

January 28, 2014

RECEIVED

JAN 29 2014

DIVISION OF RECLAMATION
MINING AND SAFETY

Mr. Peter Hays
State Engineer's Office
1313 Sherman Street Room 215
Denver, CO 80203

RE: Bucklen Equipment Company Pit, Mine ID# M-1982-131

SRØ1

Dear Mr. Hays:

Pursuant to Rule 4.14, this letter serves as a written request for warranty reduction for the Bucklen Equipment Company Pit.

Currently the DRMS holds a total of \$184,250 in financial warranties for the Bucklen Equipment Company Pit. That total includes \$52,700 required by paragraph A in the Mined Land Reclamation Board Order dated August 23, 2012 for violation MV-2012-025. The remainder of the total warranty amount is the \$131,550 outlined in Technical Revision 01 (TR-01) of the mining permit. TR-01 was approved by the DRMS on February 25, 2013. I have attached Exhibit L from TR-01 which documents the summary of reclamation costs for the pit.

Based on your site inspection report dated November 26, 2013 and email correspondence dated January 24, 2014, it is our understanding that the violation corrections documented in TR-02 have been resolved to the satisfaction of the DRMS.

We respectfully request that the financial warranty requirements for the Bucklen Equipment Company Pit be reduced to the \$131,550 outlined in this document.

Sincerely,
Applegate Group, Inc.



AF E Report ✓
MV-2012-025 6/06/2012

Carrie Herbolsheimer, PE
Project Engineer

CRH/ta
Enclosures

cc: Randy Bucklen, Bucklen Equipment Company
AG File No. 07-148

N:\07148 Bucklen Annual Report\Disciplines (Technical)\Mine Planning\Resolution of Fill Placed\Request for Warranty Reduction\M1982-131 Request for Reduction 2014-01-28.docx

1490 W. 121st Avenue, Suite 100
Denver, CO 80234

118 W. 6th Street, Suite 100
Glenwood Springs, CO 81601

303-452-6611
www.applegategroup.com

EXHIBIT L

Exhibit L has been revised as follows from the Amended Mine Permit as approved April 16, 1993. Deletions are indicated by ~~strikeout~~, additions are noted by **bold text**.

RECLAMATION COSTS

As mentioned in Exhibit D, only a portion of the site is disturbed at any time due to mining in stages and concurrent reclamation. This Mining Plan has been designed to limit the amount of handling of the topsoil and overburden material.

In order to calculate the reclamation costs at any given time, we have selected two mining stages in Phase 2 of Area A. Area B would be considered to still be in use.

As stated in Exhibit D, Area A will be mined at a ~~3H:1V slope~~ **1H:1V slope**. ~~No backfilling of the pond slopes will occur.~~ **Slopes will be backfilled using unsaleable material from within the mine limits which includes salvaged overburden and underlying clays.**

~~If an operator default occurs, the dewatering pumps will be turned off and the pit will fill with groundwater. Therefore, any disturbed ground below the final lake elevation is not included in this cost estimate.~~ **If an operator default occurs, the pit slopes would need to be reclaimed to a 3H:1V slope.** Area B would be leveled, scarified, topsoiled with six inches of growth medium, and seeded.

SUMMARY OF RECLAMATION COSTS

Major Disturbance	\$4,977.25	\$50,115.25
Moderate Disturbance	\$31,245.75	\$34,394.25
Minor Disturbance	\$25,461.25	\$29,092.50
Total Reclamation Costs	\$61,684.25	\$113,602.00
Administrative Fee (15.8%)	\$9,746.11	\$17,949.12
Proposed Reclamation Bond	\$71,450.00	\$131,550.00
Bonded Cost per Acre at 33.16 Acres	\$2,154.70	\$3,967.13

MAJOR DISTURBANCE

<u>Item</u>	<u>Unit</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extended Unit Price</u>
Return mined slopes to 3H:1V	CY	30,000	\$ 1.50	\$ 45,000.00
Scarify prior to placement of topsoil	Acre	0.56	\$ 725.00	\$ 406.00
Spread 12" topsoil	CY	2,157	\$ 1.25	\$ 3,146.25
			\$ 1.50	\$ 3,235.50
Seeding, fertilizing, mulching	Acre	1.56	\$ 500.00	\$ 780.00
			\$ 525.00	\$ 819.00
Re-seeding	Acre	0.39	\$ 500.00	\$ 195.00
			\$ 525.00	\$ 204.75
Trees	Each	5	\$ 40.00	\$ 200.00
Shrubs	Each	10	\$ 25.00	\$ 250.00
Total				\$ 4,977.25
				\$ 50,115.25

Notes/Description

Scarify prior to placement of topsoil	0.56 acres of overburden/topsoil stockpiles
Spread 12" topsoil	1.56 acres shoreline and stockpile areas
Seeding, fertilizing, mulching	1.0 acres graded shoreline above waterline.
	0.56 acres where overburden/topsoil stockpiles have been removed
Re-seeding (25%)	0.39 acres non-acceptable germination

BUCKLEN EQUIPMENT CO PIT – ID# M-1982-131

BUCKLEN EQUIPMENT CO
Technical Revision

MODERATE DISTURBANCE

<u>Item</u>	<u>Unit</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extended Unit Price</u>
Scarify prior to placement of topsoil	Acre	12.52	\$ 725.00	\$ 9,077.00
Spread 12" topsoil	CY	1,807	\$ 1.25	\$ 2,258.75
			\$ 1.50	\$ 2,710.50
Spread 6" topsoil	CY	9,196	\$ 1.25	\$ 11,495.00
			\$ 1.50	\$ 13,794.00
Seeding, fertilizing, mulching	Acre	12.74	\$ 500.00	\$ 6,370.00
			\$ 525.00	\$ 6,688.50
Re-seeding	Acre	3.19	\$ 500.00	\$ 1,595.00
			\$ 525.00	\$ 1,674.75
Trees	Each	5	\$ 40.00	\$ 200.00
Shrubs	Each	10	\$ 25.00	\$ 250.00
Total				\$ 31,245.75
				\$ 34,394.25

Notes/Description

Scarify prior to placement of topsoil	1.12 acres backfilled shoreline
	11.4 acres processing plant and product stockpiles
Spread 12" topsoil	1.12 acres shoreline
Spread 6" topsoil	11.4 acres processing plant and product stockpiles
Seeding, fertilizing, mulching	1.12 acres backfilled/topsoiled shoreline
	0.22 acres settling ponds
	11.4 acres processing plant and product stockpiles
Re-seeding (25%)	3.19 acres non-acceptable germination

MINOR DISTURBANCE

<u>Item</u>	<u>Unit</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Extended Unit Price</u>
Scarify prior to placement of topsoil	Acre	0	\$ 725.00	\$ 0.00
Spread 12" topsoil	CY	1,807	\$ 1.25	\$ 2,258.75
			\$ 1.50	\$ 2,710.50
Spread 6" topsoil	CY	10,890	\$ 1.25	\$ 13,612.50
			\$ 1.50	\$ 16,335.00
Seeding, fertilizing, mulching	Acre	14.62	\$ 500.00	\$ 7,310.00
			\$ 525.00	\$ 7,675.50
Re-seeding	Acre	3.66	\$ 500.00	\$ 1,830.00
			\$ 525.00	\$ 1,921.50
Trees	Each	5	\$ 40.00	\$ 200.00
Shrubs	Each	10	\$ 25.00	\$ 250.00
Total				\$ 25,461.25
				\$ 29,092.50

Notes/Description

Spread 12" topsoil	1.12 acres regraded areas
Spread 6" topsoil	13.5 acres regraded areas
Seeding, fertilizing, mulching	14.62 acres regraded areas
Re-seeding (25%)	3.66 acres non-acceptable germination