

# STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY  
Department of Natural Resources

1313 Sherman St., Room 215  
Denver, Colorado 80203  
Phone: (303) 866-3567  
FAX: (303) 832-8106



February 13, 2014

Amber Shults  
#17 Enterprises, LLC  
P.O. Box 88  
Debeque, CO 81630

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta Piñeda  
Director

**Re: K-Bar-T Pit , Permit No. M-1978-221, Financial Warranty Increase, Revision No. SI-2**

Dear Ms. Shults:

On February 13, 2014 the Division of Reclamation, Mining and Safety increased the current Financial Warranty for this permit to \$12,798.86, in accordance with Rule 4.2.1 of the Rules and Regulations. This is an increase of \$4,798.86 over the currently held bond amount of \$8,000.00.

The Division ordered amendment of the current Financial Warranty or submittal of a new Financial Warranty reflecting the increase, within **60 days** from the date of this letter. If you have any questions regarding the placement of the additional required financial warranty please contact Barbara Coria at (303) 866-3567 ext. 8148.

If you have any questions regarding the reclamation bond calculation please contact me at (970) 241-2042.

Sincerely,

A handwritten signature in black ink, appearing to read "Travis Marshall", written over a horizontal line.

Travis Marshall  
Environmental Protection Specialist

cc: Russ Means, DRMS  
Barbara Coria, DRMS

Enclosure(s): Reclamation Cost Update – SI-2

## COST SUMMARY WORK

Task description: Final Reclamation Cost Estimate Update

Site: K-Bar-T Pit

Permit Action: SI-2

Permit/Job#: M1978221

### PROJECT IDENTIFICATION

Task #: 001

State: Colorado

Abbreviation: None

Date: 2/13/2014

County: Rio Blanco

Filename: M221-001

User: THM

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Re-grade 150' high wall from 1H:1V to 3H:1V	DOZER	1	8.32	\$735.74
02a	Rip 2.5 acres of compacted area	RIPPER	1	5.42	\$480.00
03a	Spread 6" of topsoil over 2.5 acres	DOZER	1	20.85	\$1,843.57
04a	Revegetation of 2.5 acres	REVEGE	1	8.00	\$3,406.39
05a	Mobilization	MOBILIZE	1	2.68	\$2,361.09
<b><u>SUBTOTALS:</u></b>				<b>45.27</b>	<b>\$8,826.79</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance: 2.02%

Total = \$178.30

Performance bond: 1.05%

Total = \$92.68

Job superintendent: 22.64 hrs

Total = \$1,480.56

Profit: 10.00%

Total = \$882.68

TOTAL O & P = \$2,634.22

CONTRACT AMOUNT (direct + O & P) = \$11,461.01

#### LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 500.00

Total = 500.00

Engineering work and/or contract/bid preparation: 0.00%

Total = \$0.00

Reclamation management and/or administration: 5.00%

\$573.05

CONTINGENCY: 3.00

Total = \$264.80

TOTAL INDIRECT COST = \$3,972.07

**TOTAL BOND AMOUNT (direct + indirect) = \$12,798.86**

BULLDOZER WORKTask description: Re-grade 150' highwall from 1H:1V to 3H:1VSite: K-Bar-T PitPermit Action: SI-2Permit/Job#: M1978221PROJECT IDENTIFICATIONTask #: 01AState: ColoradoAbbreviation: NoneDate: 2/13/2014County: Rio BlancoFilename: M221-01aUser: THMAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D5K LGP - 5PHorsepower: 96Blade Type: Power Angle TiltAttachment: NAShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$15.98	NA
Operating Cost/Hour:	\$35.02	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$37.41	NA

Total unit Cost/Hour: \$88.41Total Fleet Cost/Hour: \$88.41MATERIAL QUANTITIESInitial Volume: 1,106Swell factor: 1.124Loose volume: 1,243 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 75 feetUnadjusted hourly production: 376.8 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: -5 %Average site altitude: 6,570 feetMaterial weight: 2,900 lbs/LCYWeight description: Sand and gravel - DryJob Condition Correction Factor

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(CAT HB))
Dozing method:	1.000	(GEN.)

Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3963

Adjusted unit production: 149.33 LCY/hr

Adjusted fleet production: **149.33 LCY/hr**

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)  
 Unit cost: \$0.592/LCY

Total job time: **8.32 Hours**  
 Total job cost: **\$735.74**

## BULLDOZER RIPPING WORK

Task description: Rip 2.5 acres of compacted area

Site: K-Bar-T Pit

Permit Action: SI-2

Permit/Job#: M1978221

### PROJECT IDENTIFICATION

Task #: 02A

State: Colorado

Abbreviation: None

Date: 2/13/2014

County: Rio Blanco

Filename: M221-02a

User: THM

Agency or organization name: DRMS

### HOURLY EQUIPMENT COST

Basic Machine: Cat D5K LGP - 5P

Horsepower: 96

Ripper Attachment: 3-Shank Ripper

Shift Basis: 1 per day

Data Source: (CRG)

#### Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	<u>\$15.98</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$35.02</u>	<u>100</u>
Ripper Operating Cost/Hour:	<u>\$0.00</u>	<u>100</u>
Operator Cost/Hour:	<u>\$37.41</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$88.41</u>	
Total Fleet Cost/Hour:	<u>\$88.41</u>	

### MATERIAL QUANTITIES

Selected estimating method: Area

#### Alternate Methods:

Seismic: NA

Bank Volume: NA

BCY NA

Area: 2.50 acres

Rip Depth (ft): 1.50

Volume: 6,050 BCY or CCY

Source of estimated quantity: Previously accepted values

### HOURLY PRODUCTION

#### Seismic:

Seismic Velocity: NA feet/second

#### Area:

Average Ripping Depth:	<u>1.11</u>	<u>mph</u>
Average Ripping Width:	<u>5.08</u>	<u>degrees</u>
Average Ripping Length:	<u>200.00</u>	<u>feet</u>
Average Dozer Speed:	<u>88.00</u>	<u>feet</u>
Average Maneuver Time:	<u>0.25</u>	<u>feet</u>
Production per unit area:	<u>0.555</u>	<u>acres/hour</u>

#### Job Condition Correction Factors

Unadjusted Hourly Unit Production:	<u>0.555</u>	<u>Acres/hr</u>
Site Altitude:	<u>6,570</u>	<u>feet</u>
Altitude Adj:	<u>1.00</u>	<u>(CAT HB)</u>
Job Efficiency:	<u>0.83</u>	<u>(1 shift/day)</u>
Net Correction:	<u>0.83</u>	<u>multiplier</u>
Adjusted Hourly Unit Production:	<u>0.46</u>	<u>Acres/hr</u>
Adjusted Hourly Fleet Production:	<u>0.46</u>	<u>Acres/hr</u>

### JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: 5.43 Hours

Unit cost: \$192.016 Per acre Total job cost: \$480.00

BULLDOZER WORKTask description: Spread 6" of topsoil over 2.5 acresSite: K-Bar-T PitPermit Action: SI-2Permit/Job#: M1978221PROJECT IDENTIFICATIONTask #: 03AState: ColoradoAbbreviation: NoneDate: 2/13/2014County: Rio BlancoFilename: M221-03aUser: THMAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D5K LGP - 5PHorsepower: 96Blade Type: Power Angle TiltAttachment: NAShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$15.98	NA
Operating Cost/Hour:	\$35.02	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$37.41	NA

Total unit Cost/Hour: \$88.41Total Fleet Cost/Hour: \$88.41MATERIAL QUANTITIESInitial Volume: 2,016Swell factor: 1.000Loose volume: 2,016 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 200 feetUnadjusted hourly production: 150.0 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: 0 %Average site altitude: 6,570 feetMaterial weight: 1,600 lbs/LCYWeight description: Top SoilJob Condition Correction Factor

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(CAT HB))
Dozing method:	1.000	(GEN.)

Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.6445

Adjusted unit production: 96.68 LCY/hr

Adjusted fleet production: 96.68 LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)  
 Unit cost: \$0.914/LCY

Total job time: 20.85 Hours  
 Total job cost: \$1,843.57

REVEGETATION WORKTask description: Revegetation of 2.5 acresSite: K-Bar-T PitPermit Action: SI-2Permit/Job#: M1978221PROJECT IDENTIFICATIONTask #: 04AState: ColoradoAbbreviation: NoneDate: 2/13/2014County: Rio BlancoFilename: M221-04aUser: THMAgency or organization name: DRMSFERTILIZINGMaterials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
10-34-0, 18-46-0, 5-10-5	200.00	pound	\$0.33	\$65.40
			<b>Total Fertilizer Materials Cost/Acre</b>	<b>\$65.40</b>

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$52.71
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$52.71</b>

TILLING

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$98.01
<b>Total Tilling Cost/Acre</b>	<b>\$98.01</b>

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Intermediate Wheatgrass - Oahe	6.00	12.81	\$12.96
Pubescent Wheatgrass - Greenleaf	3.00	6.20	\$6.90
Yellow Sweet Clover - Madrid	1.00	5.97	\$2.55
<b>Totals Seed Mix</b>	<b>10.00</b>	<b>24.98</b>	<b>\$22.41</b>

Application

Description	Cost /Acre
Drill seeding (DRMS Cost Data)	\$88.20
<b>Total Seed Application Cost/Acre</b>	<b>\$88.20</b>



**MULCHING and MISCELLANEOUS****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$265.00	\$530.00
<b>Total Mulch Materials Cost/Acre</b>				<b>\$530.00</b>

**Application**

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$65.89
Power mulcher (MEANS 32 91 13.16 0250)	\$86.68
<b>Total Mulch Application Cost/Acre</b>	<b>\$152.57</b>

**NURSERY STOCK PLANTING**

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
<b>Totals Nursery Stock Cost / Acre</b>					<b>\$0.00</b>

**JOB TIME AND COST**

No. of Acres:	2.5	Cost /Acre:	\$1,009.30
Estimated Failure Rate:	35%	Cost /Acre*:	\$1,009.30
*Selected Replanting Work Items:	FERTILIZING,TILLING,SEEDING,MU LCHING		

Initial Job Cost:	<b>\$2,523.25</b>
Reseeding Job Cost:	<b>\$883.14</b>
Total Job Cost:	<b>\$3,406.39</b>
Job Hours:	<b>8.00</b>

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: MobilizationSite: K-Bar-T PitPermit Action: SI-2Permit/Job#: M1978221**PROJECT IDENTIFICATION**Task #: 05AState: ColoradoAbbreviation: NoneDate: 2/13/2014County: Rio BlancoFilename: M221-05aUser: THMAgency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**Shift basis: 1 per day  
Cost Data Source: CRG DataTruck Tractor Description: GENERIC ON-HIGHWAY TRUCK TRACTOR, 6X4, DIESEL POWERED,  
400 HP (2ND HALF, 2006)Truck Trailer Description: GENERIC FOLDING GOOSENECK, DROP DECK EQUIPMENT TRAILER  
(25T, 50T, AND 100T)**Cost Breakdown:**

<b>Available Rig Capacities</b>	<b>0-25 Tons</b>	<b>26-50 Tons</b>	<b>51+ Tons</b>
Ownership Cost/Hour:	\$16.63	\$18.37	\$22.33
Operating Cost/Hour:	\$44.38	\$46.13	\$50.07
Operator Cost/Hour:	\$27.66	\$27.66	\$27.66
Helper Cost/Hour:	\$0.00	\$25.39	\$25.39
Total Unit Cost/Hour:	\$88.67	\$117.55	\$125.45

**NON ROADABLE EQUIPMENT:**

Machine Description	Weight/ Unit (TONS)	Owner ship Cost/hr/ unit	Haul Rig Cost/hr/unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Cat D5K LGP - 5P	11.47	\$15.98	\$88.67	1	\$104.65	\$88.67	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$250.00
Power Mulcher (Reinco M90)	6.00	\$7.03	\$88.67	1	\$95.70	\$88.67	\$250.00

Subtotals: 

<b>\$328.61</b>	<b>\$266.01</b>	<b>\$750.00</b>
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**ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
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Subtotals: 

<b>\$0.00</b>	<b>\$0.00</b>
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**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	<u>MEEKER</u>	
Total one-way travel distance:	<u>6.00</u>	miles
Average Travel Speed:	<u>35.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$2,361.09</u>
'* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$0.00</u>
** one round trip, no haul rig:	

**Transportation Cycle Time:**

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.17</u>	<u>0.17</u>
Return Time (Hours):	<u>0.17</u>	<u>0.17</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>1.34</u>	<u>0.34</u>

**JOB TIME AND COST**

Total job time:	<u>2.69</u>	Hours
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Total job cost:	<u>\$2,361.09</u>
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