



"Safety as a Value"

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

December 3, 2019

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

Attn: Janet Binns, Environmental Protection Specialist III

Re: King I Mine, C-1981-035
Stoner Engineering: Quarterly Inspection: Refuse Pile
4th Quarter 2019

Dear Ms. Binns,

Please find enclosed a copy of Stoner Engineering's Quarterly Inspection report of the King I mine refuse pile/embankment for the 4th quarter of 2019.

Please call Tom Bird at (970) 385-4528 x 6503 or (970) 769-1160 (cell) 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

Date: December 2, 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 Waste Pile/Embankment Inspection

On November 25, 2019, 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 south treated water ditch (Reach 10) was found to be in generally good condition. The portion of the Reach 10 channel identified in the previous report requiring maintenance is still in need of attention. The section of concrete channel has been constructed connecting the new upper section of Reach 1 to the lower existing section of Reach 1 (see Pic. 1). The upper culvert of Reach 10 has been cleaned out and the haul road bermed just upstream to prevent runoff from bypassing the culvert (see Pic. 2). All the waste material located on the top of the pile has been placed in the embankment waste pile.

Waste material continues to be hauled to and dumped at the base of the existing waste pile/embankment where it is collected and being placed in accordance with TR-27 (see Pic. 3). The slope of the top of the existing pile is currently in excess of that defined in the Waste Bank Design produced by Don May, 1997. Specifically the cross slope from north to south across the top of the waste pile embankment.

The face of the embankment appeared to be in good condition as there were no signs of excessive erosion, instability or weakness (see Pic. 4). The outlet of the under-drain at the base of the waste pile has been exposed.

Stoner Engineering & Surveying

Engineering, Testing & Surveying

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,

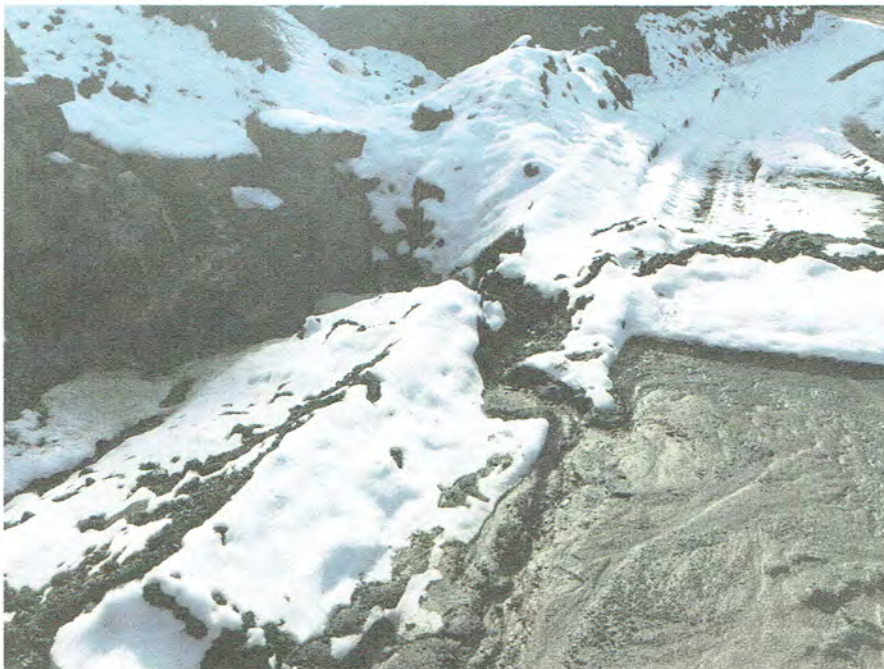


Ryan M. Griglak, P.E.
Project Manager





Pic. 1 –Reach 1 concrete channel section connecting new upper section.



Pic. 2 – Berming at lower culvert of haul road.



Pic. 3 – Waste material being installed placed below existing waste embankment pile.



Pic. 4 – Face of waste pile in good condition.