



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

Steve Hankins
Hankins Stone Co., Inc.
P.O. Box 164
Dove Creek, CO 81324

August 29, 2014

Steve Hankins
Hankins Stone Co., Inc.
P.O. Box 164
Dove Creek, CO 81324

Re: Hankins Stone Quarry #1, Permit No. M-2000-154, Financial Warranty Reduction Approval, Revision No. SR-1, Additional Information Regarding Surety Increase SI-01

Steve Hankins:

On August 25, 2014 the Division of Reclamation, Mining and Safety approved your request for a Financial Warranty Reduction to \$25,054.56. This is a reduction of \$3,222.10. This decision reduces the amount of the financial warranty, and does not approve any release of reclamation responsibility for the tasks associated with this request. This amount still exceeds the currently bond held by \$8,264.56.

The Division ordered amendment of the current Financial Warranty, or submittal of a new Financial Warranty reflecting the increase, must be submitted within 60 days from the date of this letter. If you wish to submit a different type of Financial Warranty, please contact me so that I may send you the applicable form.

YOU HAVE 60 DAYS FROM THE DATE YOU RECEIVED THIS LETTER TO POST THE ADDITIONAL AMOUNT

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: Hankins Stone Quarry #1

Permit Action: 2014 Inspection

Permit/Job#: M2000154

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 8/11/2014

County: San Miguel

Filename: M154-000

User: KAP

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Highwall reduction 1H:1V to 3H:1V	DOZER	1	8.20	\$1,791.00
002	Rough grade affected lands, disperse stockpiled OVB	DOZER	1	33.36	\$7,292.00
003	Redistribute topsoil 3 inch depth over 5 acres	DOZER	1	7.22	\$1,562.00
004	Revegetation	REVEGE	1	8.00	\$6,118.00
005	Mobilize/Demobilize	MOBILIZE	1	4.00	\$1,576.00
<u>SUBTOTALS:</u>				60.78	\$18,339

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 0.00%

Total = \$0.00

Performance bond: 0.00%

Total = \$0.00

Job superintendent: 36.64 hrs

Total = \$2,753.86

Profit: 10.00%

Total = \$1,833.90

TOTAL O & P = \$4,587.76

CONTRACT AMOUNT (direct + O & P) = \$22,926.76

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: 7.10%

\$1,627.80

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$6,715.56

TOTAL BOND AMOUNT (direct + indirect) = \$25,054.56

BULDOZER WORKTask description: Highwall reduction 1H:1V to 3H:1VSite: Hankins Stone Quarry #1Permit Action: 2014 InspectionPermit/Job#: M2000154PROJECT IDENTIFICATIONTask #: 001State: ColoradoAbbreviation: NoneDate: 8/11/2014County: San MiguelFilename: M154-001User: KAPAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: 1-shank ripperShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$70.00	NA
Operating Cost/Hour:	\$108.22	100
Ripper op. Cost/Hour:	\$2.36	25
Operator Cost/Hour:	\$38.01	NA
Total unit Cost/Hour:	\$218.59	
Total Fleet Cost/Hour:	\$218.59	

MATERIAL QUANTITIESInitial Volume: 3,500Swell factor: 1.000Loose volume: 3,500 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: Rock, well ripped or blasted 0.8Average push gradient: -15 %Average site altitude: 6,500 feetMaterial weight: 2,900 lbs/LCYWeight description: Decomposed rock - 50% Rock, 50% EarthJob Condition Correction Factor

		Source
Operator Skill:	0.750	(AVG.)
Material consistency:	0.800	(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:	1.329	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4199

Adjusted unit production: 427.08 LCY/hr

Adjusted fleet production: 427.08 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.512/LCY

Total job time: 8.20 Hours

Total job cost: \$1,791

BULLDOZER WORKTask description: Rough grade affected lands, disperse stockpiled OVBSite: Hankins Stone Quarry #1Permit Action: 2014 InspectionPermit/Job#: M2000154PROJECT IDENTIFICATIONTask #: 002
Date: 8/11/2014
User: KAPState: Colorado
County: San MiguelAbbreviation: None
Filename: M154-002Agency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D8T - 8SU
Horsepower: 310
Blade Type: Semi-Universal
Attachment: 1-shank ripper
Shift Basis: 1 per day
Data Source: (CRG)Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$70.00</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$108.22</u>	<u>100</u>
Ripper op. Cost/Hour:	<u>\$2.36</u>	<u>25</u>
Operator Cost/Hour:	<u>\$38.01</u>	<u>NA</u>

Total unit Cost/Hour: \$218.59
Total Fleet Cost/Hour: \$218.59MATERIAL QUANTITIESInitial Volume: 16,133
Swell factor: 1.000
Loose volume: 16,133 LCYSource of estimated volume: Division of Reclamation, Mining & Safety
Source of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 75 feet
Unadjusted hourly production: 1,017.1 LCY/hrMaterials consistency description: Partly consolidated stockpile 1.1Average push gradient: 0 %
Average site altitude: 6,500 feetMaterial weight: 2,650 lbs/LCYWeight description: Decomposed rock - 25% Rock, 75% EarthJob Condition Correction Factor

		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>1.100</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	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4755

Adjusted unit production: 483.63 LCY/hr

Adjusted fleet production: **483.63** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
 Unit cost: \$0.452/LCY

Total job time: **33.36** Hours
 Total job cost: **\$7,292**

BULLDOZER WORKTask description: Redistribute topsoil 3 inch depth over 5 acresSite: Hankins Stone Quarry #1Permit Action: 2014 InspectionPermit/Job#: M2000154PROJECT IDENTIFICATIONTask #: 003State: ColoradoAbbreviation: NoneDate: 8/11/2014County: San MiguelFilename: M154-003User: KAPAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: 1-shank ripperShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$70.00	NA
Operating Cost/Hour:	\$108.22	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.01	NA

Total unit Cost/Hour: \$216.23Total Fleet Cost/Hour: \$216.23MATERIAL QUANTITIESInitial Volume: 2,017Swell factor: 1.000Loose volume: 2,017 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 150 feetUnadjusted hourly production: 634.3 LCY/hrMaterials consistency description: Rock, well ripped or blasted 0.8Average push gradient: -10 %Average site altitude: 6,500 feetMaterial weight: 2.550 lbs/LCYWeight description: Earth - Dry packedJob Condition Correction Factor

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	0.800	(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:	1.225	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4402

Adjusted unit production: 279.22 LCY/hr

Adjusted fleet production: 279.22 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.774/LCY

Total job time: 7.22 Hours

Total job cost: \$1,562

REVEGETATION WORKTask description: RevegetationSite: Hankins Stone Quarry #1Permit Action: 2014 InspectionPermit/Job#: M2000154PROJECT IDENTIFICATIONTask #: 004State: ColoradoAbbreviation: NoneDate: 8/11/2014County: San MiguelFilename: M154-004User: KAPAgency or organization name: DRMSFERTILIZINGMaterials

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

Application

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

TILLING

Description	Cost /Acre
Chisel plowing {DMG}	\$88.58
Total Tilling Cost/Acre	\$88.58

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Paloma	4.50	14.57	\$39.20
Sand Dropseed	0.20	23.88	\$1.40
Totals Seed Mix	4.70	38.44	\$40.59

Application

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

Total Seed Application Cost/Acre

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Herbicide - 2,4D @ 1.0 pt/ac	1.00	ACRE	\$1.23	\$1.23
Straw, delivered {MEANS 31 25 14.16 1200}	1.00	TON	\$265.00	\$265.00
Total Mulch Materials Cost/Acre				\$266.23

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$65.89
Power mulcher (MEANS 32 91 13.16 0250)	\$86.68
Weed spray, hand, aquatic area, nox. [DMG]	\$179.57
Total Mulch Application Cost/Acre	\$332.14

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: 5 Cost /Acre: \$815.74
 Estimated Failure Rate: 50% Cost /Acre*: \$815.74
 *Selected Replanting Work Items: TILLING, SEEDING, MULCHING

Initial Job Cost: \$4,078.70
 Reseeding Job Cost: \$2,039.35
 Total Job Cost: \$6,118
 Job Hours: 8.00

EQUIPMENT MOBILIZATION/DEMobilIZATIONTask description: Mobilize/DemobilizeSite: Hankins Stone Quarry #1Permit Action: 2014 InspectionPermit/Job#: M2000154PROJECT IDENTIFICATIONTask #: 005State: ColoradoAbbreviation: NoneDate: 8/11/2014County: San MiguelFilename: M154-005User: KAPAgency or organization name: DRMSEQUIPMENT TRANSPORT RIG COSTShift 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 D8T - 8SU	52.21	\$70.00	\$125.45	1	\$195.45	\$125.45	\$0.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$0.00
Power Mulcher (Reinco M90)	6.00	\$7.03	\$88.67	1	\$95.70	\$88.67	\$0.00
Subtotals:					\$419.41	\$302.79	\$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 I.	\$15.30	1	\$15.30	\$15.30
Subtotals:			\$15.30	\$15.30

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	NATURIA	
Total one-way travel distance:	20.00	miles
Average Travel Speed:	40.00	mph
Total Non-Roadable Mob/Demob Cost *	\$1,561.02	
** two round trips with haul rig:		
Total Roadable Mob/Demob Cost **	\$15.30	
** one round trip, no haul rig:		

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.50	0.50
Return Time (Hours):	0.50	0.50
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.00	1.00

JOB TIME AND COST

Total job time:	4.00	Hours
Total job cost:	\$1,576	

EQUIPMENT MOBILIZATION/DEMobilIZATIONTask description: Mobilize/DemobilizeSite: Hankins Stone Quarry #1Permit Action: 2014 InspectionPermit/Job#: M2000154PROJECT IDENTIFICATIONTask #: 005State: ColoradoAbbreviation: NoneDate: 8/11/2014County: San MiguelFilename: M154-005User: KAPAgency or organization name: DRMSEQUIPMENT TRANSPORT RIG COSTShift 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 D8T - 8SU	52.21	\$70.00	\$125.45	1	\$195.45	\$125.45	\$0.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$0.00
Power Mulcher (Reinco M90)	6.00	\$7.03	\$88.67	1	\$95.70	\$88.67	\$0.00
Subtotals:					\$419.41	\$302.79	\$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.	\$15.30	1	\$15.30	\$15.30
Subtotals:			\$15.30	\$15.30

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: NATURIA

Total one-way travel distance: 20.00 miles

Average Travel Speed: 40.00 mph

Total Non-Roadable Mob/Demob Cost * \$1,561.02

* two round trips with haul rig:

Total Roadable Mob/Demob Cost ** \$15.30

** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.50</u>	<u>0.50</u>
Return Time (Hours):	<u>0.50</u>	<u>0.50</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>2.00</u>	<u>1.00</u>

JOB TIME AND COST

Total job time: 4.00 Hours

Total job cost: \$1,576