

December 20, 2016

Rick Domson
Breeze Basin Resources
P.O. Box 181
Hayden, CO 81639



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Frentress Gravel Pit, Permit No. M-2011-017, Surety Reduction Request (SR1), Approval

Dear Mr. Domson:

On December 20, 2016 the Division of Reclamation, Mining and Safety approved your Surety Reduction Request (SR-1), submitted on November 29, 2016. Staff has calculated an estimate (copy enclosed) of the actual cost to complete reclamation at the site and determined that an adequate financial warranty shall be an amount of \$17,414.53. The bond amount currently held by the Division is \$28,500. This is a reduction of \$11,085.47. The remaining reclamation includes grading, topsoiling and revegetation, as noted in the July 19, 2016 inspection report and verified by figures provided by the operator.

Please contact Barbara Coria at our Denver office, ph. 303-866-3567 ext. 8148, to make arrangements for replacement of the current financial warranty with a financial warranty in the reduced amount, as calculated for the approved SR-1.

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: Reduction based on operator values

Site: Frentress Gravel Pit

Permit Action: SR-1

Permit/Job#: M2011017

PROJECT IDENTIFICATION

Task #: ACY

State: Colorado

Abbreviation: None

Date: 11/30/2016

County: Routt

Filename: M017-ACY

User: ACY

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Push & Grade pit slopes to 3H:1V	DOZER	1	3.29	\$527.00
02a	Placement of topsoil (4.5 ac. at 7" depth)	DOZER	1	3.03	\$485.00
03a	Vegetate disturbed area	REVEGE	1	16.00	\$7,739.00
04a	Initial Mob./Demob. reclamation crew/equipment	MOBILIZE	1	5.20	\$3,374.00
04b	Secondary Mob./Demob. reclamation crew/equipment	MOBILIZE	1	5.20	\$2,122.00
<u>SUBTOTALS:</u>				32.72	\$14,247

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$287.79

Performance bond: 1.05

Total = \$149.59

Job superintendent: 0.00

Total = \$0.00

Profit: 10.00

Total = \$1,424.70

TOTAL O & P = \$1,862.08

CONTRACT AMOUNT (direct + O & P) = \$16,109.08

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

\$805.45

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$3,167.53

TOTAL BOND AMOUNT (direct + indirect) = \$17,414.53

BULLDOZER WORKTask description: **Push & Grade pit slopes to 3H:1V**Site: **Frentress Gravel Pit**Permit Action: **SR-1**Permit/Job#: **M2011017****PROJECT IDENTIFICATION**Task #: **01A**State: **Colorado**Abbreviation: **None**Date: **11/30/2016**County: **Routt**Filename: **M017-01a**User: **ACY**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D8T - 8U**Horsepower: **305**Blade Type: **Universal**Attachment: **NA**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$52.86	NA
Operating Cost/Hour:	\$68.35	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: **\$160.10**Total Fleet Cost/Hour: **\$160.10****MATERIAL QUANTITIES**Initial Volume: **1,200**Swell factor: **1.230**Loose volume: **1,476 LCY**Source of estimated volume: **400 lft, 18' H @ 1:1 to a 3:1**Source of estimated swell factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **150 feet**Unadjusted hourly production: **685.7 LCY/hr**Materials consistency description: **Loose stockpile 1.2**Average push gradient: **0 %**Average site altitude: **6,380 feet**Material weight: **2,100 lbs/LCY**Weight description: **Earth - Loam****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:	1.095	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.6544

Adjusted unit production: 448.72 LCY/hr

Adjusted fleet production: **448.72** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.357/LCY

Total job time: **3.29** Hours

Total job cost: **\$527**

BULLDOZER WORKTask description: **Placement of topsoil (4.5 ac. at 7" depth)**Site: **Frentress Gravel Pit**Permit Action: **SR-1**Permit/Job#: **M2011017****PROJECT IDENTIFICATION**Task #: **02A**State: **Colorado**Abbreviation: **None**Date: **11/30/2016**County: **Routt**Filename: **M017-02a**User: **ACY**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D8T - 8U**Horsepower: **305**Blade Type: **Universal**Attachment: **NA**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$52.86	NA
Operating Cost/Hour:	\$68.35	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: **\$160.10**Total Fleet Cost/Hour: **\$160.10****MATERIAL QUANTITIES**Initial Volume: **4,235**Swell factor: **1.000**Loose volume: **4,235 LCY**Source of estimated volume: **4.5 ac @ 7" deep**Source of estimated swell factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **50 feet**Unadjusted hourly production: **1,627.0 LCY/hr**Materials consistency description: **Loose stockpile 1.2**Average push gradient: **0 %**Average site altitude: **6,380 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: 1,398.08 LCY/hr

Adjusted fleet production: **1398.08** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.115/LCY

Total job time: **3.03** Hours

Total job cost: **\$485**

REVEGETATION WORKTask description: Vegetate disturbed areaSite: Frentress Gravel PitPermit Action: SR-1Permit/Job#: M2011017PROJECT IDENTIFICATIONTask #: 03AState: ColoradoAbbreviation: NoneDate: 11/30/2016County: RouttFilename: M017-03aUser: ACYAgency or organization name: DRMSFERTILIZING**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
6-6-6	40.00	pound	\$0.16	\$6.40
			Total Fertilizer Materials Cost/Acre	\$6.40

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$21.34
Total Fertilizer Application Cost/Acre	\$21.34

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
Alfalfa - Common	8.00	38.57	\$20.48
Smooth Brome - Lincoln	13.00	43.27	\$17.29
Intermediate Wheatgrass - Rush	20.00	42.70	\$44.80
Totals Seed Mix	41.00	124.54	\$82.57

Application

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

Total Seed Application Cost/Acre	\$434.00
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MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Herbicide - 2,4D @ 1.0 pt/ac	1.00	ACRE	\$1.25	\$1.25
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$246.00	\$492.00
Total Mulch Materials Cost/Acre				\$493.25

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$66.02
Weed spray, truck, non-aquatic area, nox. [DMG]	\$62.72
Total Mulch Application Cost/Acre	\$128.74

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: 4.5 Cost /Acre: \$1,273.89
 Estimated Failure Rate: 35% Cost /Acre*: \$1,273.89
 *Selected Replanting Work Items: FERTILIZING,TILLING,SEEDING,MU
LCHING

Initial Job Cost: \$5,732.51
 Reseeding Job Cost: \$2,006.38
 Total Job Cost: \$7,739
 Job Hours: 16.00

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Initial Mob./Demob. reclamation crew/equipment**Site: **Frentress Gravel Pit**Permit Action: **SR-1**Permit/Job#: **M2011017****PROJECT IDENTIFICATION**Task #: **04A**State: **Colorado**Abbreviation: **None**Date: **11/30/2016**County: **Routt**Filename: **M017-04a**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 D8R Series II - 8U (2005)	47.80	\$39.08	\$117.55	1	\$156.63	\$117.55	\$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	\$6.72	\$88.67	1	\$95.39	\$88.67	\$250.00
Subtotals:					\$380.28	\$294.89	\$750.00

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 1 T. Crew	\$20.91	1	\$20.91	\$20.91
Subtotals:			\$20.91	\$20.91

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:

STEAMBOAT
SPRINGSTotal one-way travel distance: 28.00 milesAverage Travel Speed: 35.00 mph

Total Non-Roadable Mob/Demob Cost *

\$3,340.83

** two round trips with haul rig:

Total Roadable Mob/Demob Cost **

\$33.46

** one round trip, no haul rig:

Transportation Cycle Time:

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.80	0.80
Return Time (Hours):	0.80	0.80
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.60	1.60

JOB TIME AND COSTTotal job time: 5.20 HoursTotal job cost: \$3,374

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Secondary Mob./Demob. reclamation crew/equipmentSite: Frentress Gravel PitPermit Action: SR-1Permit/Job#: M2011017**PROJECT IDENTIFICATION**Task #: 04BState: ColoradoAbbreviation: NoneDate: 11/30/2016County: RouttFilename: M017-04bUser: 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	\$6.72	\$88.67	1	\$95.39	\$88.67	\$250.00
Subtotals:					\$223.65	\$177.34	\$500.00

ROADABLE EQUIPMENT:

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 1 T. Crew	\$20.91	1	\$20.91	\$20.91
Subtotals:			\$20.91	\$20.91

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:

STEAMBOAT
SPRINGSTotal one-way travel distance: 28.00 milesAverage Travel Speed: 35.00 mph

Total Non-Roadable Mob/Demob Cost *

\$2,088.88

** two round trips with haul rig:

Total Roadable Mob/Demob Cost **

\$33.46

** one round trip, no haul rig:

Transportation Cycle Time:

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.80	0.80
Return Time (Hours):	0.80	0.80
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.60	1.60

JOB TIME AND COSTTotal job time: 5.20 HoursTotal job cost: \$2,122