



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

Mr. Anthony Zellitti
Anthony Zellitti
2001 CR 300
Durango, CO 81301

April 15, 2014

Re: Zellitti Pit, Permit No. M-1980-246, Financial Warranty Increase, Revision No. SI-1

Dear Mr. Zellitti:

On April 15, 2014 the Division of Reclamation, Mining and Safety increased the current Financial Warranty for this permit to \$75,231.71, in accordance with Rule 4.2.1 of the Rules and Regulations. This is an increase of \$30,413.71.

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 wish to submit a different type of Financial Warranty, please contact me such that I may send you the applicable form.

If you have any questions, please contact me at (970) 259-5861.

Sincerely,

Kate A. Pickford
Environmental Protection Specialist



COST SUMMARY WORK

Task description: 2014 Inspection

Site: Zellitti Pit Permit Action: 2014 Inspection Permit/Job#: M1980246

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 4/15/2014 County: La Plata Filename: M246-000
User: KAP

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Grade highwalls to 2:1 slope	DOZER	1	99.78	\$20,399.85
002	Rip Compacted Area	RIPPER	1	21.98	\$4,638.00
003	Replace topsoil on disturbed area	DOZER	1	95.78	\$19,582.43
004	Remove and Dispose of Debris	DEMOLISH	1	8.00	\$1,748.67
005	Revegetation	REVEGE	1	20.00	\$9,634.13
006	Mobilize	MOBILIZE	1	3.33	\$997.54
<u>SUBTOTALS:</u>				248.87	\$57,000.62

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	0.00%	Total =	\$0.00
Performance bond:	0.00%	Total =	\$0.00
Job superintendent:	124.43 hrs	Total =	\$8,138.97
Profit:	10.00%	Total =	\$5,700.06
		TOTAL O & P =	\$13,839.03
		CONTRACT AMOUNT (direct + O & P) =	\$70,839.65

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	0.00	Total =	0.00
Engineering work and/or contract/bid preparation:	0.00%	Total =	\$0.00
Reclamation management and/or administration:	6.20%		\$4,392.06

CONTINGENCY: 0.00 Total = \$0.00

TOTAL INDIRECT COST = \$18,231.09

TOTAL BOND AMOUNT (direct + indirect) = \$75,231.71

BULLDOZER WORKTask description: Grade highwalls to 2:1 slopeSite: Zellitti PitPermit Action: 2014 InspectionPermit/Job#: M1980246PROJECT IDENTIFICATIONTask #: 001State: ColoradoAbbreviation: NoneDate: 4/15/2014County: La PlataFilename: M246-001User: KAPAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: 3-shank ripperShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$63.00	NA
Operating Cost/Hour:	\$104.03	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$37.41	NA

Total unit Cost/Hour: \$204.45Total Fleet Cost/Hour: \$204.45MATERIAL QUANTITIESInitial Volume: 33,611Swell factor: 1.430Loose volume: 48,064 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 75 feetUnadjusted hourly production: 1,017.1 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: -25 %Average site altitude: 6,700 feetMaterial weight: 3,300 lbs/LCYWeight description: Decomposed rock - 75% Rock, 25% EarthJob Condition Correction Factor

		Source
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	(SSD-AC)
Push gradient:	1.516	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.697	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4736

Adjusted unit production: 481.70 LCY/hr

Adjusted fleet production: 481.7 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
 Unit cost: \$0.424/LCY

Total job time: 99.78 Hours
 Total job cost: \$20,399.85

BULLDOZER RIPPING WORK

Task description: Rip Compacted Area

Site: Zellitti Pit Permit Action: 2014 Inspection Permit/Job#: M1980246

PROJECT IDENTIFICATION

Task #: 002 State: Colorado Abbreviation: None
Date: 4/15/2014 County: La Plata Filename: M246-002
User: KAP

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU Horsepower: 310
Ripper Attachment: 3-Shank Ripper Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	<u>\$63.00</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$104.03</u>	<u>100</u>
Ripper Operating Cost/Hour:	<u>\$6.53</u>	<u>100</u>
Operator Cost/Hour:	<u>\$37.41</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$210.98</u>	
Total Fleet Cost/Hour:	<u>\$210.98</u>	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 15.00 acres Rip Depth (ft): 2.00 Volume: 48,400 BCY or CCY

Source of estimated quantity: Inspection

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth:	<u>2.56</u>	<u>mph</u>
Average Ripping Width:	<u>7.08</u>	<u>degrees</u>
Average Ripping Length:	<u>500.00</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>0.822</u>	<u>acres/hour</u>

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.822 Acres/hr
Site Altitude: 6,700 feet
Altitude Adj: 1.00 (CAT HB)
Job Efficiency: 0.83 (1 shift/day)
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.68 Acres/hr
Adjusted Hourly Fleet Production: 0.68 Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: 21.99 Hours

Unit cost: \$309,232 Per acre Total job cost: \$4,638.00

DEMOLITION WORK

Task description: Remove and Dispose of Debris

Site: Zellitti Pit Permit Action: 2014 Inspection Permit/Job#: M1980246

PROJECT IDENTIFICATION

Task #: 004 State: Colorado Abbreviation: None
Date: 4/15/2014 County: La Plata Filename: M246-004
User: KAP

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 91.60 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Misc. debris (steel & wood)	200 cu. yds.	Loading and 5 mile haul, salvage allowed - Steel frame structures	200.00	CY	\$9.48	\$1,896.00
Dump Fee for Debris	200 cu. yds.	Hauling only, per mile, 12-18 CY truck - 50 mph average speed	25.00	MI	\$0.52	\$13.03

Job Hours: 8.00 Subtotal (unadjusted): \$1,909.03 Total Cost (adjusted for location): \$1,748.67

BULLDOZER WORKTask description: Replace topsoil on disturbed areaSite: Zellitti PitPermit Action: 2014 InspectionPermit/Job#: M1980246PROJECT IDENTIFICATIONTask #: 003State: ColoradoAbbreviation: NoneDate: 4/15/2014County: La PlataFilename: M246-003User: KAPAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: 3-shank ripperShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$63.00</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$104.03</u>	<u>100</u>
Ripper op. Cost/Hour:	<u>\$0.00</u>	<u>0</u>
Operator Cost/Hour:	<u>\$37.41</u>	<u>NA</u>

Total unit Cost/Hour: \$204.45Total Fleet Cost/Hour: \$204.45MATERIAL QUANTITIESInitial Volume: 14,500Swell factor: 1.125Loose volume: 16,313 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 250 feetUnadjusted hourly production: 377.8 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: -5 %Average site altitude: 6,700 feetMaterial weight: 2,550 lbs/LCYWeight description: Earth - Dry packedJob Condition Correction Factor

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

Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(SSD-AC)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4508

Adjusted unit production: 170.31 LCY/hr

Adjusted fleet production: 170.31 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
 Unit cost: \$1.200/LCY

Total job time: 95.78 Hours
 Total job cost: \$19,582.43

DEMOLITION WORK

Task description: Remove and Dispose of Debris

Site: Zellitti Pit Permit Action: 2014 Inspection Permit/Job#: M1980246

PROJECT IDENTIFICATION

Task #: 004 State: Colorado Abbreviation: None
Date: 4/15/2014 County: La Plata Filename: M246-004
User: KAP

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 91.60 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Misc. debris (steel & wood)	200 cu. yds.	Loading and 5 mile haul, salvage allowed - Steel frame structures	200.00	CY	\$9.48	\$1,896.00
Dump Fee for Debris	200 cu. yds.	Hauling only, per mile, 12-18 CY truck - 50 mph average speed	25.00	MI	\$0.52	\$13.03

Job Hours: 8.00 Subtotal (unadjusted): \$1,909.03 Total Cost (adjusted for location): \$1,748.67

REVEGETATION WORKTask description: RevegetationSite: Zellitti PitPermit Action: 2014 InspectionPermit/Job#: M1980246PROJECT IDENTIFICATIONTask #: 005State: ColoradoAbbreviation: NoneDate: 4/15/2014County: La PlataFilename: M246-005User: KAPAgency or organization name: DRMSFERTILIZINGMaterials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
8-24-24, 10-15-15, 10-20-20	250.00	pound	\$0.31	\$76.50
			Total Fertilizer Materials Cost/Acre	\$76.50

Application

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

TILLING

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$98.01
Weed control spraying (MEANS 31 31 16.13 3100)	\$145.20
Total Tilling Cost/Acre	\$243.21

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Nespar	3.00	9.71	\$21.24
Pubescent Wheatgrass - Luna	6.75	13.95	\$15.12
Streambank Wheatgrass - Sodar	4.00	13.04	\$16.84
Totals Seed Mix	13.75	36.70	\$53.20

Application

Description	Cost /Acre
Drill seeding (DRMS Cost Data)	\$88.20

Total Seed Application Cost/Acre	\$88.20
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MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
Total Mulch Materials Cost/Acre				\$0.00

Application

Description	Cost /Acre
	\$
Total Mulch Application Cost/Acre	\$0.00

NURSERY STOCK PLANTING

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

JOB TIME AND COST

No. of Acres: 15
 Estimated Failure Rate: 25%
 *Selected Replanting Work Items: FERTILIZING,TILLING,SEEDING

Cost /Acre: \$513.82

Cost /Acre*: \$513.82

Initial Job Cost: \$7,707.30
 Reseeding Job Cost: \$1,926.83
 Total Job Cost: \$9,634.13
 Job Hours: 20.00

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: MobilizeSite: Zellitti Pit Permit Action: 2014 Inspection Permit/Job#: M1980246**PROJECT IDENTIFICATION**

Task #: 006 State: Colorado Abbreviation: None
 Date: 4/15/2014 County: La Plata Filename: M246-006
 User: KAP

Agency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**

Shift basis: 1 per day
 Cost Data Source: CRG Data

Truck 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:**

Available Rig Capacities	0-25 Tons	26-50 Tons	51+ Tons
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:

Cat D8T - 8SU	53.08	\$63.00	\$125.45	1	\$188.45	\$125.45	\$0.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$0.00

Subtotals: **\$316.71** **\$214.12** **\$0.00**

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 3/4 T.	\$15.34	1	\$15.34	\$15.34

Subtotals: **\$15.34** **\$15.34**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	DURANGO	
Total one-way travel distance:	10.00	miles
Average Travel Speed:	30.00	mph

Total Non-Roadable Mob/Demob Cost *	\$987.31
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$10.23
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.33	0.33
Return Time (Hours):	0.33	0.33
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.67	0.67

JOB TIME AND COST

Total job time:	3.33	Hours
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Total job cost:	\$997.54
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