



## COLORADO

**Division of Reclamation,  
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

October 2, 2017

To: Brock Bowles

From: Jason Musick

RE: **New Horizon Mine, C-1981-008**  
**SL-20 RCE Memo**

Per your request, attached is the reclamation cost estimate for the 2017 New Horizon Mine Bond Release Application No. 20 (SL20). The Division updated the reclamation cost estimate with costs updated in the Spring of 2017 to reflect 2017 CRG, Means and CDOT rates.

When determining the amount of liability that can be released based on the SL-20 application, the Division updated the cost estimate for the entire mine site based on costs updated with the 2016 SL16 decision and the tasks that could be removed or revised based on work accomplished and requested to be released. Below are a list of tasks that have been revised or removed based on the SL-20 application.

Task 045 - The approval of SL20 will revise and reduce all topsoiling tasks associated with the BB detour road. Task 045 will remain in the RCE, but will be revised to reflect the reduction of the 2.0 acres associated with SL20.

Task 067 - The approval of SL20 will revise and reduce all revegetation tasks associated with the BB detour road. Task 067 will remain in the RCE, but will be revised to reflect the reduction of the 2.0 acres associated with SL20.

Two different methods were used to determine the releasable bond amount. The first method removed the tasks associated with SL-18 that have been completed from the reclamation cost estimate updated with SL-16. These tasks totaled \$8,407.73, including associated indirect costs. The second method used a percentage based on Rule 3.03.1(2)(a) which states that the Division can release up to 85% (60% Phase I and 25% Phase II) of the entire bond amount for Phase II bond release and the remaining portion for Phase III release. 25% of the current bond amount of \$4,532,452.38 is \$1,133,113.09. The 2.0 acres that are requested for Phase II and III bond release in SL-20 make up approximately 0.25% of the 801.96 total disturbed acres as reported in the 2016 ARR. The second method will only be applicable if the 25% is based on the original cost to reclaim the site prior to any bond release. Due to the substantial number of bond releases and the change in costs and acres, the Division will utilize the first method of identifying tasks associated with the 2.0 acres as the applicable bond amount for this SL-20 bond release. As such the Division will release \$8,407.73 with the approval of SL-20.

Please let me know if you have any questions.

