



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

1313 Sherman Street, Room 215  
Denver, CO 80203

June 12, 2017

Darrell Knudson  
Bonanza Land, LLC  
12472 Circula Panorama  
Santa Ana, CA 92705

RE: Bonanza Land; DRMS File No. P-2017-006; NOI Approval with Financial  
Warranty Due

Dear Mr. Knudson,

The Division of Reclamation, Mining and Safety (Division) has completed the review of your Notice of Intent to Conduct Prospecting (NOI) application. The NOI application was approved on June 12, 2017. Staff has determined, based on the projected costs of reclamation (copy enclosed), that the required financial warranty amount is \$3,100.00. You have already provided a financial warranty in the amount of \$2,000.00. Therefore, you must submit the remaining amount of \$1,100.00. The financial warranty must be submitted on the appropriate Mined Land Reclamation Board approved forms which are available from our office or can be downloaded from our website at [www.mining.state.co.us](http://www.mining.state.co.us).

Please be advised that you may not commence operations until the financial warranty has been submitted and accepted by our office. You will be notified in writing when it is accepted. If we do not receive the required financial warranty within 60 days of the date of this letter, then the NOI may be terminated.

If you have any questions, please contact me at (303)866-3567 x8116.

Sincerely,

Michael A. Cunningham  
Environmental Protection Specialist

Enclosure

CC: Wally Erickson, DRMS  
Barbara Coria, DRMS



## COST SUMMARY WORK

Task description: Cost Summary

Site: Bonanza Land

Permit Action: 2017 Bond Calculation

Permit/Job#: P2017006

### PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 6/5/2017

County: Clear Creek

Filename: P006-000

User: MAC

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001A	Grading Drill Pad/Backfilling Mud Pits	LOADER	1	0.49	\$42.00
001B	Regrade Roads	LOADER	1	0.24	\$21.00
002	Capping drill holes	BOREHOLE	1	0.00	\$270.70
003	Revegetating affected areas	REVEGE	1	8.00	\$375.00
004	Equipment Mobilization	MOBILIZE	1	4.50	\$1,887.00
<b><u>SUBTOTALS:</u></b>				<b>13.23</b>	<b>\$2,596</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$52.44

Performance bond: 1.05

Total = \$27.26

Job superintendent: 0.00

Total = \$0.00

Profit: 10.00

Total = \$259.60

TOTAL O & P = \$339.30

CONTRACT AMOUNT (direct + O & P) = \$2,935.30

#### 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

\$146.77

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$486.07

TOTAL BOND AMOUNT (direct + indirect) = \$3,082.07

TOTAL BOND AMOUNT (rounded up) = \$3,100.00

**WHEEL LOADER – LOAD AND CARRY WORK**Task description: Grading Drill Pad/Backfilling Mud PitsSite: Bonanza LandPermit Action: 2017 Bond CalculationPermit/Job#: P2017006**PROJECT IDENTIFICATION**Task #: 001AState: ColoradoAbbreviation: NoneDate: 6/5/2017County: Clear CreekFilename: P17006User: MACAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: CAT 450EHorsepower: 101Attachment 1: ROPS CabShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		Utilization %
Ownership Cost/Hour:	\$20.08	NA
Operating Cost/Hour:	\$24.04	100
Operator Cost/Hour:	\$41.20	NA
Total Unit Cost/Hour:	\$85.32	
Total Fleet Cost/Hour:	\$85.32	

**MATERIAL QUANTITIES**Initial volume: 60

CCY

Swell factor: 1.000Loose volume: 60

LCY

Source of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION****Loader Cycle Time:** Unadjusted Basic Cycle Time (load, dump, maneuver): 0.475 minutes

Cycle Time Factors		Factor (min.)	Source
Material:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Stockpile:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Truck Ownership:	Independently owned trucks 0.04	0.040	(Cat HB)
Operation:	Constant operation -0.04	-0.040	(Cat HB)
Dump Target:	Nominal target 0.00	0.000	(Cat HB)
Net Cycle Time Adjustment:		0.000	minutes
Adjusted Basic Cycle Time:		0.475	minutes

**Rolling Resistance – Road Conditions**Haul: Rutted dirt, little maintenance, no water, 1" tire penetration 4.0Return: Rutted dirt, little maintenance, no water, 1" tire penetration 4.0**Haul and Return Time**

	Length (feet)	Grade Res. (%)	Rolling Res. (%)	Total Res. (%)	Travel Time (minutes)	Source
Haul Route:	100	0.00	4.00	4.00	0.0635	(Cat HB)
Return Route:	100	0.00	4.00	4.00	0.0635	(Cat HB)

Total Travel Time: 0.1269 minutes  
 Total Cycle Time: 0.6019 minutes

**Load Bucket Capacity**

Rated Capacity: 1.50 LCY (heaped)  
 Bucket Fill Factor: 1.025 Rock - Earth Mixture (100%-105%) 1.025  
 Adjusted Capacity: 1.54 LCY

**Job Condition Correction Factors**Site Altitude: 9500 feet

		Source
Altitude Adj:	<u>0.95</u>	(CAT HB)
Job Efficiency:	<u>0.83</u>	(1 shift/day)
Net Correction:	<u>0.79</u>	multiplier

Unadjusted Hourly Unit Production: 153.25 LCY/Hour  
 Adjusted Hourly Unit Production: 120.84 LCY/Hour  
 Adjusted Hourly Fleet Production: 120.84 LCY/Hour

**JOB TIME AND COST**

Fleet size: 1 Loader(s) Total job time: 0.50 Hours  
 Unit cost: \$0.706 /LCY Total job cost: \$42

**WHEEL LOADER – LOAD AND CARRY WORK**Task description: Regrade RoadsSite: Bonanza LandPermit Action: 2017 Bond CalculationPermit/Job#: P2017006**PROJECT IDENTIFICATION**Task #: 001BState: ColoradoAbbreviation: NoneDate: 6/5/2017County: Clear CreekFilename: P006-001BUser: MACAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: CAT 450EHorsepower: 101Attachment 1: ROPS CabShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		Utilization %
Ownership Cost/Hour:	\$20.08	NA
Operating Cost/Hour:	\$24.04	100
Operator Cost/Hour:	\$41.20	NA
Total Unit Cost/Hour:	\$85.32	
Total Fleet Cost/Hour:	\$85.32	

**MATERIAL QUANTITIES**Initial volume: 30

CCY

Swell factor: 1.000Loose volume: 30

LCY

Source of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Loader Cycle Time: Unadjusted Basic Cycle Time (load, dump, maneuver): 0.475 minutes

Cycle Time Factors		Factor (min.)	Source
Material:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Stockpile:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Truck Ownership:	Independently owned trucks 0.04	0.040	(Cat HB)
Operation:	Constant operation -0.04	-0.040	(Cat HB)
Dump Target:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Net Cycle Time Adjustment:		0.000	minutes
Adjusted Basic Cycle Time:		0.475	minutes

**Rolling Resistance – Road Conditions**Haul: Rutted dirt, little maintenance, no water, 1" tire penetration 4.0Return: Rutted dirt, little maintenance, no water, 1" tire penetration 4.0**Haul and Return Time**

	Length (feet)	Grade Res. (%)	Rolling Res. (%)	Total Res. (%)	Travel Time (minutes)	Source
Haul Route:	100	0.00	4.00	4.00	0.0635	(Cat HB)
Return Route:	100	0.00	4.00	4.00	0.0635	(Cat HB)

Total Travel Time: 0.1269 minutes  
 Total Cycle Time: 0.6019 minutes

**Load Bucket Capacity**

Rated Capacity: 1.50 LCY (heaped)  
 Bucket Fill Factor: 1.025 Rock - Earth Mixture (100%-105%) 1.025  
 Adjusted Capacity: 1.54 LCY

**Job Condition Correction Factors**Site Altitude: 9500 feet

		Source
Altitude Adj:	<u>0.95</u>	(CAT HB)
Job Efficiency:	<u>0.83</u>	(1 shift/day)
Net Correction:	<u>0.79</u>	multiplier

Unadjusted Hourly Unit Production: 153.25 LCY/Hour  
 Adjusted Hourly Unit Production: 120.84 LCY/Hour  
 Adjusted Hourly Fleet Production: 120.84 LCY/Hour

**JOB TIME AND COST**

Fleet size: 1 Loader(s) Total job time: 0.25 Hours  
 Unit cost: \$0.706 /LCY Total job cost: \$21

## BOREHOLE SEALING WORK

Task description: Capping drill holes

Site: Bonanza Land

Permit Action: 2017 Bond Calculation

Permit/Job#: P2017006

### PROJECT IDENTIFICATION

Task #: 002

State: Colorado

Abbreviation: None

Date: 6/5/2017

County: Clear Creek

Filename: P006-002

User: MAC

Agency or organization name: DRMS

### UNIT COSTS

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
Capping drill holes	PVC plug - 6 in. diameter borehole	6	300	5.00	EA	\$54.14	\$270.70

Job Hours: 0.00

Total Cost: \$271.00

**REVEGETATION WORK**Task description: Revegetating affected areasSite: Bonanza LandPermit Action: 2017 Bond CalculationPermit/Job#: P2017006**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 6/5/2017County: Clear CreekFilename: P006-003User: MACAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			<b>Total Fertilizer Materials Cost/Acre</b>	<b>\$0.00</b>

**Application**

Description	Cost /Acre
	\$
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$0.00</b>

**TILLING**

Description	Cost /Acre
	\$
<b>Total Tilling Cost/Acre</b>	<b>\$0.00</b>

**SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Alsike Clover	1.00	15.61	\$3.83
Rye, Perennial Tetraploid - Aubisque	4.00	22.68	\$6.72
Mountain Brome - Bromar	3.00	4.82	\$13.05
Rye, Winter - VNS	4.00	1.65	\$1.44
Tall Fescue - Fawn E.F.	3.00	15.63	\$4.56
Timothy - Climax	2.00	57.39	\$3.14
<b>Totals Seed Mix</b>	<b>17.00</b>	<b>117.79</b>	<b>\$32.74</b>



**Application**

Description	Cost /Acre
Broadcast seeding [DMG]	\$267.22
<b>Total Seed Application Cost/Acre</b>	<b>\$267.22</b>

**MULCHING and MISCELLANEOUS****Materials**

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

**Application**

Description	Cost /Acre
	\$
<b>Total Mulch Application Cost/Acre</b>	<b>\$0.00</b>

**NURSERY STOCK PLANTING**

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
<b>Totals Nursery Stock Cost / Acre</b>					<b>\$0.00</b>

**JOB TIME AND COST**

No. of Acres:	1	Cost /Acre:	\$299.96
Estimated Failure Rate:	25%	Cost /Acre*:	\$299.96
*Selected Replanting Work Items:	SEEDING		

Initial Job Cost:	\$299.96
Reseeding Job Cost:	\$74.99
Total Job Cost:	\$375
Job Hours:	8.00

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Equipment Mobilization**Site: **Bonanza Land**Permit Action: **2017 Bond Calculation**Permit/Job#: **P2017006****PROJECT IDENTIFICATION**Task #: **004**State: **Colorado**Abbreviation: **None**Date: **6/5/2017**County: **Clear Creek**Filename: **P006-004**User: **MAC**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:**

<b>Available Rig Capacities</b>	<b>0-25 Tons</b>	<b>26-50 Tons</b>	<b>51+ Tons</b>
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:**

<b>Machine Description</b>	<b>Weight/ Unit (TONS)</b>	<b>Owner ship Cost/hr/ unit</b>	<b>Haul Rig Cost/hr/unit</b>	<b>Fleet Size</b>	<b>Haul Trip Cost/hr/ fleet</b>	<b>Return Trip Cost/hr/ fleet</b>	<b>DOT Permit Cost/ fleet</b>
CAT 450E	9.80	\$20.08	\$88.67	1	\$108.75	\$88.67	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$12.22	\$88.67	1	\$100.89	\$88.67	\$250.00

Subtotals: **\$209.64** **\$177.34** **\$500.00****ROADABLE EQUIPMENT:**

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

**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	<u>DENVER</u>	
Total one-way travel distance:	<u>35.00</u>	miles
Average Travel Speed:	<u>40.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$1,886.86</u>
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\*\* two round trips with haul rig:

Total Roadable Mob/Demob Cost **	<u>\$0.00</u>
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\*\* 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):	0.25	NA
Unloading Time (Hours):	0.25	NA
Subtotals:	2.25	1.75

**JOB TIME AND COST**

Total job time:	<u>4.50</u>	Hours
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Total job cost:	<u>\$1,887</u>
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