



## COLORADO

Division of Reclamation,  
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

November 24, 2014

Krystle M. Dorris  
2230 Winter Canyon View No. 106  
Colorado Springs, CO 80907

RE: American Dream Exploration; DRMS File No. P-2014-007; NOI Approval with Financial Warranty Due

Dear Ms. Dorris,

The Division of Reclamation, Mining and Safety (Division) has completed the review of your Notice of Intent to Conduct Prospecting (NOI) application. The NOI application was approved on November 14, 2014. Staff has determined based on the projected costs of reclamation (copy enclosed), that the required financial warranty amount is \$5,650.00. The financial warranty must be submitted on the appropriate Mined Land Reclamation Board approved forms which are available from our office or can be downloaded from our website at [www.mining.state.co.us](http://www.mining.state.co.us).

The Division understands that the US Forest Service (USFS) has not reached a decision on the Plan of Operations. Since this project is located on USFS managed land, proper approvals must still be obtained from the USFS. If USFS places any requirements or limitations on this project that differ from those currently approved by the Division, then please contact this office so that the NOI may be modified and the bond amount reviewed.

**Please be advised that you may not commence operations until the financial warranty has been submitted and accepted by our office. You will be notified in writing when it is accepted. If we do not receive the required financial warranty within 60 days of the date of this letter, then the NOI may be terminated.**

If you have any questions, please contact me at (303)866-3567 x8169.

Sincerely,

Timothy A. Cazier, P.E.  
Environmental Protection Specialist

CC: Tom Kaldenbach, DRMS  
Barbara Coria, DRMS  
Amy Titterington, USFS (via email)



## COST SUMMARY WORK

Task description: Cost Summary

Site: American Dream Exploration Permit Action: Initial Estimate Permit/Job#: P2014007

### PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None  
Date: 11/7/2014 County: Teller Filename: P007-000  
User: TC1

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Backfill 4 Digs	LOADER	1	11.28	\$895.00
003	reveg	REVEGE	1	6.00	\$1,956.00
004	Mob/Demob	MOBILIZE	1	4.33	\$1,907.00
<b><u>SUBTOTALS:</u></b>				<b>21.61</b>	<b>\$4,758</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance:	2.02%	Total =	\$96.11
Performance bond:	1.05%	Total =	\$49.96
Job superintendent:	0.00 hrs	Total =	\$0.00
Profit:	10.00%	Total =	\$475.80
		TOTAL O & P =	\$621.87
		CONTRACT AMOUNT (direct + O & P) =	\$5,379.87

#### 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:	5.00%		\$268.99

CONTINGENCY: 0.00 Total = \$0.00

TOTAL INDIRECT COST = \$890.86

**TOTAL BOND AMOUNT (direct + indirect) = \$5,648.86**

**WHEEL LOADER – LOAD AND CARRY WORK**Task description: **Backfill 4 Digs**Site: **American Dream Exploration**Permit Action: **Initial Estimate**Permit/Job#: **P2014007****PROJECT IDENTIFICATION**Task #: **001**State: **Colorado**Abbreviation: **None**Date: **11/7/2014**County: **Teller**Filename: **P007-001**User: **TC1**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **CAT 924G**Attachment 1: **ROPS Cab**Horsepower: **128**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		Utilization %
Ownership Cost/Hour:	\$12.27	NA
Operating Cost/Hour:	\$29.88	100
Operator Cost/Hour:	\$37.13	NA
Total Unit Cost/Hour:	\$79.28	
Total Fleet Cost/Hour:	\$79.28	

**MATERIAL QUANTITIES**Initial volume: **3,260**

CCY

Swell factor: **1.000**Loose volume: **3,260**

LCY

Source of estimated volume: **DRMS: 4 sites @ ~ 815CY each (~8ftx50ftx50ft)\*1.1 SF**Source of estimated swell factor: **Cat Handbook****HOURLY PRODUCTION**Loader Cycle Time: Unadjusted Basic Cycle Time (load, dump, maneuver): **0.475** minutes

Cycle Time Factors		Factor (min.)	Source
Material:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Stockpile:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Truck Ownership:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Operation:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Dump Target:	Nominal target 0.00	0.000	(Cat HB)
Net Cycle Time Adjustment:		0.000	minutes
Adjusted Basic Cycle Time:		0.475	minutes

**Rolling Resistance – Road Conditions**Haul: **Rutted dirt, little maintenance, no water, 2" tire penetration 5.0**Return: **Rutted dirt, little maintenance, no water, 2" tire penetration 5.0****Haul and Return Time**

	Length (feet)	Grade Res. (%)	Rolling Res. (%)	Total Res. (%)	Travel Time (minutes)	Source
Haul Route:	25	-5.00	5.00	0.00	0.0088	(Cat HB)
Return Route:	25	5.00	5.00	10.00	0.0281	(Cat HB)

Total Travel Time: 0.0369 minutes  
 Total Cycle Time: 0.5119 minutes

Load Bucket Capacity

Rated Capacity: 2.70 LCY (heaped)  
 Bucket Fill Factor: 1.100 Other - rock/dirt mixtures (100-120%) 1.100  
 Adjusted Capacity: 2.97 LCY

Job Condition Correction Factors

Site Altitude: 8500 feet

		Source
Altitude Adj:	<u>1.00</u>	(CAT HB)
Job Efficiency:	<u>0.83</u>	(1 shift/day)
Net Correction:	<u>0.83</u>	multiplier

Unadjusted Hourly Unit Production: 348.09 LCY/Hour  
 Adjusted Hourly Unit Production: 288.92 LCY/Hour  
 Adjusted Hourly Fleet Production: 288.92 LCY/Hour

JOB TIME AND COST

Fleet size: 1 Loader(s) Total job time: 11.28 Hours  
 Unit cost: \$0.274 /LCY Total job cost: \$895

**REVEGETATION WORK**Task description: **Reveg**Site: **American Dream Exploration**Permit Action: **Initial Estimate**Permit/Job#: **P2014007****PROJECT IDENTIFICATION**Task #: **003**  
Date: **11/7/2014**  
User: **TC1**State: **Colorado**  
County: **Teller**Abbreviation: **None**  
Filename: **P007-003**Agency or organization name: **DRMS****FERTILIZING****Materials**

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

**Application**

Description	Cost /Acre
	\$
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$0.00</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
Arizona Fescue - Redondo	6.00	68.87	\$66.18
Blue Grama - Native	4.00	65.29	\$41.40
Canby Bluegrass - Canbar	2.00	42.52	\$16.76
Mountain Brome - Bromar	8.00	12.86	\$27.20
Great Basin Wildrye - Magnar	4.00	16.25	\$29.96
Strawberry Clover (coated)	0.80	5.42	\$5.38
Thickspike Wheatgrass - Critana	9.20	32.53	\$47.56
Prairie Junegrass	6.00	318.93	\$206.40
<b>Totals Seed Mix</b>	<b>40.00</b>	<b>562.65</b>	<b>\$440.84</b>

**Application**

Description	Cost /Acre
Broadcast seeding [DMG]	\$261.28
<b>Total Seed Application Cost/Acre</b>	<b>\$261.28</b>

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

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Hay bales, staked, level (MEANS 31 25 14.16 1250)	15.00	LINEAR FOOT	\$11.01	\$165.15
<b>Total Mulch Materials Cost/Acre</b>				<b>\$165.15</b>

**Application**

Description	Cost /Acre
Hay bales, staked, <3h:1v (MEANS 31 25 14.16 1305)	\$12.66
<b>Total Mulch Application Cost/Acre</b>	<b>\$12.66</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: 1.6 Cost /Acre: \$977.94  
 Estimated Failure Rate: 25% Cost /Acre\*: \$977.94  
 \*Selected Replanting Work Items: TILLING,SEEDING,MULCHING

Initial Job Cost: **\$1,564.70**  
 Reseeding Job Cost: **\$391.18**  
 Total Job Cost: **\$1,956**  
 Job Hours: **6.00**

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Mob/Demob**Site: **American Dream Exploration**Permit Action: Initial EstimatePermit/Job#: P2014007**PROJECT IDENTIFICATION**Task #: 004State: ColoradoAbbreviation: NoneDate: 11/7/2014County: TellerFilename: P007-004User: TC1Agency 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:**

<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 924G	12.69	\$12.27	\$88.67	1	\$100.94	\$88.67	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$250.00

Subtotals: **\$229.20** **\$177.34** **\$500.00****ROADABLE EQUIPMENT:**

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

Subtotals: **\$0.00** **\$0.00**

**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	WOODLAND PARK	
Total one-way travel distance:	25.00	miles
Average Travel Speed:	30.00	mph

Total Non-Roadable Mob/Demob Cost *	\$1,906.77
* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$0.00
** one round trip, no haul rig:	

**Transportation Cycle Time:**

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.83	0.83
Return Time (Hours):	0.83	0.83
Loading Time (Hours):	0.25	NA
Unloading Time (Hours):	0.25	NA
Subtotals:	2.17	1.67

**JOB TIME AND COST**

Total job time:	4.33	Hours
-----------------	------	-------

Total job cost:	\$1,907
-----------------	---------