

6473 County Road 120
Hesperus, CO 81326

970.441.1100
m.dickson@gcc.com



July 28th, 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
Sunder, Miller & Associates: Quarterly Inspection: King I 'UbX' = Water Quality
Improvements Inspection 2nd Quarter 2025

Mr. Wein:

Please find enclosed a copy of Sunder, Miller & Associate's Quarterly Inspection report of the King I 'UbX' = water quality improvement inspection for the 2nd quarter of 2025.

Please contact me at 970.441.1100, or m.dickson@gcc.com if you have any questions or require any additional information.

Sincerely,

Michael Dickson



June 13, 2025

#5534219 Task 1

Jordan McCourt
Project Coordinator
GCC Energy, LLC
6473 County Road 120
Hesperus, CO 81326
jmccourt@summitmining.co
(970) 385-4528

RE: King Coal I – Quarterly Water Quality Improvements Inspection

Dear Mr. McCourt:

On June 12, 2025, Stephanie Hinds, 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 previous inspection occurred on March 20, 2025.

Sediment Traps

The sedimentation traps at the entrance to the site appear to be in good working condition, anchored below the ground and trapping sediment (Pic. 1). They should continue to be maintained and dredged when sediment levels get high, particularly after rainfall events.

Ponds

The east pond was dry and the sediment levels within the pond appears to be relatively low (Pic 2). Some sedimentation is evident in the southern inlet portion of the east pond. SMA recommends monitoring this area and dredging should more sedimentation occur, which may impede flow into the main portion of the pond. The west pond was mostly dry and it appears dredging activities were initiated but not complete due to the still wet pond bottom (Pic 3). It is recommended that dredging of the pond resume as soon as conditions allow.

Overall, sediment removal operations for both ponds appear to be effective since the previous inspection and the ponds' storage capacities appear adequate. Continued maintenance and dredging of both ponds is recommended, particularly after runoff events.

Ditches and Culverts

The existing ditches and culverts appear to be generally in good condition at the time of the inspection, including the rock armor and sediment levels (Pic. 4). Voids observed along Reach 9 during the last inspection appear to have been fixed and the reach appears to be in good condition (Pic. 5). The lower and upper portions of Reach 10 also appear in good condition (Pics. 6-7). The undercutting of rock armor from the upper waste pile to the drainage ditch appears in better condition than the previous inspection, and only minor erosion is evident (Pic. 8). SMA recommends monitoring and maintenance of this section to ensure erosion channels do not continue to grow.

The clear water ditch (Reach 1) was found to be in good condition. The cracks noted in the lower armored section of Reach 1 appear to be about the same size as observed in the previous inspection (Pic. 9). The upper armored section of Reach 1 should be monitored for increased cracking and exposed subsurface and maintained clear of excessive vegetation that may reduce ditch capacity and impede flow. Grout can be installed in the cracks to prevent water infiltration and locations monitored for additional signs of movement.

The sediment build-up previously noted during the previous inspection at the culvert outfall near the bottom of Reach 5 appears to have been clean out (Pic. 10). Continue to monitor the sediment load and dredge if the culvert and ditch flow appear to be impeded.

Lower and Upper Waste Piles

The waste pile areas appear in good condition. Surface grading directs runoff away from the face of both waste piles and the required berming is in place. The banks and slopes of the waste pile areas appear stable and maintained (Pic. 11). Waste material placed on the upper waste pile appears minimal since the previous inspection.

* * *

The drainage for the overall site is capable of functioning as designed. There were no maintenance issues noted that would inhibit the site from functioning 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 regarding the issues that are discussed above.

Sincerely,

SOUDER, MILLER & ASSOCIATES, INC.



Stephanie Hinds, P.E.
Senior Engineer
stephanie.hinds@soudermiller.com

Enc: Pictures



Pic. 1 – Sedimentation trap anchored and catching sediment.



Pic. 2 – East sediment pond.



Pic. 3 – View into west pond. Evidence of sediment removal initiated but not complete due to muddy conditions just below the surface.



Pic. 4 – View of culverts which receive flows from Reach 9 and from below the lower waste pile.



Pic. 5 – Reach 9 conditions.



Pic. 6 – Haul road ditch and lower portion of Reach 10 prior to draining towards the lower waste pile area.



Pic. 7 – Reach 10, armored section between lower and upper waste piles.



Pic. 8 – Minor erosion evident at the discharge from the upper waste pile to Reach 10. Monitor and maintain so larger, erosional channels do not start forming.



Pic. 9 – Crack along the armored section of Reach 1.



Pic. 10 – Culvert at bottom of Reach 1.



Pic. 11 – Bank stabilization and grading, and berming placed along edges of the upper waste pile.



June 13, 2025

#5534219 Task 1

Jordan McCourt
Project Coordinator
GCC Energy, LLC
6473 County Road 120
Hesperus, CO 81326
jmccourt@summitmining.co
(970) 385-4528

RE: King Coal II – Quarterly Water Quality Improvements Inspection

Dear Mr. McCourt:

On June 12, 2025, Stephanie Hinds, P.E. visited the GCC Energy, LLC King Coal II site to conduct the quarterly inspection of the water quality detention pond installed to prevent contaminated storm water runoff from escaping the site in events smaller than the 100-year storm event. The previous inspection was performed on March 20, 2025.

Detention Pond

The detention pond held about the same amount of water, maybe slightly less, as compared to the previous inspection (see Pic. 1). The sediment elevation at the bottom of the pond could not be determined due to the water level within the pond, but it appears that the sediment level is at the same point as the previous inspection. When conditions allow, excess sediment should be removed, particularly in the northern portion of the pond.

The vegetation, both within and outside 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. There were no signs of weakness or distress to either the outlet structure or the embankment material. The detention pond appears to have the storage capacity to function as designed. Overall, the detention pond appears to be in generally good condition.

Clear Water Ditches

The east clear water ditch (Pic. 2), the west clear water ditch (west of the driveway access) (Pic. 3) and the main drainage ditch (combined clear water ditches) were found to be in good condition and generally clean of debris. Accumulated vegetation noted from the previous inspection has been removed at the culvert outfalls where the west clear water ditch drains towards the main drainage ditch (Pic. 4).

Treated Water Ditches

The erosion control structures for the treated water ditches throughout the facility were found to be in generally good condition and operating as intended. Rock armor and wattles around the drains look to be well-maintained and appear to be minimizing erosional runoff into the drains (see Pics. 5 - 8).

All ditches should be inspected and repaired as necessary, especially after storm events.

Culvert Pipes and Ditches

The culvert pipes and ditches on the site were in generally good condition overall. The outlet pipes were free from debris and excessive vegetation, though some sediment accumulation was observed at the outlet pipe from the driveway culvert which discharges south of the scale house (Pic. 9). 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 regard to the issues discussed in this report.

Sincerely,

SOUDER, MILLER & ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Stephanie Hinds". The signature is fluid and cursive, with the first name being more prominent.

Stephanie Hinds, P.E.
Senior Engineer
stephanie.hinds@soudermiller.com

Enc: Pictures



Pic. 1 – Water level in the detention pond.



Pic. 2 – East Clear Water Ditch.



Pic. 3 – West Clear Water Ditch.



Pic. 4 – Culvert outfalls where the West Clear Water Ditch drains towards the Main Drainage Ditch.



Pic. 5 – Condition of drain near conveyor belt.



Pic. 6 – Straw wattles and rock armor near the vibratory processing area.



Pic. 7 - Drain located north of scale house building.



Pic. 8 – Treated water ditch that flows toward drain in Pic. 7.



Pic. 9 – Some sediment accumulation at the culvert outlet that ultimately drains to the detention pond (south of scale house).