

March 31, 2020

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

"Safety as a Value"

1st Quarter 2020

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 1st quarter of 2020.

Please call Tom Bird at (970) 385-4528 x 6503 or (970) 769-1160 (cell) if you have any questions or comments.

Sincerely,

Tom Bird

Manager, Coal Services

GCC Energy, LLC

Stoner Engineering & Surveying

Engineering, Testing & Surveying

Date: March 27, 2020

To: Jordan McCourt

Project Coordinator GCC Energy, LLC

6473 County Road 120 Hesperus, CO 81326

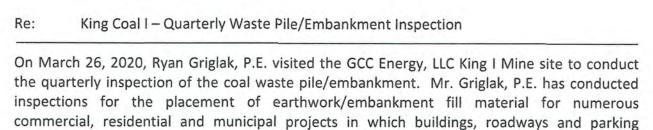
(970) 385-4528

From: Ryan Griglak, P.E.

Project Manager

Stoner Engineering & Surveying

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 has been addressed. The middle portion of Reach 1 (at the base of the steep slopes) has experienced some sedimentation due to sluffing of the soils from the adjacent steep slopes and is need of cleaning (see Pic. 1). The face of the embankment appeared to be in good condition as there were no signs of excessive erosion, instability or weakness (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 excess slope does not pose any danger to the stability of the existing waste pile though some localized erosion may occur during/after localized storm events.



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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.

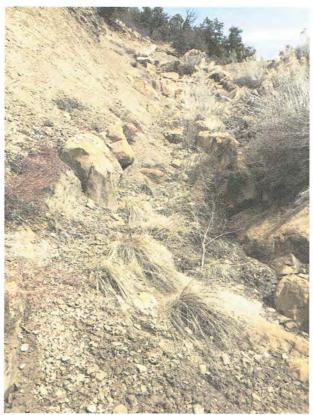
Project Manager

Cortez, Colorado 81321

Fax 970.565.7704

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Pic. 1 –Reach 1 middle channel section sedimentation.



Pic. 2 – Face of waste pile in good condition.

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