

September 2, 2015

Steve Baker
3B Enterprises, LLC
P.O. Box 1665
Craig, CO 81626



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Raftopoulos Pit #1, Permit No. M-1998-003, Reclamation Costs Update and Notice of Surety Increase (SI-1)

Dear Mr. Baker:

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 \$31,727.00. This is an increase of \$4,101 over the \$27,626 currently held by the Division. This estimate is based on conditions observed during the August 4, 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 ***November 2, 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



Enc: Financial Warranty Cost Estimate

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

COST SUMMARY WORK

Task description: Updating bond post inspection 8-4-15

Site: Raftopoulos Pit #1

Permit Action: 2015 Recalc

Permit/Job#: M1998003

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 8/12/2015

County: Moffat

Filename: M003-000

User: ACY

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Highwall Reduction	DOZER	1	42.20	\$8,816.00
02a	Replace Topsoil	DOZER	1	34.70	\$7,248.00
03a	Reveg Disturbed Area	REVEGE	1	40.00	\$5,648.00
04a	Mobilize reclamation crew/equipment	MOBILIZE	1	9.42	\$4,591.00
<u>SUBTOTALS:</u>				126.32	\$26,303

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02%

Total = \$531.32

Performance bond: 1.05%

Total = \$276.18

Job superintendent: 0.00 hrs

Total = \$0.00

Profit: 10.00%

Total = \$2,630.30

TOTAL O & P = \$3,437.80

CONTRACT AMOUNT (direct + O & P) = \$29,740.80

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%

\$1,487.04

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$5,424.84

TOTAL BOND AMOUNT (direct + indirect) = \$31,727.84

Rounded to = \$31,727.00

BULLDOZER WORKTask description: **Highwall Reduction**Site: **Raftopoulos Pit #1**Permit Action: **2015 Recalc**Permit/Job#: **M1998003****PROJECT IDENTIFICATION**Task #: **01A**State: **Colorado**Abbreviation: **None**Date: **8/12/2015**County: **Moffat**Filename: **M003-01a**User: **ACY**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D8T - 8SU**Horsepower: **310**Blade Type: **Semi-Universal**Attachment: **NA**Shift Basis: **1 per day**Data 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: **\$208.90**Total Fleet Cost/Hour: **\$208.90****MATERIAL QUANTITIES**Initial Volume: **17,778**Swell factor: **1.000**Loose volume: **17,778 LCY**Source of estimated volume: **Attached**Source of estimated swell factor: **NA****HOURLY PRODUCTION**Average push distance: **100 feet**Unadjusted hourly production: **852.6 LCY/hr**Materials consistency description: **Partly consolidated stockpile 1.1**Average push gradient: **0 %**Average site altitude: **6,100 feet**Material weight: **2,550 lbs/LCY**Weight description: **User Provided****Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(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:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4941

Adjusted unit production: 421.27 LCY/hr

Adjusted fleet production: 421.27 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.496/LCY

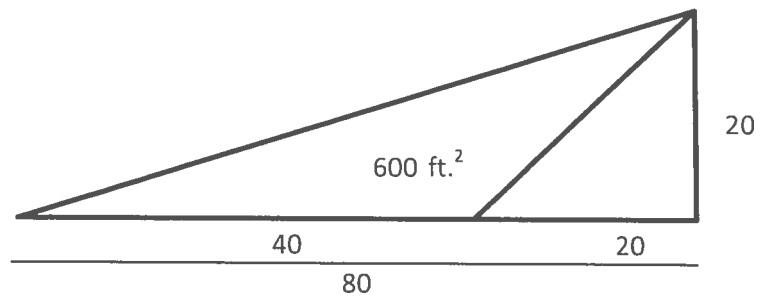
Total job time: 42.20 Hours

Total job cost: \$8,816

Highwall reduction - backfill

Highwall Height (ft.)	20
Length of Highwall (lft.)	800
Initial Slope	1 H:1V
Desired Slope	4 H:1V
Volume of material to be moved (ft. ³)	480000
Volume of material to be moved (yd. ³)	17778

All dimensions measured in feet



BULLDOZER WORKTask description: Replace TopsoilSite: Raftopoulos Pit #1Permit Action: 2015 RecalcPermit/Job#: M1998003PROJECT IDENTIFICATIONTask #: 02AState: ColoradoAbbreviation: NoneDate: 8/12/2015County: MoffatFilename: M003-02aUser: ACYAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic 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: \$208.90MATERIAL QUANTITIESInitial Volume: 13,444Swell factor: 1.000Loose volume: 13,444 LCYSource of estimated volume: 10 acres at 10" depthSource of estimated swell factor: NAHOURLY PRODUCTIONAverage push distance: 200 feetUnadjusted hourly production: 491.9 LCY/hrMaterials consistency description: Partly consolidated stockpile 1.1Average push gradient: 0 %Average site altitude: 6,100 feetMaterial weight: 1,600 lbs/LCYWeight description: User ProvidedJob Condition Correction Factor

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(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: 0.7877

Adjusted unit production: 387.47 LCY/hr

Adjusted fleet production: 387.47 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.539/LCY

Total job time: 34.70 Hours

Total job cost: \$7,248

REVEGETATION WORKTask description: Reveg Disturbed AreaSite: Raftopoulos Pit #1Permit Action: 2015 RecalcPermit/Job#: M1998003PROJECT IDENTIFICATIONTask #: 03AState: ColoradoAbbreviation: NoneDate: 8/12/2015County: MoffatFilename: M003-03aUser: ACYAgency 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
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
Intermediate Wheatgrass - Rush	5.00	10.67	\$11.20
Sheep Fescue - Azay	3.00	46.83	\$8.34
Milk Vetch, Cicer - Lutana	0.50	1.66	\$2.54
Western Wheatgrass - Arriba	5.00	12.63	\$18.40
Totals Seed Mix	13.50	71.80	\$40.48

Application

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

Total Seed Application Cost/Acre	\$88.20
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MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Herbicide - Rodeo @ 2.0 pt/ac	5.00	ACRE	\$6.59	\$32.95
Total Mulch Materials Cost/Acre				\$32.95

Application

Description	Cost /Acre
Weed spray, truck, non-aquatic area, nox. [DMG]	\$61.49
Total Mulch Application Cost/Acre	\$61.49

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:	13	Cost /Acre:	\$321.13
Estimated Failure Rate:	50%	Cost /Acre*:	\$226.69
*Selected Replanting Work Items:	TILLING,SEEDING		
Initial Job Cost:	\$4,174.69		
Reseeding Job Cost:	\$1,473.49		
Total Job Cost:	\$5,648		
Job Hours:	40.00		

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mobilize reclamation crew/equipmentSite: Raftopoulos Pit #1Permit Action: 2015 RecalcPermit/Job#: M1998003**PROJECT IDENTIFICATION**Task #: 04AState: ColoradoAbbreviation: NoneDate: 8/12/2015County: MoffatFilename: M003-04aUser: 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	\$62.67	\$117.55	1	\$180.22	\$117.55	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	2	\$256.51	\$177.34	\$250.00

Subtotals: **\$436.73** **\$294.89** **\$500.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
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Subtotals: **\$0.00** **\$0.00**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	CRAIG, CO	
Total one-way travel distance:	65.00	miles
Average Travel Speed:	35.00	mph
Total Non-Roadable Mob/Demob Cost *	\$4,590.91	
* 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):	1.86	1.86
Return Time (Hours):	1.86	1.86
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	4.71	3.71

JOB TIME AND COST

Total job time:	9.43	Hours
Total job cost:	\$4,591	