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January 29, 2014

Division of Reclamation, Mining & Safety
1313 Sherman St., Room 215
Denver, CO 80203
Fax: (303) 832-8106

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JAN 30 2014

**Division of Reclamation,
Mining & Safety**

Subject: Bond Reclamation Reduction Request M-1977-140 North Farm Road Pit No 1

Dear Sir,

After meeting with Bob Oswald on the 21st of January 2014, it came to our attention that there should be some revisions and reductions made to our mine reclamation bond. This is because in the last three years we have modified our crushing and screening operation to a portable plant and have done away with the older operation and structures. Included is an overhead photo entitled (Pic 1) that shows the current operation currently. (Pic 2) is a current zoomed in view of the processing area with the new equipment and shows the area where the old operation was and is now cleaned up. (Pic 3) is from 2010 and shows the new operation with the old operation in the background.

The new operation does not utilize any new concrete pads poured on grade to support any of its conveyors or other equipment. The old operation has been dismantled and the area cleaned up. This was done by removal of all conveyors, crushers, screens, concrete bins, concrete buildings, and concrete pads, and electrical service.

We are asking for a bond reduction due to the reclamation work that has occurred in the past three years. The reclamation work is identified below with pictures and maps to follow:

1. Processing conveyor has been removed from site (pic 3).
2. Crusher and screening plant slab has been removed and disposed of by means of crushing and the ground has been regraded (pic 3).
3. The four bins including walls and slabs have been removed and disposed of by means of crushing and the ground has been regraded (pic 3).
4. The two sided bin including walls and slab has been removed and disposed of by means of crushing and the ground has been regraded (pic 3).
5. Five sections of conveyor were removed for scrap iron (pic 3).

6. The crusher was sold and removed (pic 3).
7. The screen was sold and removed (pic 3).
8. The miscellaneous scrap iron was removed and sold (pic 3).
9. Concrete building was removed and disposed of by means of crushing and the ground has been regraded (pic 3).

Also included is (pic 4) which shows the new operation and the reclaimed area where the old operation use to be. You can clearly see from the photo the reclaimed ground and all structures, conveyors, equipment, and iron has been removed. (Pic 2) also shows the new operation in 2014 with the old operation and structures removed and the area reclaimed. (Pic 5) is the last picture page showing the batch plant with 2 conveyors, concrete slab bases, and concrete retaining walls. These structures still remain.

I have also included two additional pages following the picture pages. The first is the demolition work task sheet with costs for the various units and costs listed. The second is the cost summary form. I have put an (R) by the items that need to be removed and an (A) for the items that need adjusted.

If you have any questions or would like further pictures please feel free to contact me by phone at (719) 852-3732, or email mathias_concrete@yahoo.com Thank you for taking the time to review our reclamation reduction request letter.

Sincerely,



Marshall T. Mathias



Google earth

feet 1000
meters 300

Gravel Pit

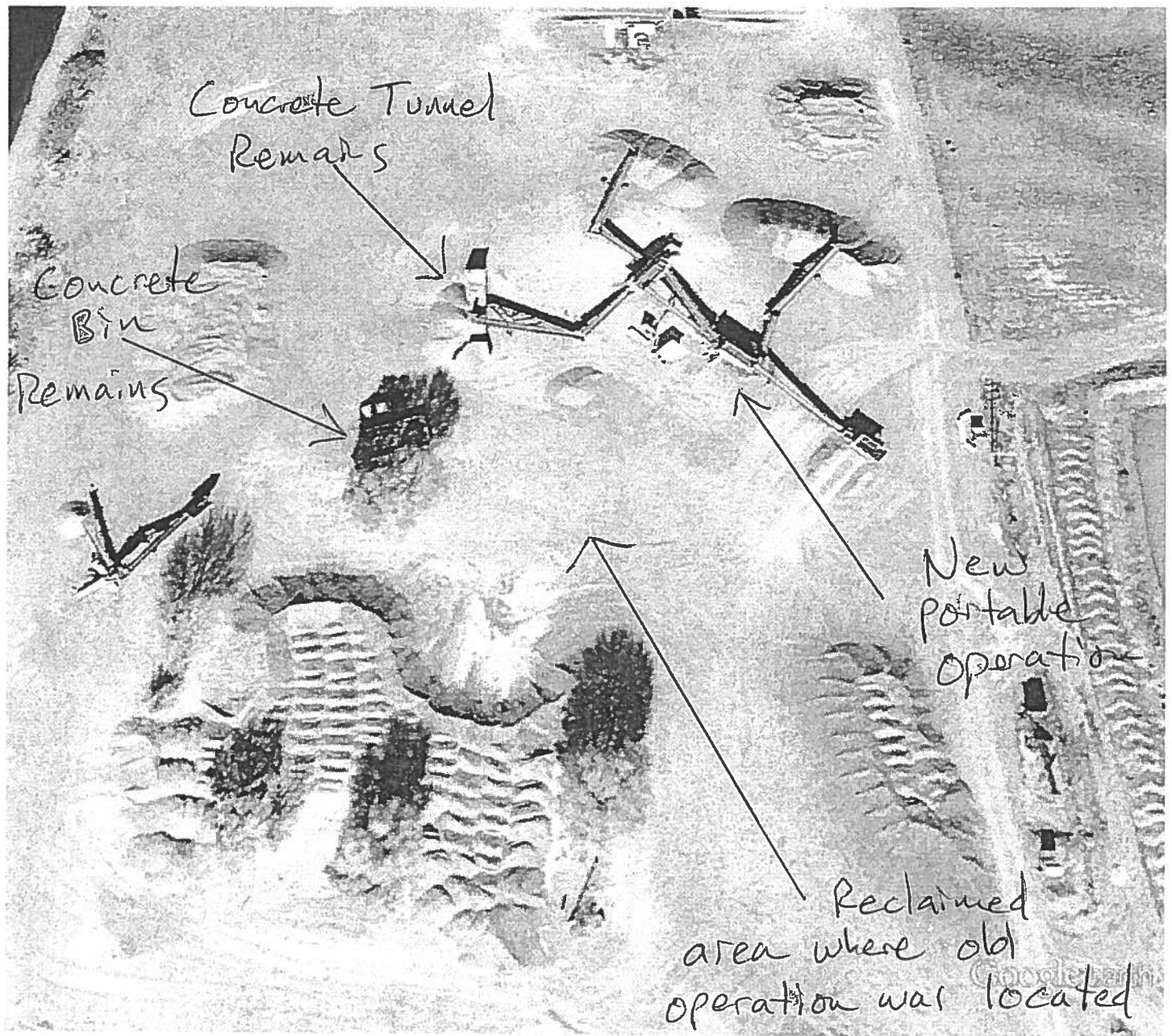
Future Permitted Area

Processing Area

1-23-14

(Picture 1)

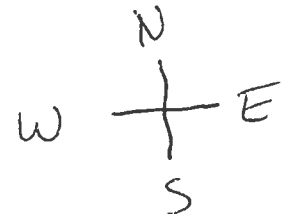
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Google earth

feet
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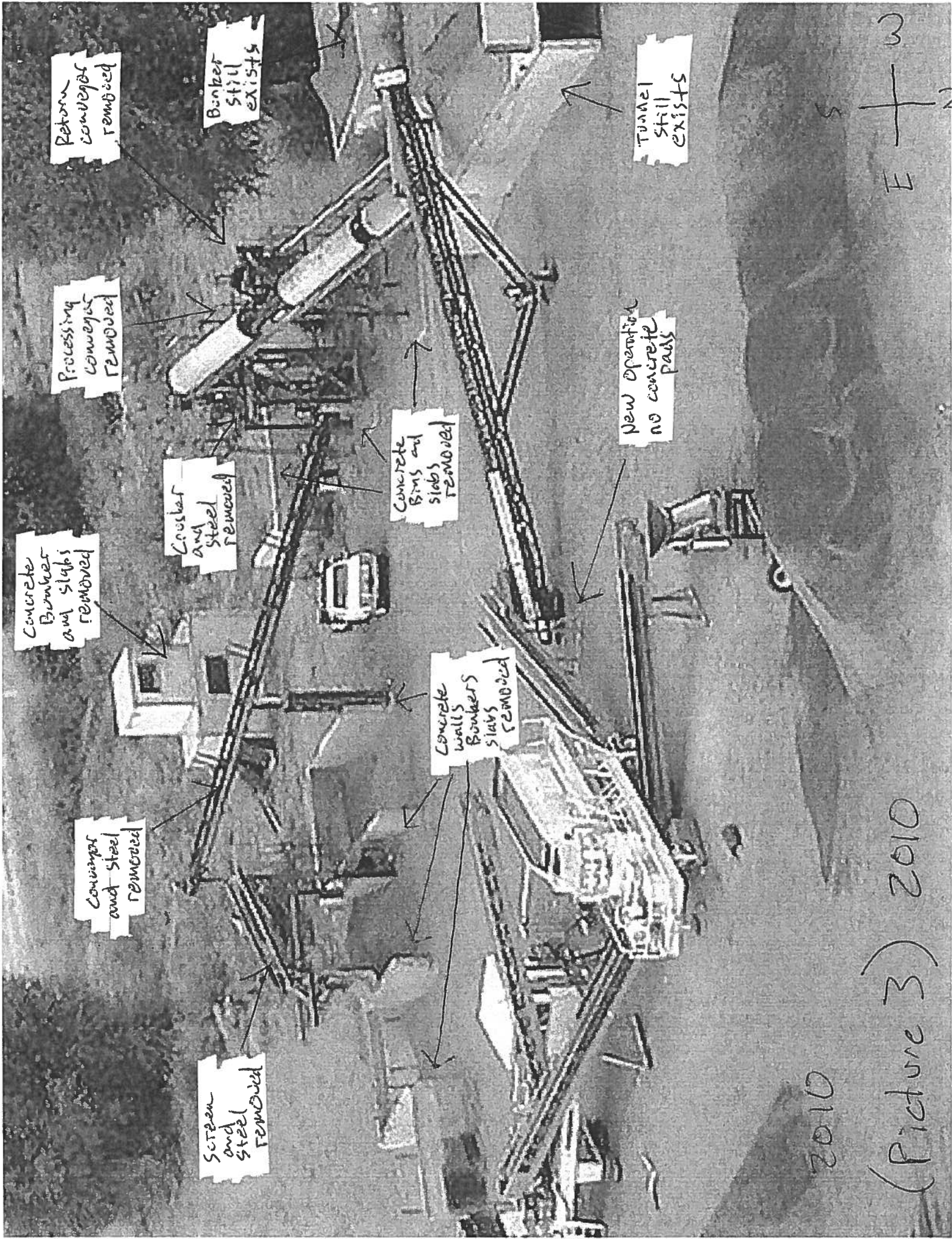
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1-23-14

(Picture 2)

Zoomed In picture of Processing area.



Return
conveyor
removed

Bunker
still
exists

Tunnel
still
exists

Processing
conveyor
removed

New operation
no concrete
pads

Concrete
Bunker
and slabs
removed

Crusher
and
steel
removed

Concrete
Bins and
slabs
removed

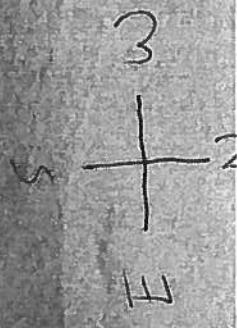
Concrete
walls
Bunkers
slabs
removed

Conveyor
and steel
removed

Screen
and
steel
removed

0102

(Picture 3) 2010



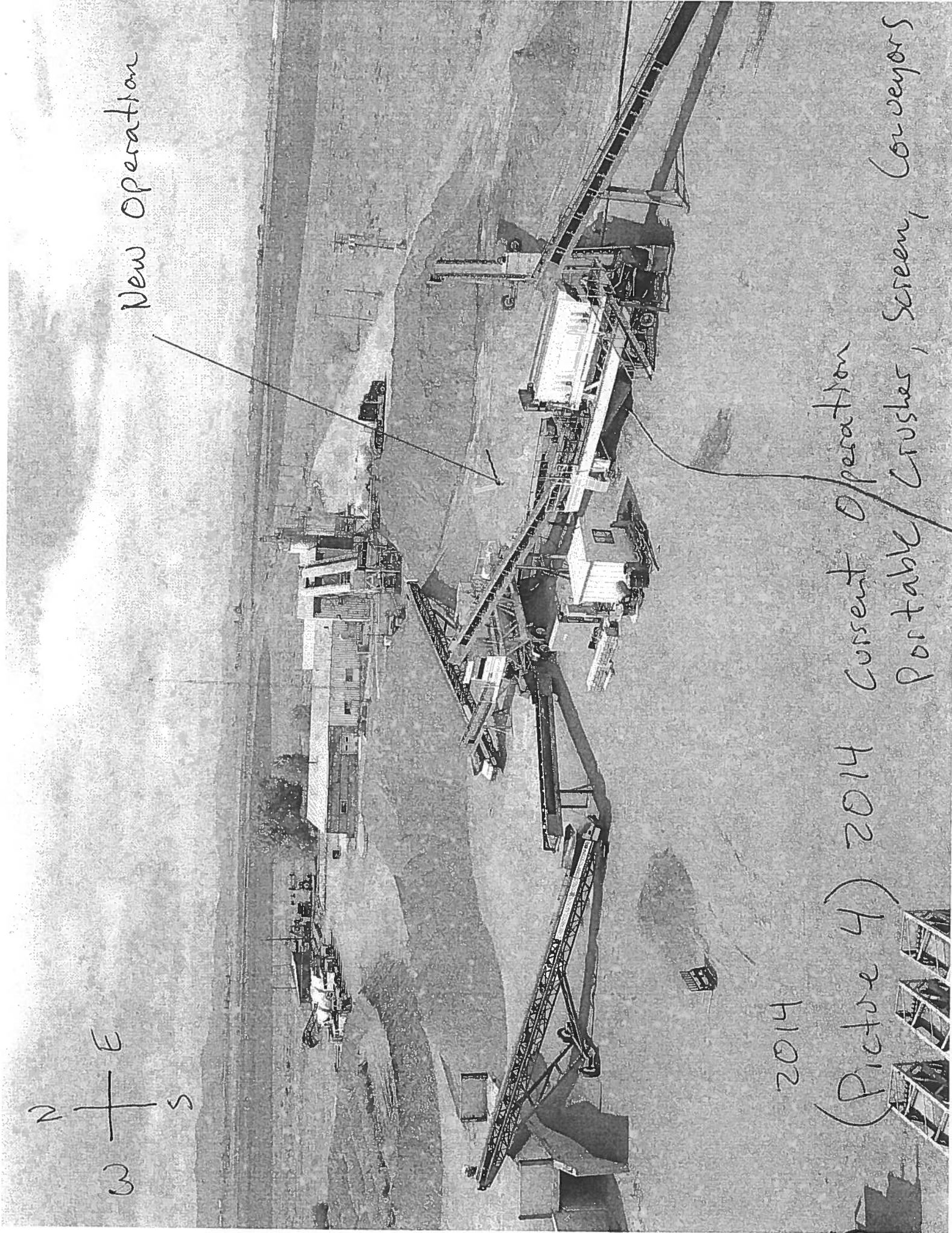
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New Operation

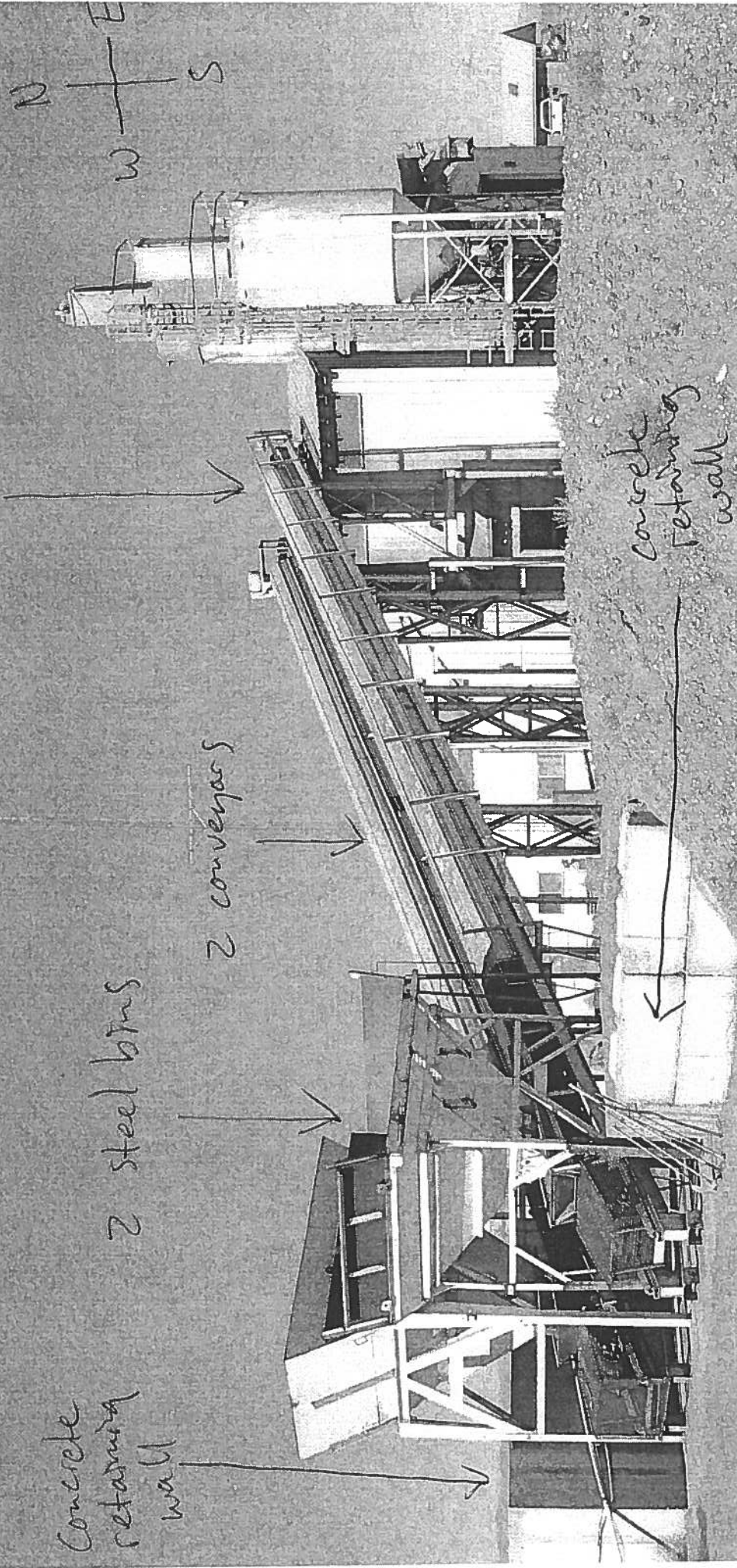
2014

(Picture 4) 2014 Current Operation

Portable Crushers, Screen, Conveyors



Batch Plant with slab



Concrete retaining wall

2 steel bins

2 conveyors

concrete retaining wall

This is a correct picture of the 2 remaining permanent conveyors on the property connected to the batch plant. There are 2 concrete retaining walls, concrete slabs under conveyors and slabs under batch plant.

1-23-14

(Pic 5)

CIRCES Cost Estimating Software
DEMOLITION WORK

PROJECT IDENTIFICATION

Task # : 001	Agency or organization name : DRMS	State : Colorado	Permit/Job# : M-1977-140
Date : 21-May-2009		County : Rio Grande	Abbreviation : none
User : RCO		Site : North Farm Road Pit #1	Filename : M140-001
Permitting action : TR-3			
Task description : Demolish and dispose of concrete and steel structures			

UNIT COSTS

Last unit cost update : May, 2007 Location adjustment : 92.32%

	STRUCTURE or ITEM DESCRIPTION	DIMENSIONS	DEMOLITION MENU SELECTION	QUANTITY	UNIT	UNIT COST	TOTAL COST
1.	A Processing conveyor leg/tail fdns.	28 cy	Push rubble into pit - to 100 ft.	28.00	CY	\$0.6080	\$17.02
	-Batch plant conveyor leg fdns.	7 cy	Push rubble into pit - to 100 ft.	7.00	CY	\$0.6080	\$4.26
	-Slab under batch plant tail pulleys	8 cy	Push rubble into pit - to 100 ft.	8.00	CY	\$0.6080	\$4.86
	-East retaining wall - batch plant	4 cy	Push rubble into pit - to 100 ft.	4.00	CY	\$0.6080	\$2.43
	-West retaining wall - batch plant	17 cy	Push rubble into pit - to 100 ft.	17.00	CY	\$0.6080	\$10.34
	-Crusher and screening plant slab	11 cy	Push rubble into pit - to 100 ft.	11.00	CY	\$0.6080	\$6.69
	-Four bins - slab for 3 bins	21 cy	Push rubble into pit - to 100 ft.	21.00	CY	\$0.6080	\$12.77
	-Four bins - walls for 3 bins	22 cy	Push rubble into pit - to 100 ft.	22.00	CY	\$0.6080	\$13.38
	-Four bins - slab for small bin	5 cy	Push rubble into pit - to 100 ft.	5.00	CY	\$0.6080	\$3.04
	-Four bins - walls for small bin	10 cy	Push rubble into pit - to 100 ft.	10.00	CY	\$0.6080	\$6.08
	-2-sided bin S of crusher - slab	5 cy	Push rubble into pit - to 100 ft.	5.00	CY	\$0.6080	\$3.04
	-2-sided bin S of crusher - walls	7 cy	Push rubble into pit - to 100 ft.	7.00	CY	\$0.6080	\$4.26
	-Brick sand bin - walls	11 cy	Push rubble into pit - to 100 ft.	11.00	CY	\$0.6080	\$6.69
	-Brick sand bin - slab	9 cy	Push rubble into pit - to 100 ft.	9.00	CY	\$0.6080	\$5.47
2.	A 7 conveyors	2520 cf	Demo/disp/appr. dump - to 60 mi.	2,520.00	CF	\$1.1437	\$2,882.03
	-Crusher	2000 cf	Demo/disp/appr. dump - to 60 mi.	2,000.00	CF	\$1.1437	\$2,287.32
	-Screen	2400 cf	Demo/disp/appr. dump - to 60 mi.	2,400.00	CF	\$1.1437	\$2,744.79
	-Misc steel debris to remove	3000 cf	Demo/disp/appr. dump - to 60 mi.	3,000.00	CF	\$1.1437	\$3,430.99
3.	A Excavate pit to dispose of concrete in	165 cy	Excavate/backfill disposal pit	165.00	CY	\$2.1280	\$351.12

1. The processing conveyor leg / tail has been removed. All that remains is the concrete tunnel with foundation.

2. a total of 5 conveyors have been removed from the old operation and sold for scrap. Only 2 conveyors remain and they are permanent structures connected to the batch plant. Can be seen in (Pic 5)

3. The excavated pit to dispose concrete in should be adjusted to meet the disposal size of just the brick sand bin and concrete tunnel.

* A for adjustment / R for total removal from reclamation plan

COST SUMMARY FORM

Date :	<u>21-May-2009</u>	Permit or job no. :	<u>M-1977-140</u>	Site :	<u>North Farm Road Pit #1</u>
User :	<u>RCO</u>	Abbreviation :	<u>none</u>	State :	<u>Colorado</u>
		Filename :	<u>M140-000</u>	County :	<u>Rio Grande</u>
Agency or organization name : <u>DRMS</u>					
Permit or job action : <u>TR-3</u>					

[illegible]

SUBTOTALS:	139.80	\$28,913
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TOTAL DIRECT COST * =	\$28,913
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OVERHEAD AND PROFIT -

Liability insurance :	2.02	% of direct		total =	\$584
Performance bond :	1.05	% of direct		total =	\$304
Job superintendent :	NA*	NA	NA	total =	NA
Profit :	10.00	% of direct		total =	\$2,891

TOTAL O & P = \$3,779

CONTRACT AMOUNT (direct + O & P) = \$32,692

Financial warranty processing (legal/related costs) :	500.00	total \$	NA	total =	\$500
Engineering work and/or contract/bid preparation :	NA	NA	NA	total =	NA
Reclamation management and/or administration :	5.00	% of cntr.	NA	total =	\$1,635

total = NA

TOTAL INDIRECT COST =	\$5,914
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TOTAL BOND AMOUNT (direct + indirect) = \$34.827

P.O. Box 200
Monte Vista

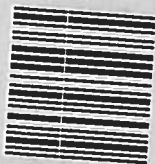


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