COLORADO
Division of Reclamation, Mining and Safety
Department of Natural Resources

PERMIT INFORMATION

Permit Number: C-1981-035 **Mine Name:** King Coal Mine **Operator:** GCC Energy, LLC **Operator Address:** Mr. Jordan McCourt 6473 County Road 120 Hesperus, CO 81326	**County:** La Plata **Operation Type:** Underground **Permit Status:** Active **Ownership:** Private
	Operator Representative Present: Jordan McCourt
Operator Representative Signature: (Field Issuance Only)	

INSPECTION INFORMATION

Inspection Start Date: March 26, 2025 **Inspection Start Time:** 08:50 **Inspection End Date:** March 26, 2025 **Inspection End Time:** 11:45	**Inspection Type:** Coal Complete Inspection **Inspection Reason:** Normal I&E Program **Weather:** Clear
Joint Inspection Agency: None	**Joint Inspection Contacts:** None
Post Inspection Agency: None	**Post Inspection Contacts:** None

Inspector(s): Clayton Wein Travis Marshall	**Inspector's Signature:** Clayton Wein	**Signature Date:** 4/16/2025

1313 Sherman St. Room 215
Denver, CO 80203
(303) 866-3567

Inspection Topic Summary
NOTE: **Y**=Inspected **N**=Not Inspected **R**=Comments Noted **V**=Violation Issued **NA**=Not Applicable

N - Air Resource Protection
R - Availability of Records
N - Backfill & Grading
N - Excess Spoil and Dev. Waste
N - Explosives
R - Fish & Wildlife
R - Hydrologic Balance
N - Gen. Compliance With Mine Plan
N - Other
R - Processing Waste
R - Roads
N - Reclamation Success
N - Revegetation
N - Subsidence
N - Slides and Other Damage
R - Support Facilities On-site
R - Signs and Markers
N - Support Facilities Not On-site
N - Special Categories Of Mining
R - Topsoil

COMMENTS

This report documents the Division's observations taken during a complete inspection of the King Mine, Permit No. C-1981-035. The inspection was completed on March 26, 2025, by Clayton Wein and Travis Marshall of the Division. The operator, GCC Energy, was represented during the inspection by Jordan McCourt. The weather was clear with a temperature starting at 45°F. The ground conditions were mostly dry with some muddy areas and small amounts of snow in the shaded north-facing slopes.

During the inspection, the Division identified the following maintenance items:

1. The culvert above the lower refuse disposal area, connected to reach 10 requires the inlet and outlet to be repaired and cleaned (Photo 1 and 2).
2. Oil barrels from a recent shipment were not in secondary containment within the hydrocarbon storage shed (Photo 2).
3. Coal dust on the southern hillside adjacent to Coal Stack #1 was identified. The west clearwater ditch for the King II area is located at the base of this hillside. GCC needs to ensure the clearwater ditches at the King II area will not be impacted by coal dust.

Maintenance Items #1 and #2 have been addressed. GCC submitted a letter on March 31, 2025, containing photos of the completed maintenance items. The March 31, 2025, letter from GCC has been attached to the end of this report.

Discussions about Maintenance Item #3 following the inspection have resulted in GCC requesting 90 days to determine where the coal dust is coming from and propose a solution to keep the clearwater ditch from future potential impacts. The Division has granted GCC 90 days from the date of the inspection report to complete Maintenance Item #3.

AVAILABILITY OF RECORDS – Rule 5.02.4(1):

The records for the King Mine are located on a computer in the mine office. The records are accessed via the

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Division's Laserfiche database. The records were op to date. Please see the Availability of Records Form attached to this report for more details.

FISH and WILDLIFE – Rule 4.18:

While traversing between the King II facilities and the King I facilities, a small group of Turkey were spotted in Hay Gulch.

HYDROLOGIC BALANCE - Rule 4.05
Drainage Control 4.05.1, 4.05.2, 4.05.3; Siltation Structures 4.05.5, 4.05.6; Discharge Structures 4.05.7, 4.05.10; Diversions 4.05.4; Effluent Limits 4.05.2; Ground Water Monitoring 4.05.13; Surface Water Monitoring 4.05.13; Drainage – Acid and Toxic Materials 4.05.8; Impoundments 4.05.6, 4.05.9; Stream Buffer Zones 4.05.18:

King I Facilities:

There are two clearwater diversion ditches located at the King I facilities. The east and west clearwater ditches. During the inspection the east clearwater ditch was dry (Photo 6). There were no obstructions or erosional features observed. The sediment levels within the ditch were minimal. The concrete armored portion of the ditch extends down the hill adjacent to the upper refuse disposal area (URDA) to the adjacent hillside of the lower refuse disposal area (LRDA). The concrete portion was stable and there was no undercutting observed (Photo 7). The west clearwater ditch was observed to be muddy from snowmelt (Photo 8). There were no blockages or erosional concerns identified. Sediment levels within the ditch were low.

Three culverts are placed beneath the portion of the haul road extending from the URDA down to the LRDA. The upper culvert was in good condition. The inlet and outlet of the pipe was clear of debris and sediment levels were minimal. The second culvert is placed beneath the switchback above the LRDA. The inlet and outlet to the culvert was free of obstructions. There were no excess amounts of sediment observed. The lowest culvert goes underneath the haul road just above the LRDA and connects to Reach 10 on the LRDA. The inlet and outlet to the culvert required maintenance (Photo 1 and 2). Some of the channel armoring (rocks) need to be replaced and sediment needs to be removed. The operator provided the Division with photos of the completed maintenance in a letter dated March 31, 2025.

Reach 10 was observed to be clear of blockages and stable. There were no erosional concerns identified. There was no flow through Reach 10 during the inspection. Sediment deposition within the channel was minimal.

Reach 13 was also clear of blockages. There were no indications of erosional features or instability. Reach 13 was dry at the time of the inspection. The armored portion of reach 13 on the east side of the LRDA was in good condition (Photo 9). Minimal amounts of sediment were noted. The end of Reach 13 enters a culvert with a metal grate over it. The grate was unobstructed.

The ditch at the base of the LRDA was dry and clear of obstructions. There were no erosional features identified.

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The culverts on the main facilities pad direct water to the east and west sediment ponds. The culverts where clear of debris and had minimal sediment deposited at the inlets and outlets.

The east pond was damp in the bottom. The inlet and outlet to the pond were clear of blockages. The embankment for the pond was stable with vegetative cover (Photo 10). There were no erosional concerns noted.

The west pond was holding a small amount of water during the inspection (Photo 11). The level of water impounded in the pond was below the discharge outlet. The inlet and outlet for the pond were unobstructed. The embankment for the pond was vegetated and stable. No erosional features were observed.

Sumps with silt fences are located on the east and west side of the haul road at the entrance to the King I facilities. The sumps were muddy. The silt fences were stable and in good condition. The amount of sediment collected within the sumps was minimal during the inspection. No off-site impacts were observed.

King II Facilities:

The King II facilities has two clearwater diversion ditches, the east and west clearwater ditches. The east clearwater ditch was dry during the inspection (Photo 12). The diversion was stable with no erosional features identified. Minimal amounts of sediment have deposited in the channel. The west clearwater diversion starts at the northwest corner of the King II area, turns south along the haul road and ends at the entrance to the mine site. Discharge will go through a sump with a silt fence before leaving the permit boundary. The ditch was dry with some damp spots (Photo 13). There were no obstructions or indications of erosional features. The Sump was stable with the silt fence being in good condition. There was no water in the sump.

Drainage ditches and associated culverts within the King II area report to the sediment pond. The drainage ditches were conveying water during the inspection (Photo 14). The open ditches were clear of debris and functioning as designed. There were no indications or erosional features. Culverts throughout the facilities area had unobstructed inlets and outlets (Photo 15). Maintenance to remove sediment was not warranted at the time.

One sump is located on the east side of the hydrocarbons storage shed. The sump was muddy (Photo 16). There were no erosional concerns or indications of instability. The discharge outlet for the sump was clear of blockages.

The sediment pond is located on the south end of the King II facilities. The sediment pond was holding water during the inspection (Photo 17). There was no discharge occurring. The discharge outlet was clear of debris. The embankment for the pond was stable with vegetative cover. There were no erosional concerns identified.

PROCESSING WASTE/COAL MINE WASTE PILES – Rule 4.10 and 4.11
Drainage Control; Surface Stabilization; Placement:

The coal waste piles are located at the King I facilities. The URDA was stable with minor rills observed on the north facing slope and top (Photo 18). These rills have been noted in previous Division inspections and do not impact the stability of the pile. The operator resurfaces the slope when the rills become too prevalent. No other erosional features were observed. A stockpile of refuse was seen on the southern end of the pile. The refuse material will be spread and compacted when springtime conditions allow. The LRDA was also stable during the

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inspection. The face of the pile had no erosional features. There was coal refuse stockpiled on the URDA at the time of the inspection. The material will be spread and compacted as spring conditions allow.

ROADS – Rule 4.03
Construction 4.03.1(3)/4.03.2(3), Drainage 4.03.1(4)/4.03.2(4), Surfacing and Maintenance4.03.1(5) and (6)/4.03.2(5) and (6), Reclamation 4.03.1(7)/4.03.2(7):

The King I haul road extends south from County Road 120. The road was generally in good condition. The switchbacks between the LRDA and the URDA were a little rutted from the winter. Maintenance is usually performed on the road in the spring after snowmelt has finished for the year. The road was stable and all runoff appeared to be conveyed to the proper drainage ditches.

The King II haul road extends north from CR 120. The road was stable with no erosional features. The associated drainage ditch was clear of debris.

SUPPORT FACILITIES - Rule 4.04:

The King I facilities pad was in good condition. There were no erosional features identified. The site was well kept and there was not any trash or debris laying about the site. No hydrocarbons were observed at the site during the inspection. There is a containment structure placed near the old bath house to be used if hydrocarbons are needed at the site.

The King II facilities pad was in good condition. Materials were observed to be stored in their respective laydown area (Photo 19). Trash was kept within the receptacles (Photo 20). The hydrocarbon storage shed needed to be reorganized. A recent shipment of oil was left out of secondary containment (Photo 3). The operator moved the oil to the proper containment and provided the Division with a photo of the completed maintenance item in the attached March 31, 2025 letter. During the inspection coal dust was observed on the hillside across the access road from the Coal Stack #1. Discussions about Maintenance Item #3 following the inspection have resulted in GCC requesting 90 days to determine where the coal dust is coming from and propose a solution to keep the clearwater ditch from future potential impacts.

The Ute barn area was stable with no erosional concerns. The drainage ditch was clear of debris and sediment. The silt fence at the end of the sump was in good repair (Photo 21). No off-site impacts were observed.

SIGNS AND MARKERS – Rule 4.02:

Mine identification signs were observed posted at the entrances to the King I and King II facilities from CR 120 (Photo 22). The signs displayed the permittee's name and address along with the Division's permit ID number. The signs were posted in easily identifiable locations.

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Topsoil pile markers were observed to be posted on topsoil stockpiles at the King I and King II facilities areas. The markers were placed in easily spotted locations.

Affected/disturbed boundary markers were also observed to be posted (Photo 23). The signs were placed in locations easy to spot.

TOPSOIL – Rule 4.06
Removal 4.06.2; Substitute Materials 4.06.4(4); Storage and Protection 4.06.3; Redistribution 4.06.4:

Topsoil stockpiled at the King I facilities were stable with vegetative cover. There were no erosional features or loss of topsoil resource observed.

Topsoil stockpiles at the King II facilities were also found to be covered with vegetation. The piles were stable with no erosion identified (Photo 24). There was no loss of topsoil resource.

DOCUMENTS RECEIVED: March 31, 2025, Letter for Completed Maintenance Items No. 1 and No.2

OTHER (SPECIFY): None

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ENFORCEMENT ACTIONS/COMPLIANCE

No enforcement actions were initiated as a result of this inspection, nor are any pending.

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PHOTOGRAPHS

Photo 1: Reach 10 culvert inlet of the lower most culvert between the URDA and LRDA. Maintenance Item #1.

Photo 2: Reach 10 culvert outlet of the lower most culvert between the URDA and LRDA. Maintenance Item #1.

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Photo 3: The Hydrocarbon/Fuel Storage Shed with oil that needed to be placed in secondary containment. Maintenance item #2.

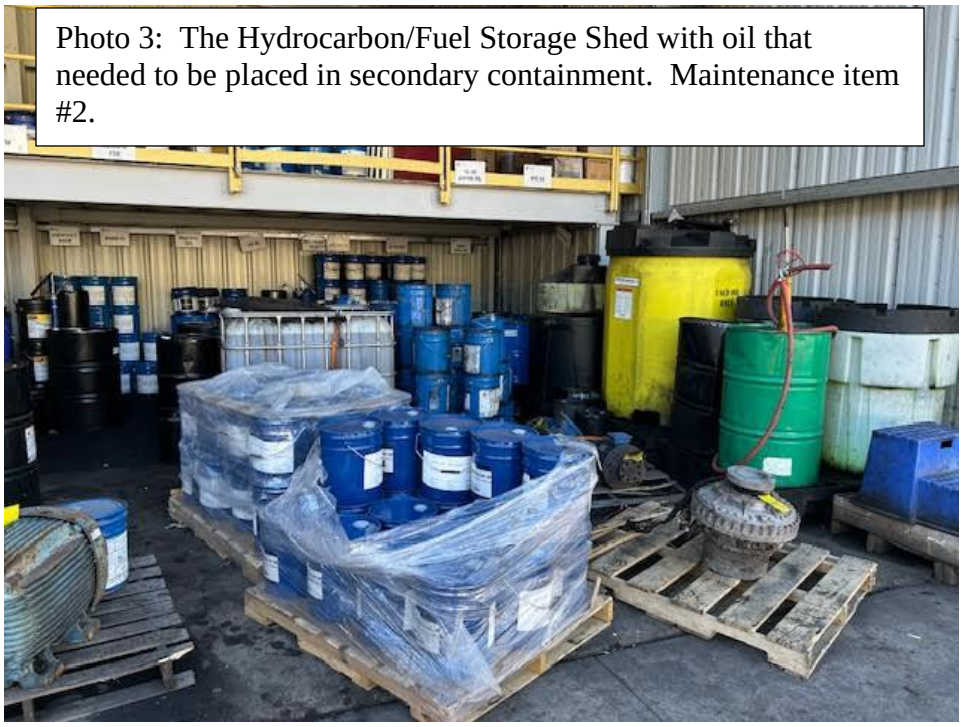

Photo 4: The hillside above the west clearwater ditch referenced in Maintenance Item #3.

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Photo 5: A second view of the hillside above the west clearwater Ditch Referenced in Maintenance Item #3

Photo 6: The east clearwater ditch at King I.

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Photo 7: The concrete armored portion of the east clearwater ditch at King I.

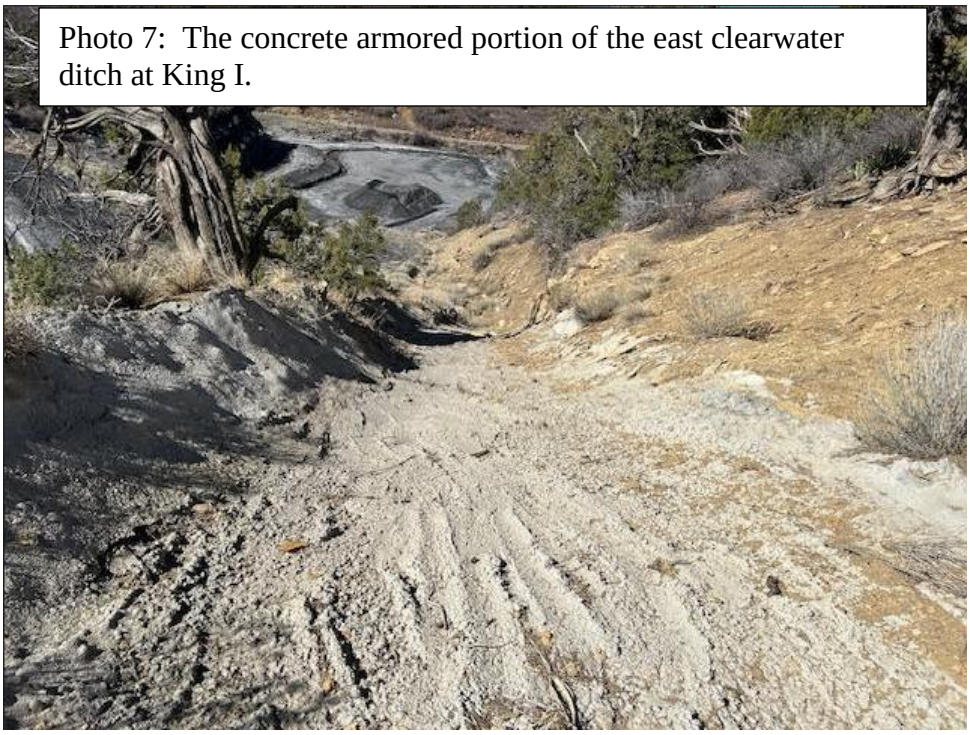

Photo 8: The west clearwater ditch at King I.

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Photo 9: The armored portion of Reach 13.

Photo 10: The east sediment pond at King I.

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Photo 11: The west sediment pond at King I.

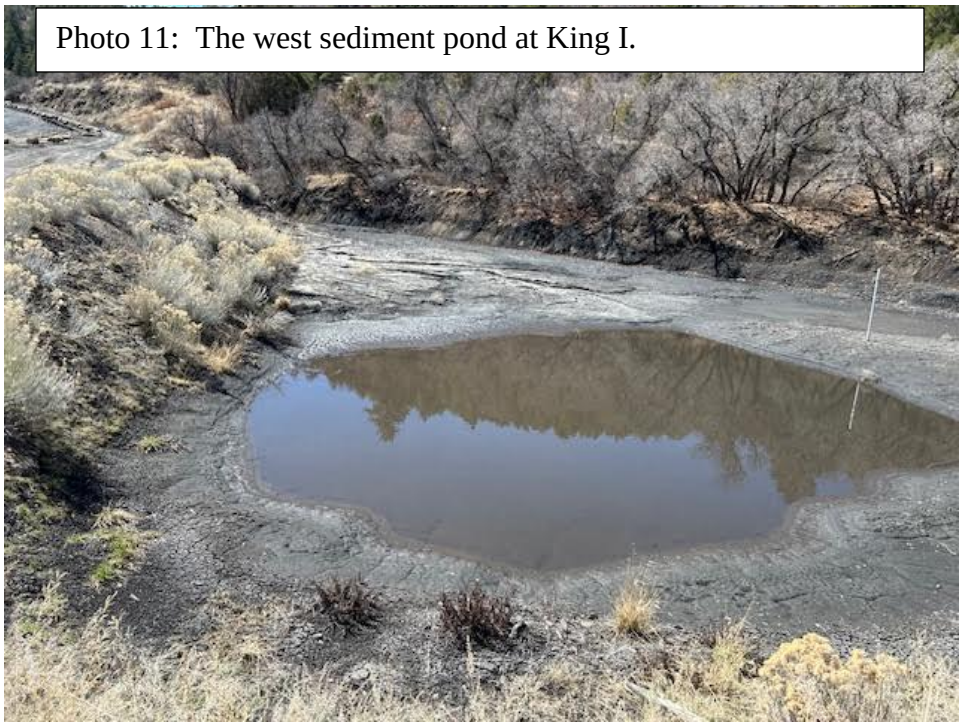

Photo 12: the east clearwater ditch at King II.

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Photo 13: The west clearwater ditch at King II.

Photo 14: The facilities ditch west of the main coal stockpile at King II.

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Photo 15: A couple of the clear culverts located on the conveyor portals pad at the King II area.

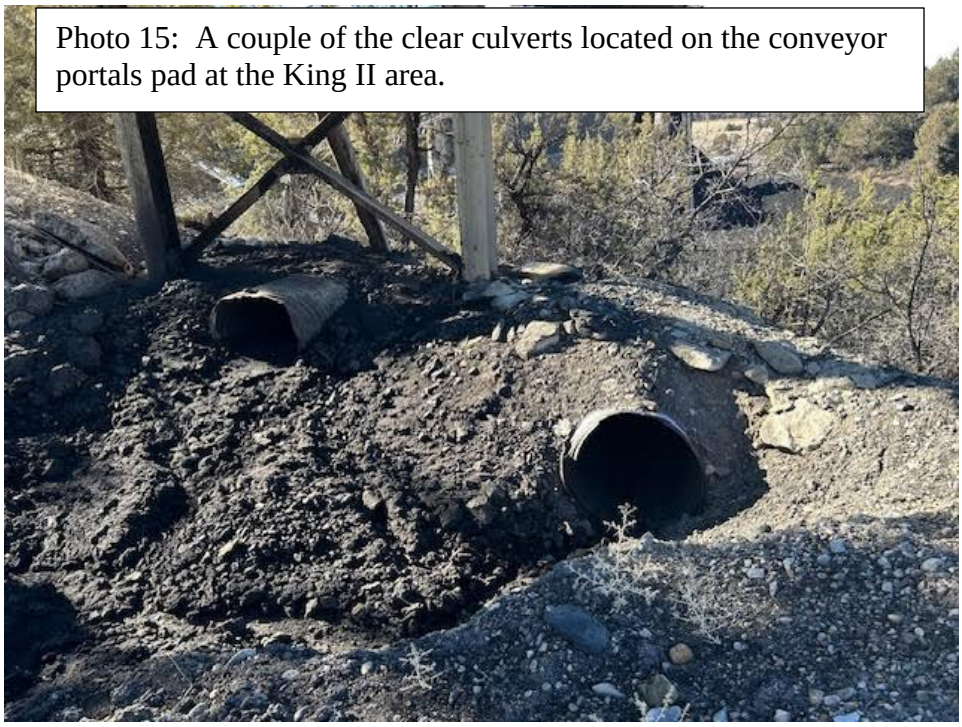

Photo 16: The sump located behind the fuel/hydrocarbon storage shed.

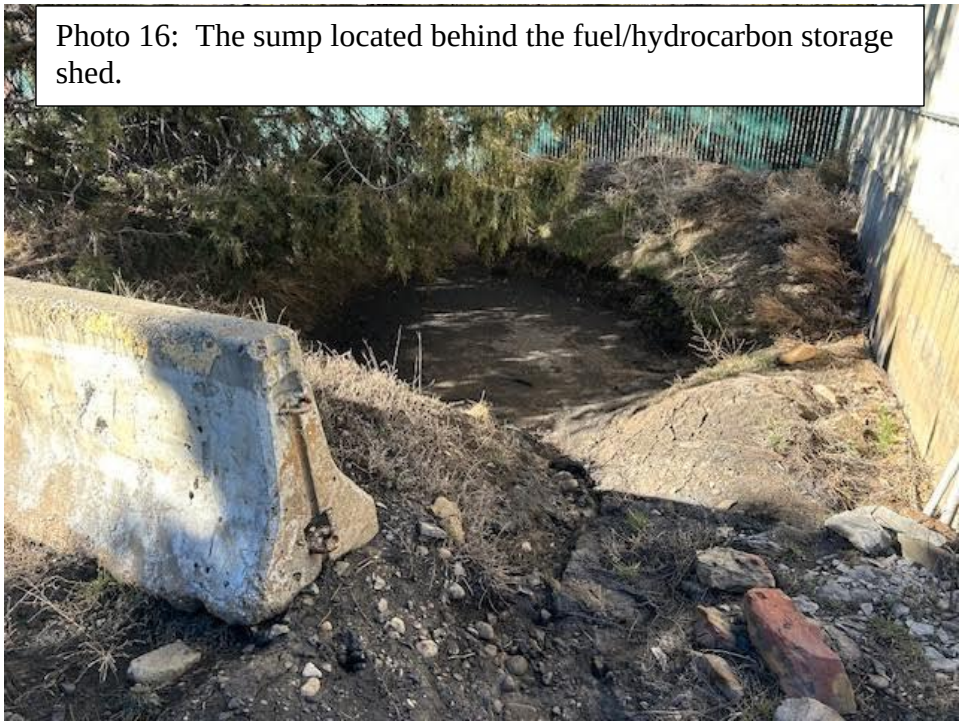

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Photo 17: The sediment pond at the King II area.

Photo 18: The top of the URDA with rills observed draining into the west drainage (Rach 10).

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Photo 19: One of the equipment/materials laydown areas at the King II area.

Photo 20: The dumpsters located at the King II area.

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Photo 21: The sump and silt fence at the Ute Barn area.

Photo 22: The mine ID sign posted on the gate at the King I area.

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Photo 23: One of the disturbed boundary markers observed at the King II area.

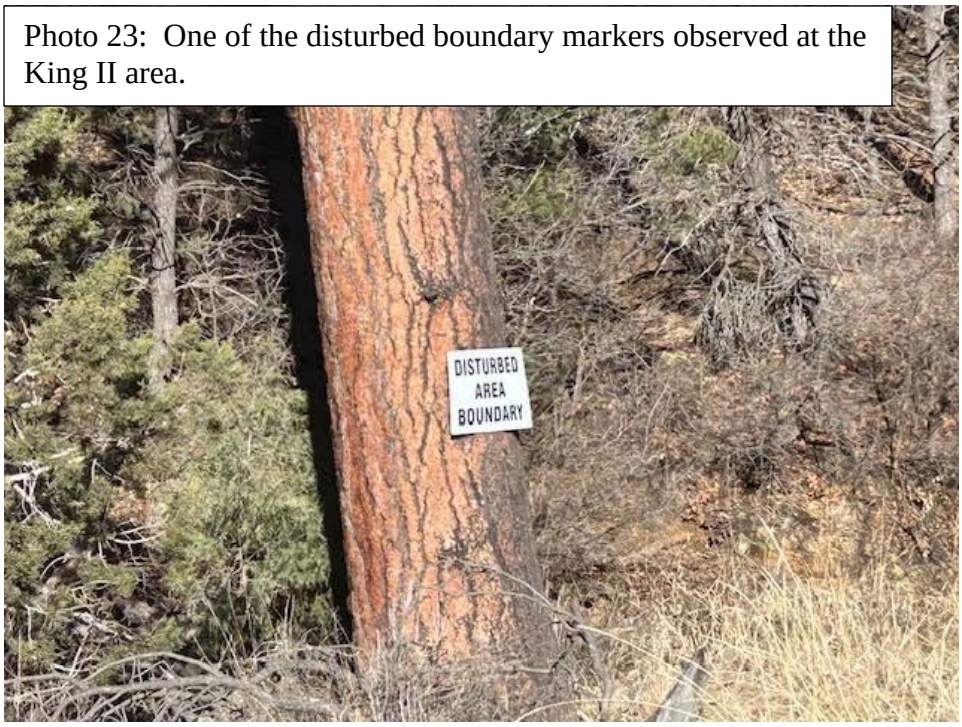
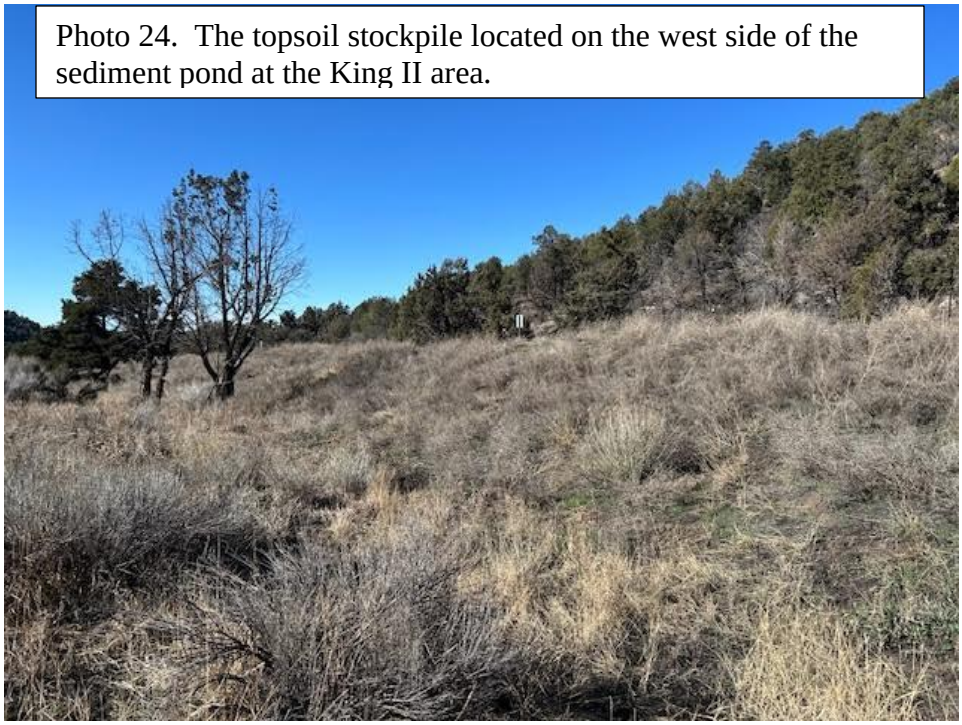


Photo 24. The topsoil stockpile located on the west side of the sediment pond at the King II area.



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AVAILABILITY OF RECORDS

PERMIT RECORDS	
DRMS Permit	RN-8
Permit Application w/Revisions	OK
Findings Document	RN-8
Insurance Certificate	Exp. Sep. 2025
Bond Document	OK
Phased Bond Release Documents/Findings	NA
Air Emission Permits	09LP0202F
County Special Use Permits	OK
UG Mining Landowner Notification	OK
Subsidence Monitoring Reports	OK
Subsidence Monitoring Data	OK
Rill & Gully Survey	NA
Vegetation Monitoring Data	NA
Specific Variance Approvals	NA
Annual Reclamation Reports	2024
Midterm Review Documents	MT-7
DRMS/OSM Inspection Reports/Enforcement Actions (3 Years)	Up to Feb. 2025
Transfers/Succession of Operator	OK
Temporary Cessation Notification	NA
Reclamation Cost Estimate	OK RN-8
CERTIFICATIONS	
Pond Certifications	Ok
Annual Certifications for Impoundments	2024
Fill Certifications for Excess Spoil or Underground Development Waste	4th Q 2024
• Quarterly Inspections	4th Q 2024
• Compaction Testing	Annual/2024
• Final Certification	NA
Coal Processing Waste Banks	NA
Haul Road Certifications	OK
Access Road Certifications	OK

HYDROLOGIC RECORDS	
NPDES Permit	COG850001
NPDES Records	Up to 4th Q 2024
Stormwater Management Plan	2017 OK
SPCC Plan	OK
MSHA Pond Inspections	1st Q 2023
State Engineer's Pond Inspection	NA
Quarterly Pond Inspections	Up to 4th Q 2024
Annual Hydrology Reports	2024
• Ground Water Monitoring	OK
• Surface Water Monitoring	OK
• Spring & Seep Monitoring	NA
• Mine Water Discharge Monitoring	NA
• Mine Inflow Study	NA
• Water Consumption Records	OK
Well Permits	OK

BLASTING RECORDS	
Blasting Publication	NA
Blasting Records (3 years)	NA
ATFE Explosives Permit	NA
Blasting Variances	NA
Pre-Blast Surveys	NA

ADDITIONAL RECORDS (specify)	

COMMENTS:

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GCC Energy

"Safety as a Value"

Telephone: 970.385.4528
Facsimile: 970.385.4638

GCC Energy, LLC
6473 County Road 120
Hesperus, CO 81326

March 31st, 2025.

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 I Mine CDRMS Permit # C-1981-035
March Inspection - Adequacy/Maintenance Items Resolved

Mr Wein;

Please find attached photos addressing adequacy/maintenance items from the March Inspection. The items were finalized on the 27th of March, 2025.

Please contact Michael Dickson at 970.909.4022 (cell) or Wade Wymore at 970.385.4528 ext. 6507 or 970.749.0341 with questions or comments.

Sincerely,

Michael Dickson

Picture 1: King I Outlet Culvert Cleaned

Picture 2: King I Culvert Inlet Cleaned

Picture 3: Oil Storage Area