

August 8, 2016

Peter Freedman
AuPt Industries LLC
PO Box 1424
Edwards, CO 81632



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

1313 Sherman Street, Room 215
Denver, CO 80203

Re: West Side Placer Bulk Sample, File No. P-2016-015, Notice of Deficiency #2 for Notice of Intent to Conduct Prospecting Operations for Hard Rock / Metals Mines Application Package

Dear Mr. Freedman:

On Tuesday, July 12, 2016, the Division of Reclamation, Mining and Safety filed your Notice of Intent to Conduct Prospecting Operations for Hard Rock / Metal Mines Application package for the West Side Placer Bulk Sample, File No. P-2016-015 located in Moffat County. The decision date for your application is scheduled for September 12, 2016.

The Division has reviewed the revised application materials that were submitted on July 25, 2016 and deemed the information adequate for approval.

In reviewing the materials submitted the Division has determined that the \$2000 currently held by the Division is inadequate to fulfill the reclamation requirements and additional bonding is necessary. Division calculations estimate the cost to reclaim the above referenced site to be \$7,753. Attached is a copy the reclamation cost estimate. **The additional bond amount of \$5,753 must be posted by the 60 day deficiency deadline (September 12, 2016).**

Please complete the attached financial warranty documents and return them to Barbra Coria at the Divisions Denver Office. If you have additional questions regarding completion, execution and/or submittal of financial warranty forms please contact Barbra directly at 303.866.3567, ext. 8148.

1. One Site Prospecting Financial Warranty on Bureau of Land Management Land Check for Deposit in state Treasury
 - The Division is aware that the site is on State Land Board land, the BLM form is the document for all public land financial warranties
 - Since you wrote a personal check the W-9 needs to be for yourself (Peter Freedman) and your social security number needs to be provided rather than the Employer Identification Number

This letter shall not be construed to mean that there are no other technical deficiencies in your application. The Division will review your application to determine whether it is adequate to meet the requirements of the Act after submittal of all required items.



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

Cc:

Russ Means, Senior EPS, Grand Junction DRMS

COST SUMMARY WORK

Task description: Estimate based on NOI application

Site: West Side Placer Bulk
Sample

Permit Action: App

Permit/Job#: P2016015

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 7/12/2016 County: Moffat Filename: P015-000
User: ACY

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Grade cuts and backfill ponds	DOZER	1	10.50	\$919.00
01b	Distribute topsoil	DOZER	1	0.51	\$44.00
02a	Reveg disturbed areas	REVEGE	1	6.00	\$279.00
03a	Plug water well	BOREHOLE	1	4.00	\$3,738.98
04a	Disposal of liner	DEMOLISH	1	1.00	\$35.34
05a	Mobilize equipment	MOBILIZE	1	5.78	\$1,196.00
06a	Secondary Mobilize equipment	MOBILIZE	1	1.89	\$64.00
<u>SUBTOTALS:</u>				29.68	\$6,276

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$126.78
Performance bond:	1.05	Total =	\$65.90
Job superintendent:	0.00	Total =	\$0.00
Profit:	10.00	Total =	\$627.60
		TOTAL O & P =	\$820.28
		CONTRACT AMOUNT (direct + O & P) =	\$7,096.28

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	0.00	Total =	0.00
Engineering work and/or contract/bid preparation:	4.25	Total =	\$301.59
Reclamation management and/or administration:	5.00		\$354.81

CONTINGENCY: 0.00 Total = \$0.00

TOTAL INDIRECT COST = \$1,476.69

TOTAL BOND AMOUNT (direct + indirect) = \$7,752.69

BULLDOZER WORKTask description: **Grade cuts and backfill ponds**

Site: **West Side Placer Bulk Sample** Permit Action: **App** Permit/Job#: **P2016015**

PROJECT IDENTIFICATION

Task #: **01A** State: **Colorado** Abbreviation: **None**
 Date: **7/12/2016** County: **Moffat** Filename: **P015-01a**
 User: **ACY**

Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**

Basic Machine: **Cat D5K XL - 5P**
 Horsepower: **96**
 Blade Type: **Power Angle Tilt**
 Attachment: **NA**
 Shift Basis: **1 per day**
 Data Source: **(CRG)**

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$21.75	NA
Operating Cost/Hour:	\$26.83	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.89	NA

Total unit Cost/Hour: **\$87.47**
 Total Fleet Cost/Hour: **\$87.47**

MATERIAL QUANTITIES

Initial Volume: **2,483**
 Swell factor: **1.000**
 Loose volume: **2,483 LCY**

Source of estimated volume: **2x Cuts (32,400 ft) + 1x Ponds (1,125 ft)**
 Source of estimated swell factor: **Cat Handbook**

HOURLY PRODUCTION

Average push distance: **50 feet**
 Unadjusted hourly production: **464.3 LCY/hr**

Materials consistency description: **Loose stockpile 1.2**

Average push gradient: **0 %**
 Average site altitude: **6,225 feet**

Material weight: **2,700 lbs/LCY**Weight description: **Sand and clay - Loose****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:	0.852	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.5092

Adjusted unit production: 236.42 LCY/hr

Adjusted fleet production: **236.42** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.370/LCY

Total job time: **10.50** Hours

Total job cost: **\$919**

BULLDOZER WORKTask description: **Distribute topsoil**

Site: **West Side Placer Bulk Sample** Permit Action: **App** Permit/Job#: **P2016015**

PROJECT IDENTIFICATION

Task #: **01B** State: **Colorado** Abbreviation: **None**
 Date: **8/2/2016** County: **Moffat** Filename: **P015-01b**
 User: **ACY**

Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**

Basic Machine: **Cat D5K XL - 5P**
 Horsepower: **96**
 Blade Type: **Power Angle Tilt**
 Attachment: **NA**
 Shift Basis: **1 per day**
 Data Source: **(CRG)**

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$21.75	NA
Operating Cost/Hour:	\$26.83	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.89	NA

Total unit Cost/Hour: **\$87.47**
 Total Fleet Cost/Hour: **\$87.47**

MATERIAL QUANTITIES

Initial Volume: **202**
 Swell factor: **1.000**
 Loose volume: **202 LCY**

Source of estimated volume: **10" over 0.15 ac**
 Source of estimated swell factor: **Cat Handbook**

HOURLY PRODUCTION

Average push distance: **50 feet**
 Unadjusted hourly production: **464.3 LCY/hr**

Materials consistency description: **Loose stockpile 1.2**

Average push gradient: **0 %**
 Average site altitude: **6,225 feet**

Material weight: **1,600 lbs/LCY**Weight 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: 398.97 LCY/hr

Adjusted fleet production: **398.97** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.219/LCY

Total job time: **0.51** Hours

Total job cost: **\$44**

REVEGETATION WORKTask description: Reveg disturbed areasSite: West Side Placer Bulk
SamplePermit Action: AppPermit/Job#: P2016015**PROJECT IDENTIFICATION**Task #: 02A
Date: 7/12/2016
User: ACYState: Colorado
County: MoffatAbbreviation: None
Filename: P015-02aAgency 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
Hand raking (MEANS 32 91 13.23 0250)	\$1,306.80
Total Tilling Cost/Acre	\$1,306.80

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Sand Dropseed	3.00	358.13	\$20.97
Galleta	3.00	10.95	\$75.75
Western Wheatgrass - Arriba	3.00	7.58	\$11.07
Totals Seed Mix	9.00	376.65	\$107.79

Application

Description	Cost /Acre
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Broadcast seeding [DMG]	\$261.80
Total Seed Application Cost/Acre	\$261.80

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
Total Mulch Materials Cost/Acre				\$0.00

Application

Description	Cost /Acre
	\$
Total Mulch Application Cost/Acre	\$0.00

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: 0.15
 Estimated Failure Rate: 50%
 *Selected Replanting Work Items: SEEDING

Cost /Acre: \$1,676.39
 Cost /Acre*: \$369.59

Initial Job Cost: **\$251.46**
 Reseeding Job Cost: **\$27.72**
 Total Job Cost: **\$279**
 Job Hours: **6.00**

BOREHOLE SEALING WORK

Task description: Plug water well

West Side Placer Bulk

Permit Action:

Site: Sample

App

Permit/Job#: P2016015

PROJECT IDENTIFICATION

Task #: 03A

State: Colorado

Abbreviation: None

Date: 8/2/2016

County: Moffat

Filename: P015-03a

User: ACY

Agency or organization name: DRMS

UNIT COSTS

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
Plug Lower portion of well	Bentonite seal - 8 in. (labor, equip, materials)	7.875	295	295.00	EA	\$12.38	\$3,652.10
Plug upper portion of well	Portland cement grout - 10 in. (labor, equip, materials)	8.625	5	5.00	LF	\$16.68	\$83.42
Marker	Borehole location/identification marker (EA, material cost only)	8.625	1	1.00	EA	\$3.47	\$3.47

Job Hours: 4.00

Total Cost: \$3,739.00

DEMOLITION WORK

Task description: Disposal of liner

Site: West Side Placer Bulk Sample Permit Action: App Permit/Job#: P2016015

PROJECT IDENTIFICATION

Task #: 04A State: Colorado Abbreviation: None
Date: 8/2/2016 County: Moffat Filename: P015-04a
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
Pond liner	2x 300 sq ft 1/4" thick	Dump fees - Building construction materials.	0.50	CY	\$74.00	\$37.00

Job Hours: 1.00

Subtotal
(unadjusted): \$37.00

Total Cost
(adjusted for location): \$35.34

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilize equipment**Site: **West Side Placer Bulk**
Sample

Permit Action:

AppPermit/Job#: P2016015**PROJECT IDENTIFICATION**Task #: 05A
Date: 8/2/2016
User: ACYState: Colorado
County: MoffatAbbreviation: None
Filename: P015-05aAgency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**Shift basis: 1 per day
Cost 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 D5K XL - 5P	11.15	\$21.75	\$88.67	1	\$110.42	\$88.67	\$250.00
Subtotals:					\$110.42	\$88.67	\$250.00

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Flatbed Truck, 4x2, 30K GVW	\$52.46	1	\$52.46	\$52.46
Subtotals:			\$52.46	\$52.46

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: CRAIG
 Total one-way travel distance: 52.00 miles
 Average Travel Speed: 55.00 mph

Total Non-Roadable Mob/Demob Cost * \$1,097.30
 * two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$99.20
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.95	0.95
Return Time (Hours):	0.95	0.95
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.89	1.89

JOB TIME AND COST

Total job time: 5.78 Hours

Total job cost: \$1,196

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Secondary Mobilize equipmentSite: West Side Placer Bulk
SamplePermit Action: AppPermit/Job#: P2016015**PROJECT IDENTIFICATION**

Task #: 06A State: Colorado Abbreviation: None
 Date: 8/2/2016 County: Moffat Filename: P015-06a
 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
Subtotals:					\$0.00	\$0.00	\$0.00

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.	\$33.81	1	\$33.81	\$33.81
Subtotals:			\$33.81	\$33.81

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: CRAIG
 Total one-way travel distance: 52.00 miles
 Average Travel Speed: 55.00 mph

Total Non-Roadable Mob/Demob Cost * \$0.00
 ‘* two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$63.93
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.95	0.95
Return Time (Hours):	0.95	0.95
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.89	1.89

JOB TIME AND COST

Total job time: 1.89 Hours

Total job cost: \$64