

May 26, 2016

Cliff Henderson
Flying Triangle Ranch, LLC
12602 US HWY 26
Riverton WY 82501



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Flying Triangle Ranch Pit, Permit No. M-2008-018, Reclamation Costs Update and Notice of Surety Increase (SI-1)

Dear Mr. Henderson:

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 \$21,368 rounded up from \$21,367.86. This is an increase of \$8,687 over the \$12,681 currently held by the Division. This estimate is based on conditions observed during the May 11, 2016 inspection. Please note that no surety increase have occurred since the permit issuance in 2008. ***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, July 25, 2016**. 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

Ec: Russ Means, Senior EPS / Field Office Supervisor, Grand Junction DRMS
Enc: Financial Warranty Cost Estimate



COST SUMMARY WORK

Task description: Updated after 5/11/16 inspection

Site: Flying Triangle Ranch Pit

Permit Action: 2016-05

Permit/Job#: M2008018

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 5/24/2016

County: Moffat

Filename: M018-000

User: ACY

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Rip 3 acres of process and equipment area	RIPPER	1	6.54	\$1,473.00
02a	Cut and Fill 200' excavation bench	DOZER	1	9.47	\$2,051.00
03a	Push topsoil over 3.3 acres total disturbance	DOZER	1	3.21	\$668.00
04a	Reveg of 3.3 acres of total disturbances	REVEGE	1	24.00	\$7,833.00
05a	Initial Mobilization	MOBILIZE	1	5.50	\$3,748.00
06a	Secondary Mobilization	MOBILIZE	1	5.50	\$2,225.00
<u>SUBTOTALS:</u>				54.22	\$17,998

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$363.56

Performance bond: 1.05

Total = \$188.98

Job superintendent: 0.00

Total = \$0.00

Profit: 10.00

Total = \$1,799.80

TOTAL O & P = \$2,352.34

CONTRACT AMOUNT (direct + O & P) = \$20,350.34

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

\$1,017.52

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$3,369.86

TOTAL BOND AMOUNT (direct + indirect) = \$21,367.86

BULLDOZER RIPPING WORK

Task description: Rip 3 acres of process and equipment area

Site: Flying Triangle Ranch Pit Permit Action: 2016-05 Permit/Job#: M2008018

PROJECT IDENTIFICATION

Task #: 01A State: Colorado Abbreviation: None
Date: 5/24/2016 County: Moffat Filename: M018-01a
User: ACY

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU Horsepower: 310
Ripper Attachment: 1-Shank Ripper Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	<u>\$74.27</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$102.51</u>	<u>100</u>
Ripper Operating Cost/Hour:	<u>\$9.46</u>	<u>100</u>
Operator Cost/Hour:	<u>\$38.89</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$225.13</u>	
Total Fleet Cost/Hour:	<u>\$225.13</u>	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 3.00 acres Rip Depth (ft): 2.00 Volume: 9,680 BCY or CCY

Source of estimated quantity: Reclamation Plan

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth: 1.00 mph
Average Ripping Width: 5.56 degrees
Average Ripping Length: 100.00 feet
Average Dozer Speed: 88.00 feet
Average Maneuver Time: 0.25 feet
Production per unit area: 0.552 acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.552 Acres/hr
Site Altitude: 6,320 feet
Altitude Adj: 1.00 (CAT HB)
Job Efficiency: 0.83 (1 shift/day)
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.46 Acres/hr
Adjusted Hourly Fleet Production: 0.46 Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: 6.54 Hours

Unit cost: \$491.014 Per acre Total job cost: \$1,473

BULLDOZER WORKTask description: Cut and Fill 200' excavation benchSite: Flying Triangle Ranch PitPermit Action: 2016-05Permit/Job#: M2008018**PROJECT IDENTIFICATION**Task #: 02AState: ColoradoAbbreviation: NoneDate: 5/24/2016County: MoffatFilename: M018-02aUser: 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:	\$73.32	NA
Operating Cost/Hour:	\$102.51	100
Ripper op. Cost/Hour:	\$1.87	25
Operator Cost/Hour:	\$38.89	NA

Total unit Cost/Hour: \$216.58Total Fleet Cost/Hour: **\$216.58****MATERIAL QUANTITIES**Initial Volume: 4,445Swell factor: 1.120Loose volume: **4,978 LCY**Source of estimated volume: Mine PlanSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 60 feetUnadjusted hourly production: 1,246.9 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: -15 %Average site altitude: 6,320 feetMaterial weight: 3,250 lbs/LCYWeight description: Gravel - Pitrun**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:	1.329	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.708	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4217

Adjusted unit production: 525.82 LCY/hr

Adjusted fleet production: **525.82** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.412/LCY

Total job time: **9.47** Hours

Total job cost: **\$2,051**

BULLDOZER WORKTask description: **Push topsoil over 3.3 acres total disturbance**Site: **Flying Triangle Ranch Pit**Permit Action: **2016-05**Permit/Job#: **M2008018****PROJECT IDENTIFICATION**Task #: **03A**State: **Colorado**Abbreviation: **None**Date: **5/24/2016**County: **Moffat**Filename: **M018-03a**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:	\$66.85	NA
Operating Cost/Hour:	\$102.51	100
Ripper op. Cost/Hour:	\$0.00	25
Operator Cost/Hour:	\$38.89	NA

Total unit Cost/Hour: **\$208.25**Total Fleet Cost/Hour: **\$208.25****MATERIAL QUANTITIES**Initial Volume: **1,757**Swell factor: **1.000**Loose volume: **1,757 LCY**Source of estimated volume: **4" over 3.3 acres**Source of estimated swell factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **150 feet**Unadjusted hourly production: **634.3 LCY/hr**Materials consistency description: **Loose stockpile 1.2**Average push gradient: **-30 %**Average site altitude: **6,320 feet**Material weight: **2,550 lbs/LCY**Weight description: **Earth - Dry packed****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:	1.601	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.8630

Adjusted unit production: 547.40 LCY/hr

Adjusted fleet production: **547.4** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.380/LCY

Total job time: **3.21** Hours

Total job cost: **\$668**

REVEGETATION WORKTask description: Reveg of 3.3 acres of total disturbancesSite: Flying Triangle Ranch PitPermit Action: 2016-05Permit/Job#: M2008018**PROJECT IDENTIFICATION**Task #: 04AState: ColoradoAbbreviation: NoneDate: 5/24/2016County: MoffatFilename: M018-04aUser: ACYAgency or organization name: DRMS**FERTILIZING****Materials**

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)	\$107.59
Total Tilling Cost/Acre	\$107.59

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Paloma	1.00	3.24	\$8.73
Bluebunch Wheatgrass - Secar	5.00	16.07	\$34.25
Crested Wheatgrass - Ephraim	2.00	9.18	\$4.46
Canby Bluegrass - Canbar	1.00	21.26	\$8.40
Western Wheatgrass - Arriba	2.90	7.32	\$10.70
Needle and Thread	1.00	2.64	\$47.08
Sagebrush, Mountain or Big	1.00	52.80	\$34.38
Totals Seed Mix	13.90	112.51	\$148.00

Application

Description	Cost /Acre
Drill seeding (MEANS 32 92 19.13 0020)	\$434.00
Total Seed Application Cost/Acre	\$434.00

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Hay, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$265.00	\$530.00
Herbicide - Curtail @ 4.0 pt/ac	1.00	ACRE	\$16.56	\$16.56
Total Mulch Materials Cost/Acre				\$546.56

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$66.02
Power mulcher (MEANS 32 91 13.16 0350)	\$97.14
Weed spray, hand, non-aquatic area, nox. [DMG]	\$183.16
Total Mulch Application Cost/Acre	\$346.32

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: 3.3 Cost /Acre: \$1,582.47
 Estimated Failure Rate: 50% Cost /Acre*: \$1,582.47
 *Selected Replanting Work Items: TILLING,SEEDING,MULCHING

Initial Job Cost: \$5,222.15
 Reseeding Job Cost: \$2,611.08
 Total Job Cost: \$7,833
 Job Hours: 24.00

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Initial Mobilization**Site: **Flying Triangle Ranch Pit**Permit Action: **2016-05**Permit/Job#: **M2008018****PROJECT IDENTIFICATION**Task #: **05A**State: **Colorado**Abbreviation: **None**Date: **5/24/2016**County: **Moffat**Filename: **M0018-05a**User: **ACY**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 D8T - 8SU	53.08	\$73.32	\$125.45	1	\$198.77	\$125.45	\$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: **\$422.73** **\$302.79** **\$750.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Flatbed Truck, 4x2, 15K GVW	\$42.89	1	\$42.89	\$42.89
Light Duty Pickup, 4x4, 3/4 T.	\$32.80	1	\$32.80	\$32.80

Subtotals: **\$75.69** **\$75.69**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: CRAIG
 Total one-way travel distance: 35.00 miles
 Average Travel Speed: 40.00 mph

Total Non-Roadable Mob/Demob Cost * \$3,615.12
 * two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$132.46
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.88	0.88
Return Time (Hours):	0.88	0.88
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.75	1.75

JOB TIME AND COST

Total job time: 5.50 Hours

Total job cost: \$3,748

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Secondary Mobilization**Site: **Flying Triangle Ranch Pit**Permit Action: 2016-05Permit/Job#: M2008018**PROJECT IDENTIFICATION**Task #: 06AState: ColoradoAbbreviation: NoneDate: 5/24/2016County: MoffatFilename: M018-06aUser: 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
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:					\$223.96	\$177.34	\$500.00

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Flatbed Truck, 4x2, 15K GVW	\$42.89	1	\$42.89	\$42.89
Subtotals:			\$42.89	\$42.89

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: CRAIG
 Total one-way travel distance: 35.00 miles
 Average Travel Speed: 40.00 mph

Total Non-Roadable Mob/Demob Cost * \$2,150.20
 * two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$75.06
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.88	0.88
Return Time (Hours):	0.88	0.88
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.75	1.75

JOB TIME AND COST

Total job time: 5.50 Hours

Total job cost: \$2,225