♥ 11783 Highway 337 S.
PO Box 100, Tijeras, NM 87123



October 18, 2022

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 2022

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 2022.

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

Sincerely,

Eral Jan

Sarah Vance Environmental Manager GCC Energy, LLC



Engineering, Testing & Surveying

Date: October 4, 2022

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 28, 2022, Ryan Griglak, P.E. visited the GCC Energy, LLC King | 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 held water at the time of the inspection due to recent storms. Additional sediment removal from the west pond does not appear to have taken place since the previous inspection (see Pic. 1). The east pond water level was at a level slightly higher that during the previous inspection (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. When conditions permit, the removal of the excess sediment in the west pond should be completed.

The sedimentation traps at the entrance to the site are generally in good condition. Waste material has been placed on the lower waste pile since the previous inspection while additional placement of material on the upper pile has been minimal. 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 portion of the lower site, south of the storm water detention ponds, is no longer being utilized by a contractor (Weeminuche Construction Authority) as a field office or a fueling station.

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There has been sedimentation of the clear water ditch (Reach 5) at the outlet of the south clear water ditch (Reach 3 & 4) where it was rerouted to account for the construction of the lower waste embankment pile (see Pic. 3). This sediment should be cleared to prevent the culvert from backing up and/or reducing the capacity of the north clear water ditch. Reduced outflow of the culvert (Reach 3 & 4) could result in south clear water flows entering the west detention pond during a large storm event. All the culverts located on the site should be checked and any excess sediment cleared/cleaned after seasonal storm events.

The side of the grouted channel along the upper portion of the north clear water ditch (Reach 1) is has experienced some cracking (see Pic. 4). This channel section should be monitored after storm events to minimize the potential of excessive erosion and loss of channel section during future storm events.

The clear water and the treated water ditches appeared to be in generally good condition. 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,

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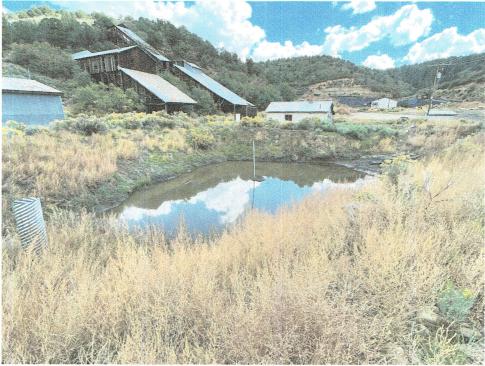
Ryan M. Griglak, P.E. Project Manager



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Pic. 1 – Sediment removal appears unchanged, West pond.

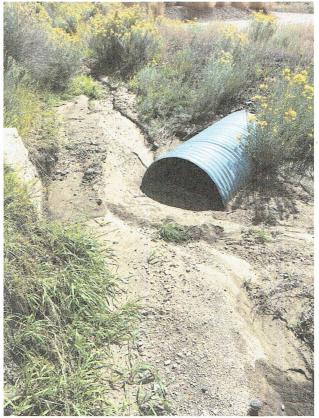


Pic. 2 – Water level slightly higher since previous inspection, East pond.

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Pic. 3 – South clear water ditch (Reach 3& 4) outlet at tie to north clear water ditch (Reach 5).



Pic. 4 – Grouted section, north clear water ditch (Reach 1).

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