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svance@gcc.com



September 22, 2021

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

Attn: Janet Binns, Environmental Protection Specialist III

Re: GCC Energy, LLC, King II Mine
CDRMS Permit # C-1981-035
Stoner Engineering: Quarterly Inspection: Water Quality Improvements
3rd Quarter 2021

Ms. Binns:

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 2021.

Please contact me at 505.238.8272 or svance@gcc.com if you have any questions or require any additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah Vance", is positioned above the printed name.

Sarah Vance
Environmental Manager
GCC Energy, LLC

Stoner Engineering & Surveying

Engineering, Testing & Surveying

Date: September 21, 2021

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 September 16, 2021, 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 were dry at the time of the inspection. Pond maintenance has begun in that the excess sediment is being removed from the storm water detention ponds (see Pic. 1 & 2). The material removed from the detention ponds is currently being stockpiled near the southwest corner of the lower waste embankment pile (see Pic. 3). 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. A limited amount of waste material appears to have been placed on the upper waste pile since the previous inspection (see Pic. 4). The grading of the lower waste embankment pile generally directs surface runoff generally to the south and west as required in the design documents. The small portion of the northeast corner that drains towards the front of the pile is still present. This grading situation needs to be correcting by adding some additional fill material along the front of the lower waste pile at this location to ensure runoff is directed south and west as specified in the design documents. While this was a minor concern noted during the previous inspection, temporary fuel storage tanks have been added below the lower waste pile at this location (see Pic. 5). A portion of the lower site, south of the storm water detention ponds, is currently being utilized by a contractor (Weeminuche Construction Authority) as a field office (see Pic. 6). While the potential for washing out the fuel storage tanks and containment pad is minimal, a localized, high intensity storm event could result in localized erosion in and around the fuel storage area.



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The clear water and the treated water ditches appeared to be in generally good condition. There do not appear to be any issues with any of the ditches or culverts at the time of the inspection.

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

Stoner Engineering & Surveying

Engineering, Testing & Surveying



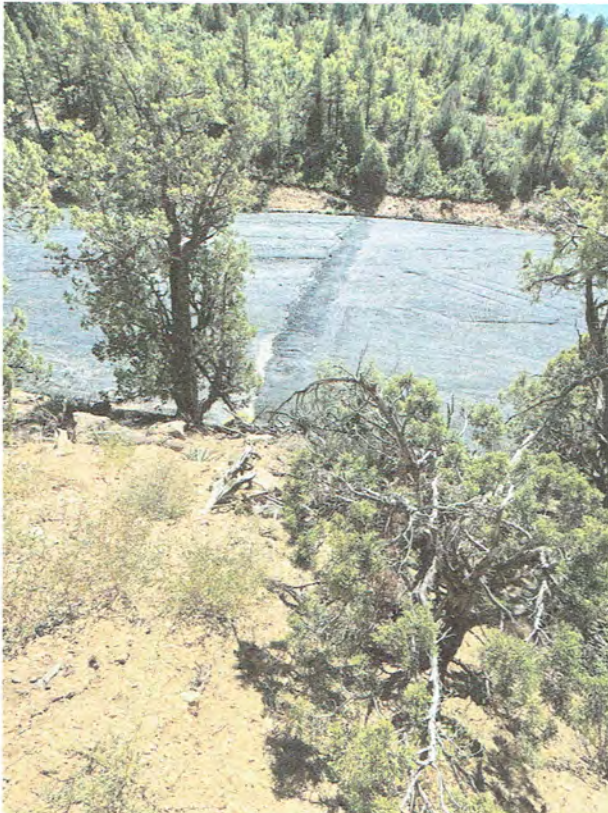
Pic. 1 – Sediment removal, East pond.



Pic. 2 – Sediment removal, West pond.



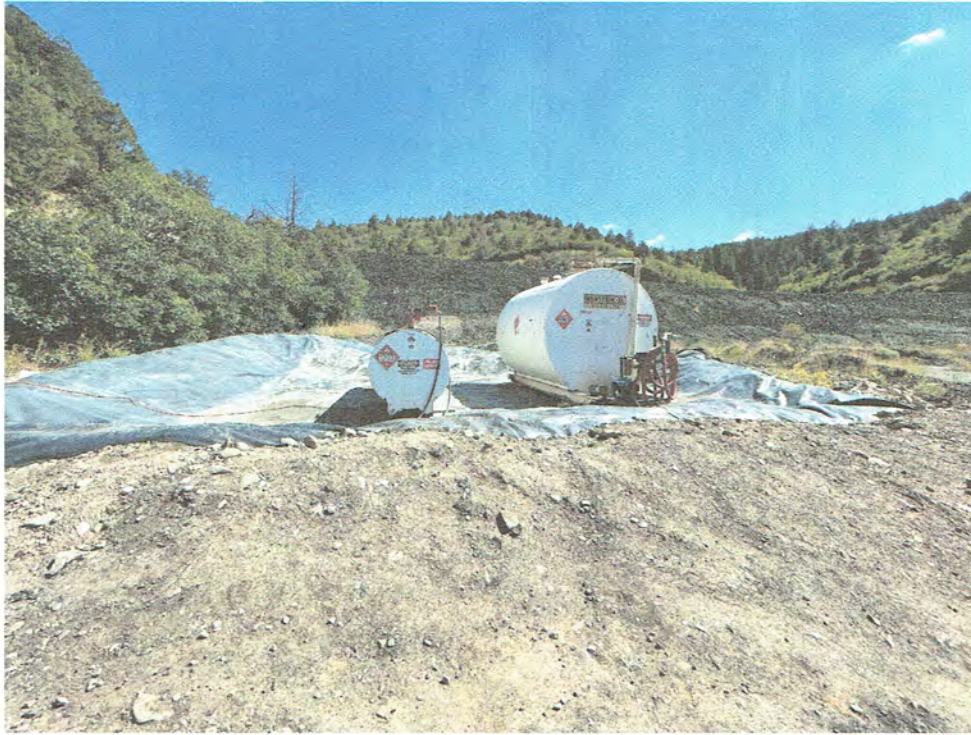
Pic. 3 – Pond sediment stockpile SW corner of lower waste pile.



Pic. 4 – Upper waste embankment pile with additional waste material.

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Pic. 5 – Fuel storage tanks/containment pad NE corner of lower waste pile.



Pic. 6 –Temporary construction office south of east pond.