



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

Mr. Dale Schmidt
Dale and Ellen Schmidt
472 Meadows Dr.
Pagosa Springs, CO 81147

June 16, 2014

Re: Schmidt Site, Permit No. M-2011-014, Financial Warranty Increase, Revision No. SI-1

Dear Mr. Schmidt:

On June 16, 2014 the Division of Reclamation, Mining and Safety increased the current Financial Warranty for this permit to \$84,246.10, in accordance with Rule 4.2.1 of the Rules and Regulations. This is an increase of \$76,842.10.

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: _____
Site: Schmidt Site Permit Action: 2014 Inspection Permit/Job#: M2011014

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 6/4/2014 County: Archuleta Filename: M014-000
User: KAP
Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

| Task | Description | Form Used | Fleet Size | Task Hours | Cost |
|--------------------------|---------------------|-----------|------------|---------------|--------------------|
| 001 | Backfill highwalls | DOZER | 1 | 335.07 | \$45,939.11 |
| 002 | Revegetate | REVEGE | 1 | 2.00 | \$3,812.34 |
| 003 | Mobilize/Demobilize | MOBILIZE | 1 | 2.96 | \$726.10 |
| <u>SUBTOTALS:</u> | | | | 340.03 | \$50,477.55 |

INDIRECT COSTS

OVERHEAD AND PROFIT:

| | | | |
|----------------------|------------|------------------------------------|-------------|
| Liability insurance: | 0.00% | Total = | \$0.00 |
| Performance bond: | 0.00% | Total = | \$0.00 |
| Job superintendent: | 225.86 hrs | Total = | \$16,975.64 |
| Profit: | 10.00% | Total = | \$5,047.76 |
| | | TOTAL O & P = | \$22,023.40 |
| | | CONTRACT AMOUNT (direct + O & P) = | \$72,500.95 |

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

| | | | |
|--|--------|---------|------------|
| Financial warranty processing (legal/related costs): | 0.00 | Total = | 0.00 |
| Engineering work and/or contract/bid preparation: | 10.00% | Total = | \$7,250.10 |
| Reclamation management and/or administration: | 6.20% | | \$4,495.06 |

CONTINGENCY: 0.00 Total = \$0.00

TOTAL INDIRECT COST = \$33,768.55

TOTAL BOND AMOUNT (direct + indirect) = \$84,246.10

BULLDOZER WORKTask description: Backfill highwallsSite: Schmidt SitePermit Action: 2014 InspectionPermit/Job#: M2011014PROJECT IDENTIFICATIONTask #: 001State: ColoradoAbbreviation: NoneDate: 6/4/2014County: ArchuletaFilename: M014-001User: KAPAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D6T XLHorsepower: 200Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

| | | <u>Utilization %</u> |
|-----------------------|---------|----------------------|
| Ownership Cost/Hour: | \$34.93 | NA |
| Operating Cost/Hour: | \$64.17 | 100 |
| Ripper op. Cost/Hour: | \$0.00 | 0 |
| Operator Cost/Hour: | \$38.01 | NA |

Total unit Cost/Hour: \$137.10Total Fleet Cost/Hour: \$137.10MATERIAL QUANTITIESInitial Volume: 12,000Swell factor: 1.125Loose volume: 13,500 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 150 feetUnadjusted hourly production: 212.5 LCY/hrMaterials consistency description: Consolidated stockpile 1.0Average push gradient: 25 %Average site altitude: 7,000 feetMaterial weight: 2,550 lbs/LCYWeight description: Earth - Dry packedJob Condition Correction Factor

| | | <u>Source</u> |
|-----------------------|-------|---------------|
| Operator Skill: | 0.750 | (AVG.) |
| Material consistency: | 1.000 | (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: | 0.422 | (CAT HB) |
| Altitude: | 1.000 | (CAT HB) |
| Material Weight: | 0.902 | (CAT HB) |
| Blade type: | 1.000 | (PAT) |

Net correction: 0.1896

Adjusted unit production: 40.29 LCY/hr

Adjusted fleet production: **40.29** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
 Unit cost: \$3.403/LCY

Total job time: **335.07** Hours
 Total job cost: **\$45,939.11**

REVEGETATION WORKTask description: RevegetateSite: Schmidt SitePermit Action: 2014 InspectionPermit/Job#: M2011014PROJECT IDENTIFICATIONTask #: 002State: ColoradoAbbreviation: NoneDate: 6/4/2014County: ArchuletaFilename: M014-002User: KAPAgency or organization name: DRMSFERTILIZING**Materials**

| Description | Units / Acre | Unit | Cost / Unit | Cost /Acre |
|----------------------------|-----------------|-------|---|-----------------|
| Potassium nitrate, 13-46-0 | 200.00 | pound | \$1.25 | \$249.20 |
| | | | Total Fertilizer Materials Cost/Acre | \$249.20 |

Application

| Description | Cost /Acre |
|---|----------------|
| Hydro spreader (MEANS 32 01 90.13 0180) | \$66.21 |
| Total Fertilizer Application Cost/Acre | \$66.21 |

TILLING

| Description | Cost /Acre |
|--------------------------------|---------------|
| | \$ |
| Total Tilling Cost/Acre | \$0.00 |

SEEDING

| Seed Mix | Rate – PLS LBS / Acre | Seeds per SQ. FT | Cost /Acre |
|------------------------------------|--------------------------------|------------------------|----------------|
| Rye, Annual Tetraploid - Barnultra | 0.80 | 3.49 | \$1.18 |
| Crested Wheatgrass - Fairway | 6.00 | 27.55 | \$14.52 |
| Smooth Brome - Lincoln | 9.20 | 30.62 | \$12.24 |
| Intermediate Wheatgrass - Oahe | 9.00 | 19.21 | \$19.44 |
| Totals Seed Mix | 25.00 | 80.88 | \$47.37 |

Application

| Description | Cost /Acre |
|-------------------------|------------|
| Broadcast seeding [DMG] | \$261.28 |

| | |
|----------------------------------|----------|
| Total Seed Application Cost/Acre | \$261.28 |
|----------------------------------|----------|

MULCHING and MISCELLANEOUS**Materials**

| Description | Units / Acre | Unit | Cost / Unit | Cost /Acre |
|---|-----------------|------|-------------|------------|
| Hay, delivered {MEANS 31 25 14.16 1200} | 2.00 | TON | \$265.00 | \$530.00 |
| Total Mulch Materials Cost/Acre | | | | \$530.00 |

Application

| Description | Cost /Acre |
|--|------------|
| Crimping, with tractor {DMG survey data} | \$65.89 |
| Total Mulch Application Cost/Acre | \$65.89 |

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: 2.5 Cost /Acre: \$1,219.95
 Estimated Failure Rate: 25% Cost /Acre*: \$1,219.95
 *Selected Replanting Work Items: FERTILIZING,SEEDING,MULCHING

Initial Job Cost: \$3,049.88
 Reseeding Job Cost: \$762.47
 Total Job Cost: \$3,812.34
 Job Hours: 2.00

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mobilize/DemobilizeSite: Schmidt SitePermit Action: 2014 InspectionPermit/Job#: M2011014**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 6/4/2014County: ArchuletaFilename: M014-003User: KAPAgency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**Shift basis: 1 per dayCost 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:**

| 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:

| 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 D6T XL | 23.25 | \$34.93 | \$88.67 | 1 | \$123.60 | \$88.67 | \$0.00 |
| Drill/Broadcast Seeder with Tractor | 25.00 | \$39.59 | \$88.67 | 1 | \$128.26 | \$88.67 | \$0.00 |

Subtotals: **\$251.86** **\$177.34** **\$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. | \$34.08 | 1 | \$34.08 | \$34.08 |

Subtotals: **\$34.08** **\$34.08**

EQUIPMENT HAUL DISTANCE and Time

| | | |
|--|-----------------------|-------|
| Nearest Major City or Town within project area region: | <u>PAGOSA SPRINGS</u> | |
| Total one-way travel distance: | <u>12.00</u> | miles |
| Average Travel Speed: | <u>50.00</u> | mph |

| | |
|-------------------------------------|-----------------|
| Total Non-Roadable Mob/Demob Cost * | <u>\$709.74</u> |
| * two round trips with haul rig: | |

| | |
|----------------------------------|----------------|
| Total Roadable Mob/Demob Cost ** | <u>\$16.36</u> |
| ** one round trip, no haul rig: | |

Transportation Cycle Time:

| | Non-Roadable Equipment | Roadable Equipment |
|-------------------------|---------------------------|-----------------------|
| Haul Time (Hours): | <u>0.24</u> | <u>0.24</u> |
| Return Time (Hours): | <u>0.24</u> | <u>0.24</u> |
| Loading Time (Hours): | <u>0.50</u> | <u>NA</u> |
| Unloading Time (Hours): | <u>0.50</u> | <u>NA</u> |
| Subtotals: | <u>1.48</u> | <u>0.48</u> |

JOB TIME AND COST

| | | |
|-----------------|-------------|-------|
| Total job time: | <u>2.96</u> | Hours |
|-----------------|-------------|-------|

| | |
|-----------------|-----------------|
| Total job cost: | <u>\$726.10</u> |
|-----------------|-----------------|