

August 19, 2015

Gregory Brown
Bear River Sand and Gravel, LLC
6688 N. Central Expressway #650
Dallas, TX 75206



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Bear River S G, Permit No. M-1986-040, Reclamation Costs Update and Notice of Surety Increase (SI-3)

Dear Mr. Brown:

In an effort to ensure the Financial Warranty for the above referenced site adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed).

Division calculations estimate the cost to reclaim the above referenced site to be \$37,600. This is an increase of \$22,651 over the \$14,949 currently held by the Division. This estimate is based on conditions observed during the August 5, 2015 inspection. ***Therefore, pursuant to Section 34-32.5-117(4) of the Colorado Land Reclamation Act, adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of this letter.*** The additional amount needs to be accepted prior to **Monday, October 19, 2015**. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

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 warranty. Any questions regarding completion, execution and/or submittal of financial warranty forms should also be directed to Barbara Coria.

If you require additional information, or have questions or concerns, please feel free to contact me. Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us

Sincerely,

Amy Yeldell
Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety



Phone: (970) 254-8511
Fax: (970) 241-1516

Ec:
Russ Means, Senior EPS / Field Office Supervisor, Grand Junction DRMS

Enc: Financial Warranty Cost Estimate

COST SUMMARY WORK

Task description: Recalculate for opt 2

Site: Bear River S & G

Permit Action: 2015-Post SO1

Permit/Job#: M1986040

PROJECT IDENTIFICATION

Task #: 001

State: Colorado

Abbreviation: None

Date: 8/17/2015

County: Routt

Filename: M040-001

User: ACY

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01b	Foundations, Structure Demo, and Disposal	DEMOLISH	1	25.00	\$10,936.87
02b	Reduce pit slopes / grade site	DOZER	1	13.86	\$3,010.00
03b	Spread topsoil	DOZER	1	13.91	\$2,906.00
04b	Reveg affected area	REVEGE	1	24.00	\$12,006.00
05b	Mobilize reclamation crew and equipment	MOBILIZE	1	2.88	\$1,106.00
<u>SUBTOTALS:</u>				79.65	\$29,965

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02%

Total = \$605.29

Performance bond: 1.05%

Total = \$314.63

Job superintendent: 19.32 hrs

Total = \$1,452.09

Profit: 10.00%

Total = \$2,996.50

TOTAL O & P = \$5,368.51

CONTRACT AMOUNT (direct + O & P) = \$35,333.51

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: 5.00%

\$1,766.68

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$7,635.19

TOTAL BOND AMOUNT (direct + indirect) = \$37,600.19

DEMOLITION WORK

Task description: Foundations, Structure Demo, and Disposal

Site: Bear River S & G

Permit Action: 2015-Post SO1

Permit/Job#: M1986040

PROJECT IDENTIFICATION

Task #: 01B

State: Colorado

Abbreviation: None

Date: 8/17/2015

County: Routt

Filename: M040-01b

User: ACY

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 95.50 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
North Foundation	40' x 15'	Floor, concrete, demolition only, average reinforcing - 6 in. thick	600.00	SF	\$1.64	\$984.00
Metal Shop	30' x 50' x 20'	Demo. only, small or single buildings (single story) - Steel structures	30,000.00	CF	\$0.17	\$5,010.00
Shop Foundation	30' x 50'	Floor, concrete, demolition only, average reinforcing - 6 in. thick	1,500.00	SF	\$1.64	\$2,460.00
Bury concrete	2 Foundations	Push demolished materials/rubble/debris into pit - Max. 100 ft. push	78.00	CY	\$0.49	\$38.22
Disposal of site debris	Misc piles	Dump fees - Building construction materials.	40.00	CY	\$74.00	\$2,960.00

Job Hours: 25.00

Subtotal
(unadjusted): \$11,452.22

Total Cost
(adjusted for location): \$10,936.87

BULLDOZER WORKTask description: Reduce pit slopes / grade siteSite: Bear River S & GPermit Action: 2015-Post SO1Permit/Job#: M1986040**PROJECT IDENTIFICATION**Task #: 02BState: ColoradoAbbreviation: NoneDate: 8/17/2015County: RouttFilename: M040-02bUser: ACYAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: 3-shank ripperShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$69.05	NA
Operating Cost/Hour:	\$108.22	100
Ripper op. Cost/Hour:	\$1.86	25
Operator Cost/Hour:	\$38.01	NA

Total unit Cost/Hour: \$217.14Total Fleet Cost/Hour: \$217.14**MATERIAL QUANTITIES**Initial Volume: 5,881Swell factor: 1.000Loose volume: 5,881 LCYSource of estimated volume: Division of Reclamation, Mining & Safety / site conditionsSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 50 feetUnadjusted hourly production: 1,400.0 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: 0 %Average site altitude: 6,520 feetMaterial weight: 3,400 lbs/LCYWeight description: Sand and gravel - Wet**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:	1.000	(CAT HB)
Material Weight:	0.676	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3030

Adjusted unit production: 424.20 LCY/hr

Adjusted fleet production: 424.2 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.512/LCY

Total job time: 13.86 Hours

Total job cost: \$3,010

BULLDOZER WORKTask description: Spread topsoilSite: Bear River S & GPermit Action: 2015-Post SO1Permit/Job#: M1986040**PROJECT IDENTIFICATION**Task #: 03BState: ColoradoAbbreviation: NoneDate: 8/17/2015County: RouttFilename: M040-03bUser: ACYAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$62.67	NA
Operating Cost/Hour:	\$108.22	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.01	NA

Total unit Cost/Hour: \$208.90Total Fleet Cost/Hour: \$208.90**MATERIAL QUANTITIES**Initial Volume: 5,880Swell factor: 1.000Loose volume: 5,880 LCYSource of estimated volume: Division of Reclamation, Mining & Safety / site conditionsSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 200 feetUnadjusted hourly production: 491.9 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: 0 %Average site altitude: 6,520 feetMaterial weight: 1,600 lbs/LCYWeight description: Top Soil**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.200	(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:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.8593

Adjusted unit production: 422.69 LCY/hr

Adjusted fleet production: 422.69 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.494/LCY

Total job time: 13.91 Hours

Total job cost: \$2,906

REVEGETATION WORKTask description: Reveg affected areaSite: Bear River S & GPermit Action: 2015-Post SO1Permit/Job#: M1986040PROJECT IDENTIFICATIONTask #: 04BState: ColoradoAbbreviation: NoneDate: 8/17/2015County: RouttFilename: M040-04bUser: ACYAgency or organization name: DRMSFERTILIZING**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
10-34-0, 18-46-0, 5-10-5	200.00	pound	\$0.33	\$65.40
			Total Fertilizer Materials Cost/Acre	\$65.40

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
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$98.01
Total Tilling Cost/Acre	\$98.01

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Beardless (Creeping) Wildrye - Shoshone	4.00	13.77	\$102.16
Streambank Wheatgrass - Sodar	5.50	17.93	\$23.16
Western Wheatgrass - Arriba	4.00	10.10	\$14.72
Totals Seed Mix	13.50	41.80	\$140.04

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
Herbicide - Glyphosate (Journey)@ 1.0 pt/ac	3.00	ACRE	\$1.53	\$4.59
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$265.00	\$530.00
Total Mulch Materials Cost/Acre				\$534.59

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$65.89
Weed spray, truck, aquatic area, annuals [DMG]	\$22.36
Total Mulch Application Cost/Acre	\$88.25

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:	9	Cost /Acre:	\$1,067.20
Estimated Failure Rate:	25%	Cost /Acre*:	\$1,067.20
*Selected Replanting Work Items:	FERTILIZING,TILLING,SEEDING,MULCHING		
Initial Job Cost:	\$9,604.80		
Reseeding Job Cost:	\$2,401.20		
Total Job Cost:	\$12,006		
Job Hours:	24.00		

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mobilize reclamation crew and equipmentSite: Bear River S & GPermit Action: 2015-Post SO1Permit/Job#: M1986040**PROJECT IDENTIFICATION**Task #: 05BState: ColoradoAbbreviation: NoneDate: 8/17/2015County: RouttFilename: M040-05bUser: ACYAgency 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 D8T - 8SU	47.71	\$56.69	\$117.55	1	\$174.24	\$117.55	\$250.00

Subtotals: **\$174.24** **\$117.55** **\$250.00****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.	\$15.34	1	\$15.34	\$15.34
Drill/Broadcast Seeder with Tractor	\$136.29	2	\$272.58	\$272.58

Subtotals: **\$287.92** **\$287.92**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	<u>STEAMBOAT SPRINGS</u>	
Total one-way travel distance:	<u>10.00</u>	miles
Average Travel Speed:	<u>45.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$978.16</u>
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$127.96</u>
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.22	0.22
Return Time (Hours):	0.22	0.22
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.44	0.44

JOB TIME AND COST

Total job time: 2.89 Hours

Total job cost: \$1,106