6473 County Road 120
Hesperus, CO 81326

970.909.4022
michael@summitmining.co

January 27th, 2025

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 4th 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 4th 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: January 2, 2025

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 December 23, 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 dry while the water in the west pond had decreased since the time of the last inspection. Sediment removal operations appear to be unchanged since the previous inspection. 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 at the time of the inspection. Maintenance had been completed on the treated water ditch (Reach 10). The washed-out upper portion of the treated water ditch (Reach 10) had been repaired (see Pic. 1). The portion of Reach 10 along the face of the upper waste pile has been improved to prevent runoff from escaping the channel section (see Pic. 2). The check dams/riprap of Reach 10 along the lower haul road is in generally good condition (see Pic. 3). The erosion at the base of Reach 10 at the stilling basin was found to be in generally good condition though the west side of the channel requires some maintenance (see Pic. 4). The grading along the south side of the face of the upper waste pile was found to be in generally good condition.

The clear water ditch (Reach 1) was found to be in good condition.

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The remaining channel sections and culverts were found to be in generally good condition. 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.

There has been no notable change in the cracking previously noted on the armored channel section of the upper section of the east clear water ditch (Reach 1). 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

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Tel 970.565.7483

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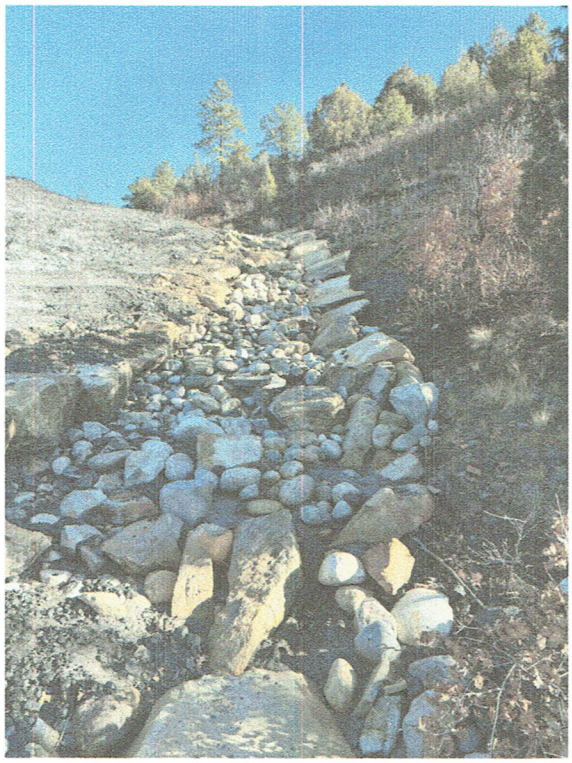

Pic. 1 –Reach 10 upper section channel repair completed.

Pic. 2 – Reach 10 Channel repair middle section of upper pile.

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Pic. 3 – Reach 10, armored section along lower haul road.

Pic. 4 – Some erosion at stilling basin at base of Reach 10.

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Date: January 2, 2025

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 December 23, 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 roughly the same amount of water as during the previous inspection (see Pic. 1). The elevation at the bottom of the pond could not be determined due to ice/water within the pond. The current water levels make it difficult to assess the state of the sediment removal operations. It appears that sediment removal is also at the same point as the previous inspection. Excess sediment should be removed from the detention pond as soon as site/weather conditions allow.

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 (see Pic. 2).

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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 have been improved since the previous inspection. The inlet near the vibratory processing requires additional maintenance due to ongoing operations (see Pic. 3) while the inlet east of the power station is in generally good condition (see Pic. 4). The clear water ditch along the west side of the site had been improved since the previous inspection and was free of sediment. 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 – West Clear Water Ditch.

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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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