



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

May 15, 2014

Gary Vezzani
Walsenburg Sand & Gravel Co., Inc.
P.O. Drawer 352
Walsenburg, CO 81089

**Re: Sand Arroyo, DRMS Permit No. M-1978-283
Technical Revision TR-01
Preliminary Adequacy Review**

Dear Mr. Vezzani:

The Division of Reclamation, Mining and Safety (Division/DRMS), has completed a preliminary review of the Technical Revision, TR-01, and has the following comments.

- 1) Please commit to reporting to the Division the following information regarding the mined slope(s) each year in the annual report.
 - a. The location(s) of the regraded slope(s), the Operator will illustrate on a map where the re-graded slope(s) are located.
 - b. Provide dimensions of the regraded slope(s) on the annual report map.
 - c. Provide photos of the regraded slope and illustrate on the map the approximate location of where the photos were taken.
 - d. Provide the location(s) where reclaimed slope(s) have failed.
- 2) The Division understands that the Operator does not want to be liable for the regrading of natural cut banks and any reclaimed slope where the toe of the slope has been washed out or damaged. Please provide a statement in TR-01 describing how the Operator is responsible for maintaining slopes against routine erosion damage such as rills, gullies and revegetation.
- 3) The Division believes that \$19,000 is adequate to reclaim the Sand Arroyo Pit, please see the attached financial warranty calculation.

The current decision deadline for TR-01 is June 2, 2014. Please provide responses to the above comments soon enough for the Division to review the responses and complete a follow-up exchange of

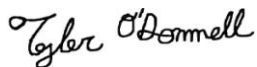


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comments and responses prior to the decision deadline. If you are unable to provide satisfactory responses to any inadequacies prior to the decision deadline, **it will be your responsibility to request an extension of time to allow for continued review of TR-01.** If there are still unresolved issues when the decision date arrives and no extension has been requested, TR-01 will be denied.

If you need additional information please contact me at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203, by telephone at 303-866-3567, extension 8131, or by email at tyler.odonnell@state.co.us.

Sincerely,



Tyler O'Donnell
Environmental Protection Specialist

Enclosure: Financial warranty calculation

CC: Tom Kaldenbach, DRMS

Steve L. O'Brian
Environmental, Inc.
7985 Vance Dr., Suite 205A
Arvada, CO 80003

COST SUMMARY WORK

Task description: Reclaim sand Arroyo pit

Site: Sand Arroyo Permit Action: TR01 Permit/Job#: M1978283

PROJECT IDENTIFICATION

Task #: 888 State: Colorado Abbreviation: None
Date: 5/15/2014 County: Huerfano Filename: M283-888
User: TOD

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Grade highwalls to 3H:1V	DOZER	1	8.12	\$1,695.33
002	grade areas flat	DOZER	1	22.75	\$4,753.57
003	revegetation of 10 acres	REVEGE	1	30.00	\$3,889.34
004	revegetation of 5 acres regraded highwall	REVEGE	1	30.00	\$2,882.54
005	Mobilization/demobilization	MOBILIZE	1	2.14	\$850.37
<u>SUBTOTALS:</u>				93.01	\$14,071.15

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02%	Total =	\$284.24
Performance bond:	1.05%	Total =	\$147.75
Job superintendent:	20.00 hrs	Total =	\$1,503.20
Profit:	10.00%	Total =	\$1,407.12
		TOTAL O & P =	\$3,342.31
		CONTRACT AMOUNT (direct + O & P) =	\$17,413.46

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	0.00	Total =	0.00
Engineering work and/or contract/bid preparation:	4.25%	Total =	\$740.07
Reclamation management and/or administration:	5.00%		\$870.67
CONTINGENCY:		Total =	\$0.00
		TOTAL INDIRECT COST =	\$4,953.06
		TOTAL BOND AMOUNT (direct + indirect) =	\$19,024.21