

April 24, 2015

Robert Calder
Lockland, LLC
902 East 6th Street
Leadville, CO 80461



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Hopemore Shaft, Permit No. M-2013-026, Technical Revision (TR-1) Approval

Dear Mr. Caulder:

On April 24, 2015 the Division of Reclamation, Mining and Safety (Division) approved the Technical Revision request (TR-1) submitted on April 20, 2015, addressing the following:

- 1. Utilize foam plug method for shaft closures*
- 2. Retain structures on patented claim*

The terms of the TR-1 approved by the Division are hereby incorporated into Permit No. M-2013-026. All other conditions and requirements of the permit remain in full force and effect.

The amount of financial warranty set by the Division for this operation is an amount of (\$32,500.00). A financial warranty of the entire amount, as well as a performance warranty, must be submitted to the Division before a Reclamation Permit may be issued. Please select a type of financial warranty from those detailed in Rule 4.3. Once a financial warranty type is selected, please download the applicable financial warranty and performance warranty forms from the Division's website. You may also contact the Division to have copies of your selected warranty forms mailed to you.

Please make arrangements with Barbara Coria at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 for submittal of the financial and performance warranties. Any questions regarding completion, execution and/or submittal of financial and/or performance warranty forms should also be directed to Barbara Coria.

If you require additional information, or have questions or concerns, please contact me at the Division's Grand Junction Field Office.

Sincerely,



Dustin Czaplak

Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety
101 South 3rd, Suite 301
Grand Junction, CO 81501
Phone: (970) 243-6299
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COST SUMMARY WORK

Task description: TR-1

Site: Hopemore Shaft

Permit Action: TR-1

Permit/Job#: M2013026

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 4/21/2015

County: Lake

Filename: M026-000

User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Demolition and disposal of structures	DEMOLISH	1	80.00	\$10,562.32
02a	Seal Hopemore and Hunter shafts	MINESEAL	1	20.00	\$4,865.94
03a	Reclamation grading	DOZER	1	15.48	\$2,223.00
04a	Revegetate disturbed area	REVEGE	1	2.00	\$3,178.00
05a	Mobilize reclamation crew and equipment	MOBILIZE	1	2.80	\$2,536.00
<u>SUBTOTALS:</u>				120.28	\$23,365

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02%

Total = \$471.97

Performance bond: 1.05%

Total = \$245.33

Job superintendent: 60.14 hrs

Total = \$4,520.12

Profit: 10.00%

Total = \$2,336.50

TOTAL O & P = \$7,573.92

CONTRACT AMOUNT (direct + O & P) = \$30,938.92

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%

\$1,546.95

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$9,120.87

TOTAL BOND AMOUNT (direct + indirect) = \$32,500.00

DEMOLITION WORK

Task description: Demolition and disposal of structures

Site: Hopemore Shaft

Permit Action: TR-1

Permit/Job#: M2013026

PROJECT IDENTIFICATION

Task #: 01A

State: Colorado

Abbreviation: None

Date: 4/21/2015

County: Lake

Filename: M026-01a

User: DMC

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 89.00 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Hopemore shaft building-superstructure	18' x 24' x 12'	Bldg. (MN) demo./on-site disposal in excavated pit - Max. 10,000 ft. haul	5,184.00	CF	\$0.23	\$1,171.58
Hopemore shaft building-concrete floor	18' x 24'	Demo. and on-site disposal in existing pit, 12 in. thick - Max. 200 ft. push	432.00	SF	\$3.43	\$1,481.76
Hopemore hoist building and shop	24' x 36' x 12'	Bldg. (SN) demo./on-site disposal in excavated pit - Max. 10,000 ft. haul	10,368.00	CF	\$0.20	\$2,083.97
Hopemore hoist building and shop-concrete floor	24' x 36'	Demo. and on-site disposal in existing pit, 12 in. thick - Max. 200 ft. push	864.00	SF	\$3.43	\$2,963.52
Compressor room-superstructure	32' x 10' x 12'	Bldg. (SN) demo./on-site disposal in excavated pit - Max. 10,000 ft. haul	3,840.00	CF	\$0.20	\$771.84
Compressor room-concrete floor	32' x 10'	Demo. and on-site disposal in existing pit, 12 in. thick - Max. 200 ft. push	320.00	SF	\$3.43	\$1,097.60
Water tank building	10' x 10' x 10'	Bldg. (SN) demo./on-site disposal in excavated pit - Max. 10,000 ft. haul	1,000.00	CF	\$0.20	\$201.00
Generator shed	9' x 12' x 12'	Bldg. (SN) demo./on-site disposal in excavated pit - Max. 10,000 ft. haul	1,296.00	CF	\$0.20	\$260.50
Dump fees for demolished structures	900 c.y.	Load/haul/dump demolished materials/debris into pit - Max. 10,000 ft. haul	900.00	CY	\$2.04	\$1,836.00

Job Hours: 80.00

Subtotal
(unadjusted): \$11,867.77

Total Cost
(adjusted for location): \$10,562.32

SAFEGUARDING UNDERGROUND OPENINGS

Task description: Seal Hopemore and Hunter shafts

Site: Hopemore Shaft

Permit Action: TR-1

Permit/Job#: M2013026

PROJECT IDENTIFICATION

Task #: 02A

State: Colorado

Abbreviation: None

Date: 4/21/2015

County: Lake

Filename: M026-02a

User: DMC

Agency or organization name: DRMS

UNIT COSTS

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Shafts	9' x 4.5', 9.5' x 5'	Shaft closure - polyurethane foam plug (per cu. yd.)	26.90	CY	\$180.89	\$4,865.94

Job Hours: 20.00

Total Cost: \$4,865.94

BULLDOZER WORKTask description: Reclamation gradingSite: Hopemore ShaftPermit Action: TR-1Permit/Job#: M2013026**PROJECT IDENTIFICATION**Task #: 03AState: ColoradoAbbreviation: NoneDate: 4/21/2015County: LakeFilename: M026-03aUser: DMCAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D6T LGPHorsepower: 200Blade Type: StraightAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$38.47	NA
Operating Cost/Hour:	\$67.16	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.01	NA

Total unit Cost/Hour: \$143.63Total Fleet Cost/Hour: \$143.63**MATERIAL QUANTITIES**Initial Volume: 1,000Swell factor: 1.250Loose volume: 1,250 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 150 feetUnadjusted hourly production: 212.5 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: 0 %Average site altitude: 11,500 feetMaterial weight: 2,550 lbs/LCYWeight description: Earth - Dry packed**Job Condition Correction Factor**

		<u>Source</u>
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	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	0.940	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3800

Adjusted unit production: 80.75 LCY/hr

Adjusted fleet production: 80.75 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$1.779/LCY

Total job time: 15.48 Hours

Total job cost: \$2,223

REVEGETATION WORKTask description: Revegetate disturbed areaSite: Hopemore ShaftPermit Action: TR-1Permit/Job#: M2013026**PROJECT IDENTIFICATION**Task #: 04AState: ColoradoAbbreviation: NoneDate: 4/21/2015County: LakeFilename: M026-04aUser: DMCAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
8-24-24, 10-15-15, 10-20-20	200.00	pound	\$0.31	\$61.20
Total Fertilizer Materials Cost/Acre				\$61.20

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
Chisel plowing {DMG}	\$88.58
Weed control spraying (MEANS 31 31 16.13 3100)	\$145.20
Total Tilling Cost/Acre	\$233.78

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Arizona Fescue - Redondo	4.50	51.65	\$49.64
Mountain Brome - Bromar	3.80	6.11	\$12.92
Western Wheatgrass - Native	6.40	16.16	\$19.46
Prairie Junegrass	4.00	212.62	\$137.60
Totals Seed Mix	18.70	286.54	\$219.61

Application

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

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Straw, 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
Power mulcher (MEANS 32 91 13.16 0250)	\$86.68
Total Mulch Application Cost/Acre	\$152.57

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: 1.9 Cost /Acre: \$1,338.07
 Estimated Failure Rate: 25% Cost /Acre*: \$1,338.07
 *Selected Replanting Work Items: FERTILIZING, TILLING, SEEDING,
MULCHING

Initial Job Cost: \$2,542.33
 Reseeding Job Cost: \$635.58
 Total Job Cost: \$3,178
 Job Hours: 2.00

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilize reclamation crew and equipment**Site: **Hopemore Shaft**Permit Action: **TR-1**Permit/Job#: **M2013026****PROJECT IDENTIFICATION**Task #: **05A**State: **Colorado**Abbreviation: **None**Date: **4/21/2015**County: **Lake**Filename: **M026-05a**User: **DMC**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:

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 LGP	26.87	\$38.47	\$117.55	1	\$156.02	\$117.55	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$250.00
Power Mulcher (Reinco M90)	6.00	\$7.03	\$88.67	1	\$95.70	\$88.67	\$250.00

Subtotals: **\$379.98** **\$294.89** **\$750.00****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: LEADVILLE
 Total one-way travel distance: 5.00 miles
 Average Travel Speed: 25.00 mph

Total Non-Roadable Mob/Demob Cost * \$2,529.91
 * two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$6.12
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.20	0.20
Return Time (Hours):	0.20	0.20
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.40	0.40

JOB TIME AND COST

Total job time: 2.80 Hours

Total job cost: \$2,536