clean water ditch requires cleaning.

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Stoner Engineering & Surveying
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Pic. 3 – South ditch covered in snow.