



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

June 13, 2016

Mr. Andy Weber
Weber Sand & Gravel, Inc.
2980 E. Hwy. 160
Pagosa Springs, CO 81147

Re: Martinez, Permit No. M-2007-010, Financial Warranty Increase, Revision No. SI-1

Dear Mr. Weber:

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 plans, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed), in accordance with Rule 4.2.1 of the Rules and Regulations. **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 of this letter.** The additional amount needs to be received and accepted by **Friday August 12, 2016**. Please Review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

Staff calculations estimate the cost to reclaim the above referenced site to be **\$24,284.00**. This is an increase of **\$4,405.00** over the **\$19,879.00** currently held by the Division. This estimate is based on the conditions observed during the May 4, 2016 Inspection and the approved Reclamation Plan.

Please make arrangements with Barbra Coria at the Division of Reclamation, Mining and Safety's Denver office, Phone no. (303)-866-3567, ext. 8148 for submittal of the financial warranty. Any questions regarding the completion, execution and / or submittal of the financial warranty forms should be directed to Barbra Coria. If you require additional information, have questions or concerns, please feel free to contact me at the DRMS Grand Junction Field Office by phone at (970)-243-6368 or by email at lucas.west@state.co.us.

Sincerely,

Lucas West
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
1313 Sherman Street, Room 215
Phone: (970)-243-6368



Andy Weber
June 13, 2016
Page 2

Cc: Russ Means, Senior Environmental Protection Specialist
Barbra Coria, DRMS Bonding Specialist



COST SUMMARY WORK

Task description: Cost Summary

Site: Martinez Permit Action: 2016 Update Permit/Job#: M2007010

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
 Date: 6/13/2016 County: Archuleta Filename: M010-000
 User: LJW

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Stablize Highwall	BLASTING	1	45.00	\$8,314.00
002	Buttress Highwalls with Shot Rock	DOZER	1	5.62	\$1,124.00
003	Rip and Grade Processing Area	DOZER	1	2.96	\$622.00
004	Topsoil Replacement 0.5' dpeth over 1 acre processing site	DOZER	1	1.43	\$297.00
005	Scale Highwall for Loose Rock	EXCAVATE	1	1.97	\$370.00
006	Revegetation	REVEGE	1	3.00	\$1,558.00
007	Mobilization/Demobilization	MOBILIZE	1	4.50	\$4,714.00
<u>SUBTOTALS:</u>				64.48	\$16,999

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02	Total =	\$343.38
Performance bond: 1.05	Total =	\$178.49
Job superintendent: 32.24	Total =	\$2,401.24
Profit: 10.00	Total =	\$1,699.90
	TOTAL O & P =	\$4,623.01
	CONTRACT AMOUNT (direct + O & P) =	\$21,622.01

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 500.00	Total =	500.00
Engineering work and/or contract/bid preparation: 10.00	Total =	\$2,162.20
Reclamation management and/or administration: 0.00		\$0.00

CONTINGENCY: 0.00 Total = \$0.00

TOTAL INDIRECT COST = \$7,285.21

TOTAL BOND AMOUNT (direct + indirect) = \$24,284.21

SURFACE BLASTING WORKTask description: Stabilize HighwallSite: MartinezPermit Action: 2016 UpdatePermit/Job#: M2007010PROJECT IDENTIFICATIONTask #: 001State: ColoradoAbbreviation: NoneDate: 6/13/2016County: ArchuletaFilename: M010-001User: LJWAgency or organization name: DRMSBLAST AREA DIMENSIONS

	QUANTITY	UNIT
Blast Area Configuration:		
Blasting Method Description:		
Highwall or Bench Face Angle:	0.00	h:1v
Regraded Slope Angle:	0.00	h:1v
Highwall or Bench Length:	0	feet
Highwall or Bench Width:	0	feet
Highwall or Bench Height:	0.0	feet
Depth to Base of Cut at Highwall:	0.0	feet

BLAST AREA VOLUMES

	QUANTITY	UNIT
Total Volume of Dimensional Mass to be Shot:	0	cubic yards
Blast Volume to Subdrill Grade and Blast Pattern Lines:	0	cubic yards
Blast Volume to Finish Grade and Blast Pattern Lines:	0	cubic yards
Remaining Volume Required to be Re-Shot or Ripped:	0	cubic yards

BLAST AREA DESIGN

	QUANTITY	UNIT
Recommended Blasthole Diameter:	0.000	inches
Selected Blasthole Diameter:	0.000	inches
Subdrilling Allowance:	0.0	feet
Blasthole Depth:	0.0	feet
Density of Rock:		rock density
Burden to Charge Diameter Ratio:	0	times diameter
Burden:	0.0	feet
Spacing to Burden Ratio:	0.0	times burden
Spacing:	0.0	feet
Cubic Yards of Rock per Blasthole:	0.00	cubic yards
Powder Factor Description:		rock strength
Powder Factor:	0.000	pounds/cu. yd.
Density of Blasting Agent:	0.00	grams/cc
Quantity of Explosives per Blasthole:	0.00	POUNDS
Height of Powder Column:	0.00	feet
Height of Stemming per Blasthole:	0.00	feet
Stemming to Burden Ratio:	0.00	times burden
Quantity of Stemming per Blasthole:	0.0000	cubic yards
Number of Rows:	0	rows
Number of Blastholes per Row:	0	holes per row
Total Number of Blastholes:	0	holes
Total Length of all Blastholes:	0	feet

BLASTING MATERIALS QUANTITIES

	QUANTITY	UNIT
Total Quantity of Stemming Required:	0.00	cubic yards
Total Quantity of Explosives Required:	0	pounds
Total Quantity of det. cord/fuse/wire Required:	0	linear feet
Quantity of Blasting Caps per Blasthole:	0	cap(s)
Total Quantity of Blasting Caps Required:	0	caps
Quantity of Primers per Blasthole:	0	primer(s)
Total Quantity of Primers Required:	0	primers
Quantity of Delays per Blasthole:	0	delay(s)
Total Quantity of Delays Required:	0	delays

HOURLY EQUIPMENT COST

Shift basis: 1 per day

	Description
Drilling Equipment - Drill:	
-Drill Pad Preparation:	NA
Misc. Drill Support Equipment:	NA
Misc. Explosives Support Equipment:	NA
Explosives Delivery -Bulk Truck:	NA
-Cap Truck:	NA

<u>Cost Breakdown:</u>	Drilling Equipment	Drill Pad Preparation	Misc. Drill Support	Misc. Expl. Support	Explosives Delivery	
	Drilling				Bulk Truck	Cap Truck
%Utilization-machine:	100	NA	NA	NA	NA	NA
Ownership cost/hour:	\$0.00	NA	NA	NA	NA	NA
Operating cost/hour:	\$0.00	NA	NA	NA	NA	NA
%Utilization-ripper:	NA	NA	NA	NA	NA	NA
Ripper own. cost/hour:	NA	NA	NA	NA	NA	NA
Ripper op. cost/hour:	NA	NA	NA	NA	NA	NA
Operator cost/hour:	\$0.00	NA	NA	NA	NA	NA
Unit Subtotals:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Number of Units:	0	0	0	0	0	0
Group Subtotals:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Total work team cost/hour: **\$0.00**

MATERIALS COST

	Description	Unit	Unit Cost	Quantity	Total Cost
Blasting Agent:				0.000	0
Primers or Boosters:				0.000	0
Blasting Caps:				0.000	0
Det. Cord, fuse, or wire:				0.000	0
Delays:				0.000	0
Miscellaneous:				0.000	0
Drill bits:	Bit life = 0			0.000	0

Total Materials Cost: \$0.00

DRILLING AND EXPLOSIVES PREPARATION TIME

Total Drilling Length:	<u>0</u>	linear feet
Unadjusted Drilling Rate:	<u>0.00</u>	feet/hour
Drilling Time:	<u>0.00</u>	hours

Job Condition Corrections:

Site Altitude:	<u>0</u>	feet
Altitude Adjustment:	<u>0.00</u>	(DRMS est.)
Job Efficiency Factor:	<u>0.67</u>	(CH. Exc. HB)
Adjusted Drilling Rate:	<u>0.00</u>	feet/hour
Explosives Prep. Time:	<u>0.00</u>	hours

JOB TIME AND COST

	Total Job Time:	<u>45.00</u>	Hours
Unit cost: _____	per cu. yd.	Total Job Cost:	<u>\$8,314</u>

*** Blasting Cost from 2007 Utilized***

BULLDOZER WORK

Task description: Buttress Highwalls with Shot Rock

Site: Martinez Permit Action: 2016 Update Permit/Job#: M2007010

PROJECT IDENTIFICATION

Task #: 002 State: Colorado Abbreviation: None
 Date: 6/13/2016 County: Archuleta Filename: M10-002
 User: LJW

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:	<u>\$82.01</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$79.23</u>	<u>100</u>
Ripper own. Cost/Hour:	<u>\$0.00</u>	<u>NA</u>
Ripper op. Cost/Hour:	<u>\$0.00</u>	<u>0</u>
Operator Cost/Hour:	<u>\$38.89</u>	<u>NA</u>
Total unit Cost/Hour:	<u>\$200.13</u>	
Total Fleet Cost/Hour:	<u>\$200.13</u>	

MATERIAL QUANTITIES

Initial Volume: 2,222
 Swell factor: 1.000
 Loose volume: 2,222 LCY

Source of estimated volume: Division of Reclamation, Mining & Safety
 Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTION

Average push distance: 50 feet
 Unadjusted hourly production: 1,400.0 LCY/hr

Materials consistency description: Rock, well ripped or blasted 0.8

Average push gradient: 10 %
 Average site altitude: 7,150 feet

Material weight: 2,550 lbs/LCY

Weight description: Sandstone

Job Condition Correction Factor

Source

Operator Skill:	0.750	(AVG.)
Material consistency:	0.800	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(SSD-AC)
Push gradient:	0.786	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.2825

Adjusted unit
production: 395.50 LCY/hr
Adjusted fleet
production: 395.5 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.506/LCY

Total job time: 5.62 Hours
Total job cost: \$1,124

BULLDOZER WORK

Task description: Rip and Grade Processing Area

Site: Martinez Permit Action: 2016 Update Permit/Job#: M2007010

PROJECT IDENTIFICATION

Task #: 003 State: Colorado Abbreviation: None
 Date: 6/13/2016 County: Archuleta Filename: M10-03
 User: LJW

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU
 Horsepower: 310
 Blade Type: Semi-Universal
 Attachment: 3-shank ripper
 Shift Basis: 1 per day
 Data Source: (CRG)

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$82.01</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$79.23</u>	<u>100</u>
Ripper own. Cost/Hour:	<u>\$8.40</u>	<u>NA</u>
Ripper op. Cost/Hour:	<u>\$1.41</u>	<u>25</u>
Operator Cost/Hour:	<u>\$38.89</u>	<u>NA</u>
Total unit Cost/Hour:	<u>\$209.94</u>	
Total Fleet Cost/Hour:	<u>\$209.94</u>	

MATERIAL QUANTITIES

Initial Volume: 1,613
 Swell factor: 1.000
 Loose volume: 1,613 LCY

Source of estimated volume: Division of Reclamation, Mining & Safety
 Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTION

Average push distance: 50 feet
 Unadjusted hourly production: 1,400.0 LCY/hr

Materials consistency description: Compacted fill or embankment 0.9

Average push gradient: 0 %
 Average site altitude: 7,150 feet

Material weight: 2,650 lbs/LCY

Weight description: Decomposed rock - 25% Rock, 75% Earth

Job Condition Correction Factor

Source

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	(SSD-AC)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3890

Adjusted unit
production: 544.60 LCY/hr

Adjusted fleet
production: 544.6 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.385/LCY

Total job time: 2.96 Hours
Total job cost: \$622

BULLDOZER WORK

Task description: Topsoil Replacement 0.5' depth over 1 acre processing site

Site: Martinez Permit Action: 2016 Update Permit/Job#: M2007010

PROJECT IDENTIFICATION

Task #: 004 State: Colorado Abbreviation: None
 Date: 6/13/2016 County: Archuleta Filename: M10-04
 User: LJW

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU
 Horsepower: 310
 Blade Type: Semi-Universal
 Attachment: 3-shank ripper
 Shift Basis: 1 per day
 Data Source: (CRG)

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$82.01	NA
Operating Cost/Hour:	\$79.23	100
Ripper own. Cost/Hour:	\$8.40	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.89	NA
Total unit Cost/Hour:	<u>\$208.53</u>	
Total Fleet Cost/Hour:	<u>\$208.53</u>	

MATERIAL QUANTITIES

Initial Volume: 807
 Swell factor: 1.000
 Loose volume: 807 LCY

Source of estimated volume: Division of Reclamation, Mining & Safety
 Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTION

Average push distance: 50 feet
 Unadjusted hourly production: 1,400.0 LCY/hr

Materials consistency description: Compacted fill or embankment 0.9

Average push gradient: 0 %
 Average site altitude: 7,150 feet

Material weight: 2,550 lbs/LCY

Weight description: Earth - Dry packed

Job Condition Correction Factor

Source

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	(SSD-AC)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4043

Adjusted unit
production: 566.02 LCY/hr

Adjusted fleet
production: 566.02 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.368/LCY

Total job time: 1.43 Hours
Total job cost: \$297

HYDRAULIC EXCAVATOR WORK

Task description: Scale Highwall for Loose Rock

Site: Martinez

Permit Action: 2016 Update

Permit/Job#: M2007010

PROJECT IDENTIFICATION

Task #: 005

State: Colorado

Abbreviation: None

Date: 6/13/2016

County: Archuleta

Filename: M10-05

User: LJW

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat 345D L 12'-10"
Stick

Horsepower: 380

Attachment 1: ROPS Cab

Weight (MT): 49.37

Shift Basis: 1 per day

Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	<u>\$62.71</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$89.30</u>	<u>100</u>
Operator Cost/Hour:	<u>\$35.36</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$187.37</u>	
Total Fleet Cost/Hour:	<u>\$187.37</u>	

MATERIAL QUANTITIES

Initial volume: 278

CCY

Swell factor: 1.000

Loose volume: 278

LCY

Source of estimated volume: Division of Reclamation, Mining & Safety

Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTION

Excavator Cycle Time (load bucket, swing loaded, dump bucket, swing empty):

Basic Job Condition Description: SEVERE

Secondary Job Condition within Basic Description: SEVERE

Cycle Time Value: 0.479 minutes

Load Bucket Capacity

Bucket Size Class: Small

Rated Capacity: 2.09 LCY (heaped)

Bucket Fill Factor: 0.675 Rock - Well blasted (60% - 75%) 0.675

Adjusted Capacity: 1.41 LCY

Job Condition Correction Factors

Site Altitude: 7150 feet

		Source
Altitude Adj:	<u>0.96</u>	<u>(CAT HB)</u>
Job Efficiency:	<u>0.83</u>	<u>(1 shift/day)</u>
Net Correction:	<u>0.80</u>	<u>multiplier</u>

Unadjusted Hourly Unit Production: 176.71 LCY/Hour

Adjusted Hourly Unit Production: 140.80 LCY/Hour

Adjusted Hourly Fleet Production: 140.80 LCY/Hour

JOB TIME AND COST

Fleet size: 1 Excavator Total job time: 1.97 Hours

Unit cost: \$1.331 /LCY Total job cost: \$370

REVEGETATION WORKTask description: RevegetationSite: Martinez Permit Action: 2016 Update Permit/Job#: M2007010PROJECT IDENTIFICATION

Task #: 006 State: Colorado Abbreviation: None
 Date: 6/13/2016 County: Archuleta Filename: M10-06
 User: LJW

Agency or organization name: DRMSFERTILIZINGMaterials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
10-34-0, 18-46-0, 5-10-5	200.00	pound	\$0.33	\$66.00
			Total Fertilizer Materials Cost/Acre	\$66.00

Application

Description	Cost /Acre
Truck whirlwind spreader (MEANS 32 01 90.13 0140)	\$13.93
Total Fertilizer Application Cost/Acre	
	\$13.93

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
Orchardgrass - Paiute	1.00	12.40	\$2.16
Ryegrass, Annual/Gulf	0.75	3.27	\$0.56
Crested Wheatgrass - Hy-Crest	1.00	4.59	\$2.39
Smooth Brome - Lincoln	3.00	9.99	\$3.99
Russian Wildrye - VNS	1.00	4.02	\$3.72
Pubescent Wheatgrass - VNS	4.00	8.26	\$7.88
Totals Seed Mix		10.75	\$20.70

Application

--	--

EQUIPMENT MOBILIZATION/DEMobilIZATIONTask description: Mobilization/DemobilizationSite: Martinez Permit Action: 2016 Update Permit/Job#: M2007010PROJECT IDENTIFICATION

Task #: 007 State: Colorado Abbreviation: None
 Date: 6/13/2016 County: Archuleta Filename: M10-07
 User: LJW

Agency or organization name: DRMSEQUIPMENT 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/uni t	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet	DOT Permit Cost/ fleet
Cat D8T - 8SU	53.08	\$65.28	\$125.45	1	\$190.73	\$125.45	\$250.00
Cat 345D L 12'- 10" Stick	54.31	\$60.05	\$125.45	1	\$185.50	\$125.45	\$250.00
Atlas Capco DM45/HP - 9.0"	1.25	\$72.92	\$88.67	1	\$161.59	\$88.67	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$30.65	\$88.67	1	\$119.32	\$88.67	\$250.00

Subtotals:

\$657.14	\$428.24	\$1,000.00
----------	----------	------------

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.	\$34.08	1	\$34.08	\$34.08

Subtotals:

\$34.08	\$34.08
---------	---------

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: PAGOSA SPRINGS
 Total one-way travel distance: 25.00 miles
 Average Travel Speed: 40.00 mph

Total Non-Roadable Mob/Demob Cost * \$4,671.01
 * two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$42.60
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.63	0.63
Return Time (Hours):	0.63	0.63
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.25	1.25

JOB TIME AND COST

Total job time: 4.50 Hours

Total job cost: \$4,714