

"Safety as a Value"

September 18, 2019

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

Attn: Janet Binns, Environmental Protection Specialist

Re: King I Mine, C-1981-035

Stoner Engineering: Quarterly Inspection: Water Quality Improvements

3rd Quarter 2019

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 3rd quarter of 2019.

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

Engineering, Testing & Surveying

Date: September 17, 2019

To: Jordan McCourt

Project Coordinator GCC Energy, LLC

6473 County Road 120 Hesperus, CO 81326

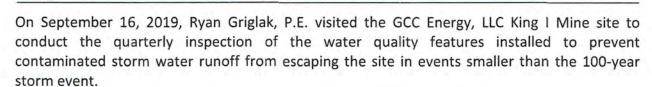
(970) 385-4528

From: Ryan Griglak, P.E.

Project Manager

Stoner Engineering & Surveying

Re: King Coal I – Quarterly Water Quality Improvements Inspection



Both ponds were generally dry at the time of the inspection (see Pic. 1). The ponds both appeared to generally be in good condition and while there is additional sediment in the ponds, the sedimentation gages show the ponds are not yet it need of cleaning (see Pic. 2). 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 sedimentation traps at the entrance to the site are in good condition and have been recently cleaned. There has been some riprap added at the pipe inlet/berming into the east pond (see Pic. 3). The work to Reach 1 is ongoing. The new clear water ditch has been connected to the existing portion of Reach 1. The steep section of channel connecting the upper and lower sections of Reach 1 has been excavated and is awaiting the placement of the shot-crete surfacing (see Pic. 4). There has been some sedimentation of the clear water ditch near the switchback due to recent storm runoff from the steep slopes to the north (see Pic. 5). There is a section of Reach 10 where runoff is escaping from the channel section and causing erosion along the side of the channel (see Pic. 6). While this runoff is still routed to the sediment ponds, it will result in excessive erosion to the existing hillside and should be repaired.



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The drainage for the overall site appears to be functioning as designed. The drainage features have been constructed and will continue to function as stated in the drainage plan submitted to the Division of Reclamation, Mining & Safety once the ongoing maintenance work resulting from the significant snow accumulation has been completed.

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

Engineering, Testing & Surveying

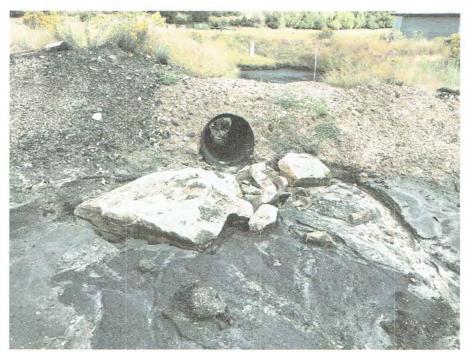


Pic. 1 – West pond.



Pic. 2 – Sediment gage in east pond.

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Pic. 3 – Riprap at pipe entrance to east pond.



Pic. 4 – Channel section between upper and lower sections Reach 1.
P.O. Box 1163 28 South Washington Street

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Pic. 5 – Reach 1 sediment near road switchback under steep slopes.



Pic. 6 – Reach 10 location where water is escaping existing channel section.