6473 County Road 120
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michael@summitmining.co

October 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 3rd 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 3rd quarter of 2024.

Please contact me at the email or number listed at the header of this document, 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: October 4, 2024

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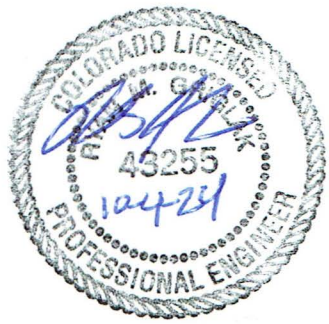
(970) 385-4528



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

Re: King Coal I – Quarterly Water Quality Improvements Inspection

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On September 30, 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 at the time of the inspection. The east pond was mostly dry while the west pond held some water at the time of the inspection. Sediment removal operations appear to be unchanged since the previous inspection due to the wet summer season. 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.

The existing ditches and culverts appear to be generally in good condition and maintenance had clearly been performed since the previous inspection. The upper portion of the treated water ditch (Reach 10), requires maintenance as a result of the recent storm events. A section of riprap was washed down the channel near the top of the upper pile and the runoff eroded the side of the channel near the south, haul road switchback and resulted in erosion to the adjacent slope as noted in the Embankment Inspection Report. The check dams washed out along the haul road along the lower pile have been reconstructed and the ditch armored to minimize erosion during storm events (see Pic. 1). The erosion at the base of Reach 10 at the stilling basin has also been upgraded though will require some minor maintenance as a result of the recent storms (see Pic. 2). The culvert for Reach 10 flowing under the haul road located at the base of the upper waste pile had also been repaired (see Pic. 3). The grading along the south side of the face of the upper waste pile had also been improved to ensure that surface runoff enters the ditch section without eroding the waste embankment pile.

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The clear water ditch (Reach 1) was found to be in good condition with all the sediment cleaned out. The sedimentation at the outlet of the west clear water pipe where it enters into the east clear water ditch has been cleaned out (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 this report. 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

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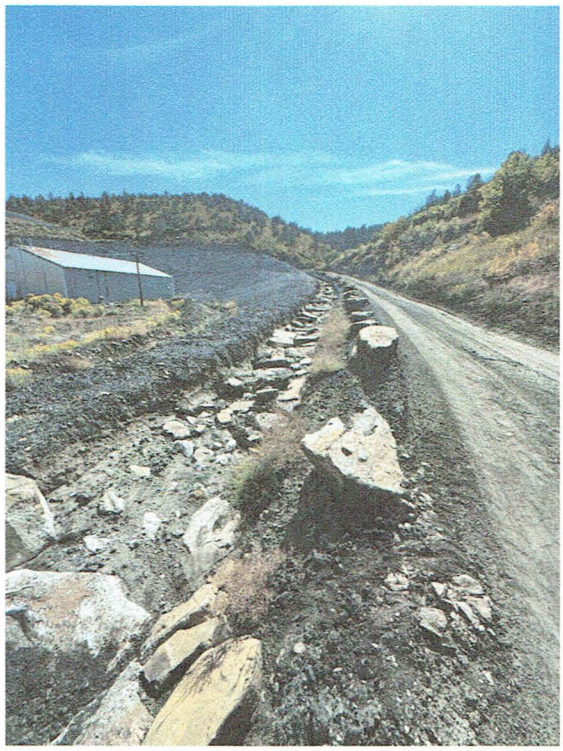
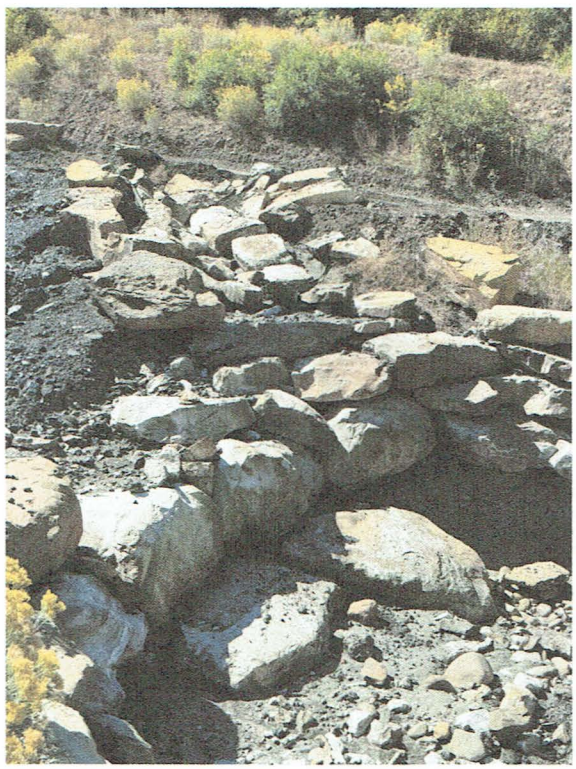


Pic. 1 –Reach 10 at base of lower pile, channel armoring/reconstruction.



Pic. 2 – Reach 10 stilling basin reconstruction.

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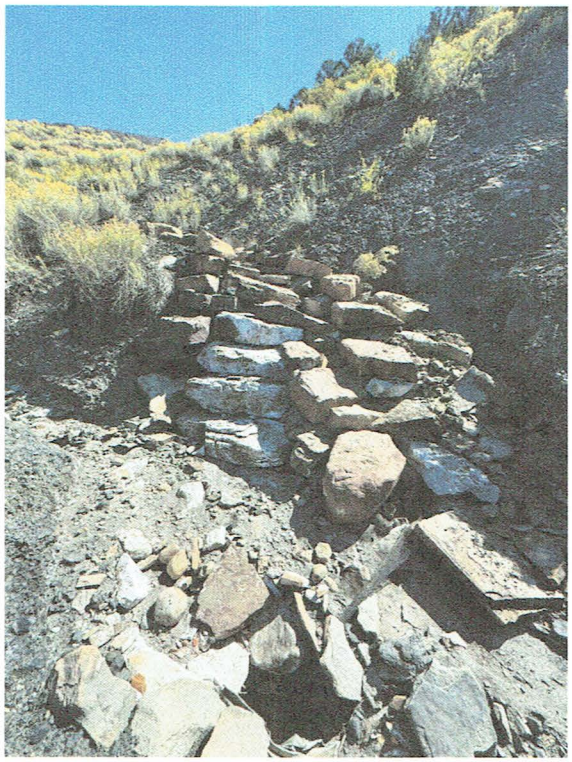
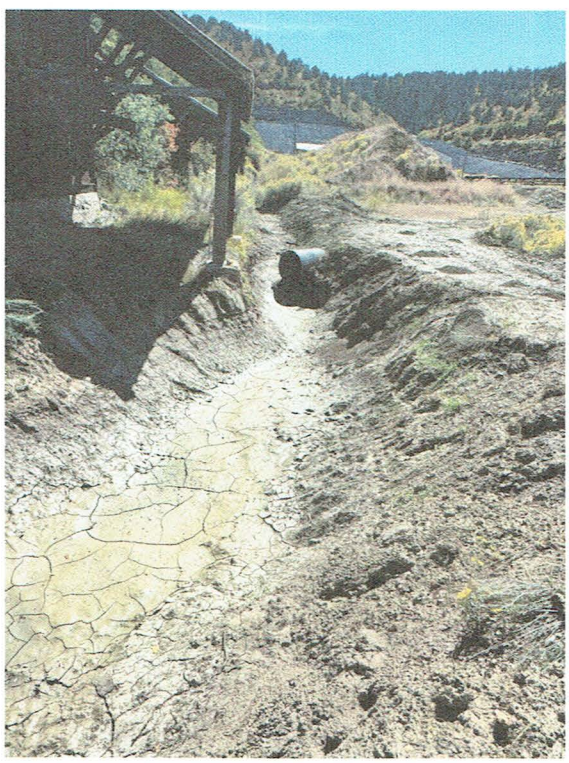


Pic. 3 – Reach 10, culvert under haul road.



Pic. 4 – Sediment cleared from East clear water ditch discharge into Reach 1.

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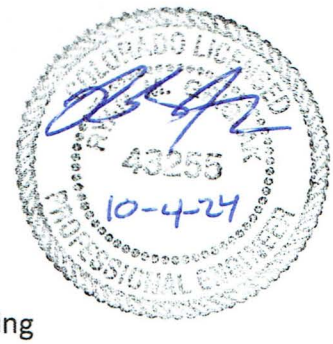

From: Ryan Griglak, P.E.
Project Manager
Stoner Engineering & Surveying

Re: King Coal II - Quarterly Water Quality Improvements Inspection

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On September 30, 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 water quality pond held less 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 had taken place since the previous inspection between storm events. 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. There is no longer water near 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.

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.

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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 are in need of some cleaning given operations and the recent storm events (see Pic. 3 & 4). The clear water ditch along the west side of the site had been improved since the previous inspection and was free of sediment and also showed no signs of damage as a result of recent storm events. 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 recent storms.

Pic. 2 – Outlet structure of the pond.

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Pic. 3 - Inlet east side of coal piles (vibration table) near east clear water ditch.

Pic. 4 –Inlet near conveyer, east of power transformers.

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