6473 County Road 120
Hesperus, CO 81326

970.909.4022
michael@summitmining.co

July 11th, 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 and II Water Quality Improvements Inspection 2nd Quarter 2024

Mr. Wein:

Please find enclosed a copy of Stoner Engineering's Quarterly Inspection report of the King I and King II water quality improvement inspection for the 2nd quarter of 2024.

Please contact me at 970.909.4022, or Jordan McCourt at jmccourt@gcc.com if you have any questions or require any additional information.

Sincerely,

Michael Dickson

Stoner Engineering & Surveying
Engineering, Testing & Surveying

Date: July 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

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On June 28, 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.

There had been a storm event on 6/27/24 that resulted in nearly 0.6 inches of rain according to the Fort Lewis Station data listed at the CSU Colorado Climate Center. The sedimentation traps at the entrance to the site are generally in good condition though they held water at the time of the inspection and will likely require maintenance. Both ponds held water from recent storm events at the time of the inspection. There was more water in the both ponds at the time of the inspection from the previous inspection. The excess waste material from maintenance operations visible within the west pond at the time of the previous inspection had been removed. 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 most of the existing ditches and culverts appear to be generally in good condition, the treated water ditch (Reach 10) requires maintenance as a result of the recent storm event. The portion of Reach 10 adjacent to the haul road (east side) experienced flows which damaged the check dams installed to minimize flow velocities. The portion of the channel that flows into the stilling basin at the bottom of the lower waste embankment pile experienced some erosion as a result of the stormwater flows (see Pic. 1) and the channel section should be re-established. There was also some erosion of the channel section for Reach 10 where the culvert flows under the haul road at the base of the main waste embankment pile (see Pic. 2) which should be repaired to prevent excessive erosion in the event of a large storm event. 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). Runoff bypassed the check dam at the top of the pile that

resulted in some erosion adjacent to the Reach 10 channel. The channel section should be improved to prevent runoff from running along the side of the channel.

The clear water ditch (Reach 1) experienced some sedimentation as a result of runoff down the steep side slopes. While the flow velocity in the upper portion of Reach 1 did not allow significant sedimentation to accumulate, the lower section of Reach 1 along the lower waste pile did experience higher levels of sedimentation as a result of the lower velocity through this section (see Pic. 4).

The remaining channel sections and culverts were found to be in generally good condition after the recent storm event. Waste material placed on the upper waste pile appears minimal since the previous inspection. Surface grading directs runoff away from the face of both waste piles and the required berming is in place.

The cracking previously noted on the armored channel section of the upper section of the east clear water ditch (Reach 1) had not noticeably deteriorated. The cracks are located along the right side at the base of the armored section and should be monitored for progression.

The recent storm event resulted in the maintenance issues noted within the rerport. 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

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Pic. 1 – Lower portion of Reach 10 at base/stilling basin of lower pile.

Pic. 2 – Reach 10 at culvert under haul road, base of main waste pile.

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Pic. 3 – Erosion top of main waste pile (Reach 10), edge of check dam.

Pic. 4 – North clear water ditch (Reach 1), flatter slope along lower waste pile.

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To: Jordan McCourt
Project Coordinator
GCC Energy, LLC
6473 County Road 120
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(970) 385-4528

From: Ryan Griglak, P.E.
Project Manager
Stoner Engineering & Surveying

Re: King Coal II - Quarterly Water Quality Improvements Inspection

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On June 28, 2024, Ryan Griglak, P.E. visited the GCC Energy, LLC King Coal II site to conduct the quarterly inspection of the water quality pond installed to prevent contaminated storm water runoff from escaping the site in events smaller than the 100-year storm event.

The site experienced a storm event on 6/27 which the Colorado Climate Center storm gauge at Fort Lewis registered almost 0.6 inches of rain. The storm produced intense rainfall over s short period of time. The water quality pond held more water than during the previous inspection (see Pic. 1). The elevation at the bottom of the pond could not be determined due to water within the pond. The current water levels make it difficult to assess the state of the sediment removal operations. It appears that some sediment had been removed has taken place since the previous inspection. Removal of sediment from the pond is on hold due to current water levels. Excess sediment should be removed from the detention pond as soon as site/weather conditions allow. The water is no longer isolated to the north side of the pond due to the recent storm event. Water currently stands around the outlet structure (see Pic. 2).

The vegetation both inside and out of the pond and embankments is well established to minimize the erosion impacts of storm runoff. The outlet structure shows no signs of damage and was functioning as designed at the time of the inspection. The outlet pipes were free from debris, sediment and excessive vegetation. The water quality pond appears to be in generally good condition. There were no signs of weakness or distress to either the outlet structure or the embankment material. The water quality pond appears to have the storage capacity to function as designed.

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The east clear water ditch, the west clear water ditch (west of the driveway access) and the main drainage ditch (combined clear water ditches) were found to be in good condition and clean of debris given the recent storm event. There were no signs of excess erosion or damage noted at the time of the inspection.

The erosion control structures for the treated water ditch located south of the scale house was found to be in good condition. The inlets located around the conveyor and coal storage piles were also found to be in remarkably good condition given the recent storm event (see Pic. 3). The clear water ditch along the west side of the site had been cleaned since the previous inspection and was free of sediment and also showed no signs of damage as a result of the storm event (see Pic. 4). All ditches should be inspected and repaired as necessary, especially after storm events.

The culvert pipes and ditches on the site were in generally good condition overall. The culvert pipes and ditches should be monitored after storm events and cleaned out in the event that sedimentation occurs or debris buildup at the culvert inlets or outlets is observed.

The drainage features for the King II site are functioning as designed and are being maintained in accordance with the approved plans.

Please let me know if you have any additional questions or concerns in regards to the issues discussed in this report.

Sincerely,

Ryan M. Griglak, P.E.
Project Manager

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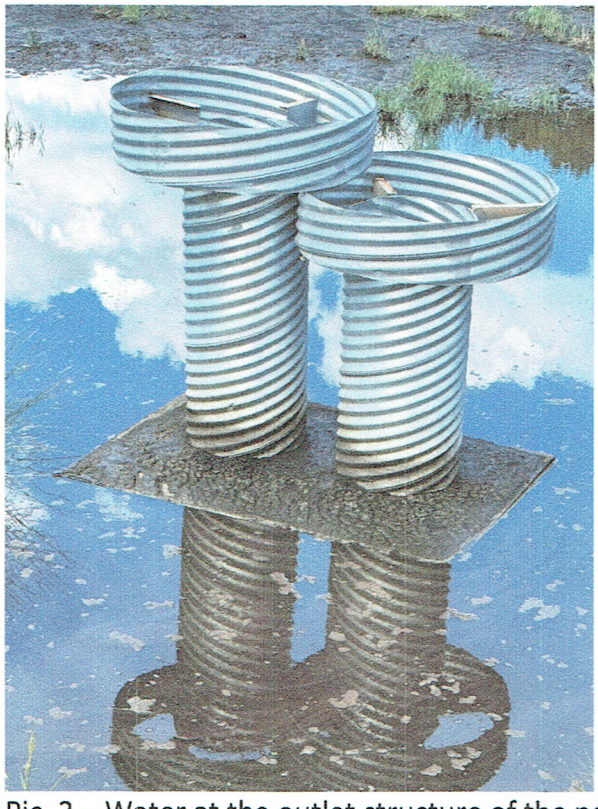
Pic. 1 – Water level in the detention pond after storm event.



Pic. 2 – Water at the outlet structure of the pond.

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Pic. 3 Inlet east of coal pile near northeast corner of coal operations.

Pic. 4 –West clear water ditch.

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