Michael Dickson

GCC Energy

"Safety as a Value"

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November 16th, 2024

State of Colorado

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

Attn: Clayton Wein, Environmental Protection Specialist

Re: GCC Energy, LLC, King II Mine
CDRMS Permit # C-1981-035
Minor Revision No. 53 (MR-53) Initial Submittal - Adequacy Response

Mr. Wein,

Please find the attached updated pages addressing items 1, 2, 3, and 5 of the Minor Revision No. 53 Preliminary Adequacy Review. Items 4 and 6 will be addressed in an additional submission to the agency.

Please contact Michael Dickson at 970.909.4022 (cell) or Jordan McCourt at 970.385.4528 x 6531 with questions or comments.

Sincerely,

Michael Dickson

Michael Dickson
Mine Engineer
michael@summitmining.co

2.03.8 - PERMIT TERM INFORMATION

The anticipated start of each phase of mining activities is discussed in Section 2.05.2 and 2.05.3 Operations Plan.

The term of the permit shall be for five (5) years from issuance, renewable under the terms of Rule 2.08.5.

The current extent of areas affected by this permit, the anticipated number of acres to be affected during the 5-year term of this permit, and the anticipated number of acres to be affected during the total life of the permit is listed in the following table:

Location	Approved Areas	5 Year Additional	Life of Operation Additional
King I Surface Facilities (Disturbed Area)	23.60 Acres	+ 0 Acres	+ 0 Acres
King II Surface Facilities (Disturbed Area)	22.89 Acres	+ 0 Acres	+ 0 Acres
TR-22 Drill Holes Disturbed Area	2.1 Acres	+ 0 Acres	+ 0 Acres
MR-49 Drill Hole Disturbed Area	0.8 Acres	+ 0 Acres	+ 0 Acres
TR-26 Monitoring Wells Disturbed Area	1.0 Acres	+ 0 Acres	+ 0 Acres
MR-53 Drill Holes Disturbed Area	0.24 Acres	+ 0 Acres	+ 0 Acres
Total Disturbed Area	**50.63 Acres**	+ 0 Acres	+ 0 Acres
King I Affected Area	1392.9 Acres	+ 0 Acres	+ 0 Acres
King II Affected Area	260.7 Acres	+ 0 Acres	+ 0 Acres
TR-22 Drill Holes Affected Area	1.1 Acres	+ 0 Acres	+ 0 Acres
Total Affected Area	**1654.7 Acres**		
Total Permit Area (prior to TR-24)	2615.8 Acres	+ 0 Acres	+ 0 Acres
Total Permit Area (including TR-24 angle-of-draw adjustments)	**2705.4 Acres**	+ 0 Acres	+ 0 Acres

In January 2009, the King I mine was permanently sealed. The final mine map revealed areas where the potentially affected areas lie outside of the permit boundary (due to potential angle-of-draw) as shown at the time. To reflect that change, the permit boundary has been revised with the submittal of TR-24 to show an increased permit area of 89.60 acres. No actual disturbance due to subsidence has ever been noted outside of the previous extent of the permit boundary. The following table provides percentages of surface and mineral ownership concerning the expanded 89.60-acre permit area.

	Surface Ownership	Mineral Ownership
Federal	0 %	63.76% (57.13 Acres)
State	0 %	0 %
Private	100 % (89.60 Acres)	36.24% (32.47 Acres)

EXPLORATION HOLE DRILLING, MR-53

GCC proposes to drill four (4) exploration holes numbered GCC-22-08, GCC-22-12, GCC-22-13, & GCC-22-14, as shown King II-006B. These holes will consist of drilling approximately 320 feet just below the coal seam to determine coal thickness and quality. GCC typically uses a 6.25 inch bit when conducting its drilling program. While GCC typically uses a 6.25-inch bit for its drilling program, the actual bit size may vary depending on site-specific conditions, equipment availability and operational requirements.

A small cutting pit will be constructed to capture the cuttings (see drawing in Appendix 4(4)). Cuttings pits are excavated by a back-hoe and are approximately 6 feet wide by 10 feet long by 3 feet deep. The pit will be unlined and construction is the same for all drilling methods used. Locations of the proposed holes and existing access roads are shown on Maps King II-006B.

During final reclamation, the drill holes will be plugged by filling from the bottom up to the surface with cement. The plug will be covered with like material as in road base or topsoil depending on which is present. Tracks will be raked or brushed to remove obvious signs of activity.

Where topsoil is encountered within the area to be disturbed at a drill pad, the topsoil will be salvaged by scraping the suitable soil horizons to the upgradient side of the drill pad where they will be temporarily stockpiled. Topsoil will be salvaged to the depths described in Section 2.04.9 for the soil type encountered at the drill pad. As the time required for drilling is short, less than a few days per hole, stockpiled topsoil will not be seeded or otherwise actively stabilized. Topsoil will be replaced, stabilized, and reseeded after drilling, as described in the reclamation plan in Section 2.05.4.

Given the small size and temporary nature of the drill pad, GCC requests that this area be granted SAE (small area exemption) status concerning sediment control. To ensure minimal impact from water erosion, the drill pad will have straw wattle erosion “logs” installed along the downgradient side or sides of the drill pad (See drawing in Appendix 4(4)). The straw wattles will filter any surface water runoff from the temporary drill pad during operations and will be left in place until the reclamation of the drill pad is complete.

Drilling will be accomplished with a truck-mounted core rig accompanied by a water truck typically of 3,000-gallon capacity; a flat-bed service truck; and smaller pickup trucks as necessary for service and transportation to and from the drilling site. Water will be provided to the drill sites from the mine supply at the main plant.

The hole may be geophysically logged. The equipment necessary for such work is typically mounted in a full-size Suburban-type 4X4. Under this program, no roads are proposed for construction and no blasting will be performed.

The moderately rugged terrain of the proposed exploration area consists primarily of the mesas drained by Hay Gulch. The drill site elevation ranges from approximately 8,200 feet to 8,680 feet.

The exploration holes will be accessed by dirt roads and well-defined jeep trails controlled and maintained by the Ute Mountain Ute Tribe and by roads maintained by the surface owners (C&C Livestock Corporation) within the CDRMS permit area. GCC Energy maintains a “crossing permit” with the Tribe for drill site access.

The crossing permit with the Ute Mountain Ute Tribe is subject to annual renewal. The agreement for 2025 is currently under review and pending approval by the tribal council. GCC Energy, LLC will submit the finalized 2025 access agreement to the Division as part of a future minor revision application. Activities under MR-53 will not commence until the Division has received and approved the 2025 access agreement.

Access from the existing jeep trail and the drill site will be achieved by using a “brush cutter” (a device that attaches to the front of a skid steer loader) to grind a path for the drill rig and support vehicles through the existing oak brush patches. Topsoil and ground cover will not be disturbed in the process. The drill site will not be accessed if rain or snowmelt would create ruts over 6 inches. The weather can drastically affect mobility and as such, severely limit access, especially in winter months. The drilling is anticipated to be completed, weather permitting, during the summer of 2025, and at the latest December, 2025.

Water-bearing strata is not expected to be encountered during exploration. Water has not been encountered in previous drilling projects in the area or the active workings of the King II mine. Small amounts of water were encountered occasionally at the King I mine. These were believed to be small “perched” aquifers that dried up quickly once the coal had been removed below them. Unlike the King II mine, the King I mine strata dipped below the coal outcrop. King II outcrops on practically all sides of the surrounding mesas, effectively draining any perched aquifers to the outcrop.

Appendix 4(4)

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King II

Figure 2
Typical Drill Site