6473 County Road 120
Hesperus, CO 81326

970.385.4528 ext. 6540
mdickson@gcc.com

April 15th, 2024

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

Attn: Environmental Protection Specialist

Re: GCC Energy, LLC, King II Mine
CDRMS Permit # C-1981-035
Stoner Engineering: Quarterly Inspection: King I Water Quality Improvements Inspection
1st Quarter 2024

Mr. Wein:

Please find enclosed a copy of Stoner Engineering's Quarterly Inspection report of the King I water quality improvement inspection for the 1st quarter of 2024.

Please contact me at 970.385.4528 ext. 6540, or mdickson@gcc.com if you have any questions or require any additional information.

Sincerely,

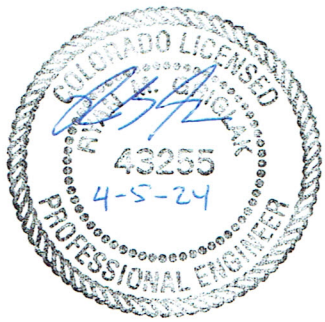
Michael Dickson

Michael Dickson
Mine Engineer
GCC Energy, LLC

Stoner Engineering & Surveying
Engineering, Testing & Surveying

Date: April 5, 2024

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 29, 2024, 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.

The sedimentation traps at the entrance to the site are generally in good condition. Both ponds held water from recent storm events at the time of the inspection. There was slightly more water in the east pond while the west pond water level appeared to be similar to the previous inspections. The excess waste material within the West pond appears to be at the same level of completion with the exception of a small pile of material that was pushed into the pond, most likely as a result of site maintenance (see Pic. 1). Sediment removal operations should continue as soon as the site/weather conditions allow. While the excess material should be removed as soon as possible to ensure adequate pond capacity for runoff/storm events, the ponds overall capacity appears adequate.

While the existing ditches and culverts appear to be generally in good condition, the culvert under the haul road (Reach 10) is in need of cleaning (see Pic. 2). There was also some visible erosion in the channel of the upper section of Reach 10 at the top of the waste embankment pile (see Pic. 3). The upper level channel section should be extended and improved to prevent runoff from running along the side of the channel.

Waste material level on the upper waste pile is unchanged since the previous inspection. Surface grading appears to direct runoff away from the face of both waste piles and the required berming is in place.

P.O. Box 1163
Tel 970.565.7483

Cortez, Colorado 81321
stonerengineering@outlook.com

Stoner Engineering & Surveying
Engineering, Testing & Surveying

There was some cracking present on the armored channel section of the upper section of the east clear water ditch (Reach 1). The cracks are minimal at this time and appear to be related to shrinkage and possibly some settlement of the underlying berming (see Pic. 4). The cracks are located along the right side at the base of the armored section and should be monitored for progression.

The drainage for the overall site is capable of functioning as designed. There were no maintenance issues noted that would inhibit the site to function 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 noted maintenance items have been addressed.

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

P.O. Box 1163
Tel 970.565.7483

Cortez, Colorado 81321
stonerengineering@outlook.com

Pic. 1 – West pond, excess wase material from site maintenance.

Pic. 2 – Reach 10 Culvert under haul road.

P.O. Box 1163
Tel 970.565.7483

Cortez, Colorado 81321
stonerengineering@outlook.com

Pic. 3 – Erosion channel, upper section or Reach 10.

Pic. 4 –Lower armored section of the North clear water ditch.

P.O. Box 1163
Tel 970.565.7483

Cortez, Colorado 81321
stonerengineering@outlook.com