



"Safety as a Value"

Telephone: 970.385.4528
Facsimile: 970.385.4638

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

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: Water Quality Improvements
1st Quarter 2020

Dear Ms. Binns,

Please find enclosed a copy of Stoner Engineering's Quarterly Inspection report of the King I mine water quality improvements 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,

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: 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

Re: King Coal I – Quarterly Water Quality Improvements Inspection

On March 26, 2020, 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 contained runoff as a result of the recent snow at the time of the inspection (see Pic. 1). The ponds both appeared to generally be in good condition. The sedimentation gages show the ponds are not yet it need of cleaning. 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 generally in good condition. The sedimentation trap located along the north side of the driveway is in need of some repairs (see Pic. 2). The section of Reach 10 where runoff was escaping from the channel section and causing erosion along the side of the channel has been repaired.

The new culvert for Reach 8 for the new haul road has been installed. Reach 3 has been rerouted around the west side of the property around TR-27 construction and connected to Reach 5 just above the east retaining pond (see Pic. 3, 4 and 5). The erosion control measures around the area inlet/foundation drain at the end of Reach 7 have been improved to prevent excessive sedimentation (see Pic. 6).

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,

A handwritten signature in blue ink, appearing to read "R. Griglak", is positioned below the word "Sincerely,".

Ryan M. Griglak, P.E.
Project Manager

Stoner Engineering & Surveying

Engineering, Testing & Surveying



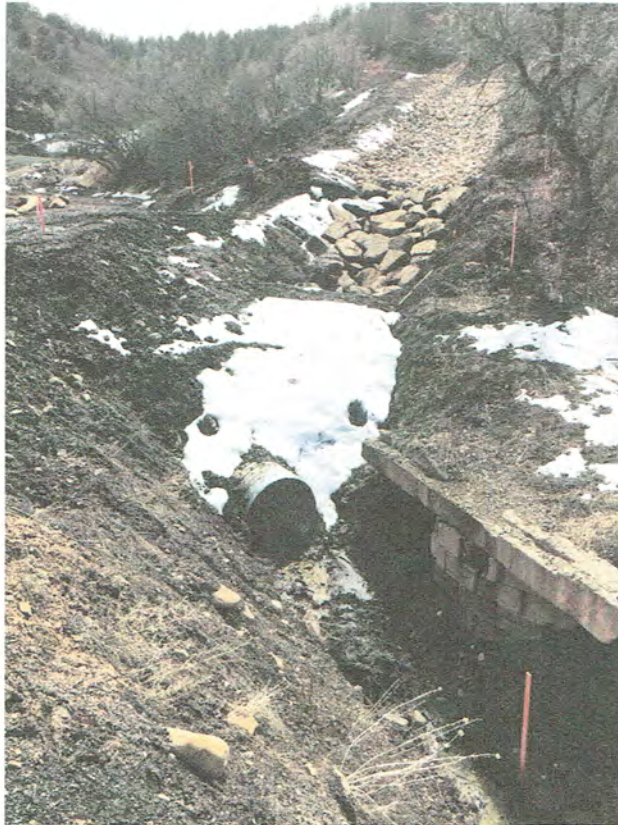
Pic. 1 – West pond.



Pic. 2 – East sediment trap along driveway.

Stoner Engineering & Surveying

Engineering, Testing & Surveying



Pic. 3 – New culvert under new haul road location.



Pic. 4 – Reach 3 channel relocation along west side of property.



Pic. 5 – New Reach 3 culvert connecting to Reach 5.



Pic. 6 – Improvements preventing excess sedimentation at Reach 7/foundation drain.