



**COLORADO**

**Division of Reclamation,  
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

November 14, 2017

Mr. Scott Davis  
Schmidt Construction Company  
2635 Delta Dr.  
Colorado Springs, CO 80910

**Re: Fountain Pit, Permit No. M-1982-155;  
Amendment 3 (AM-03) Financial Warranty Status**

Dear Mr. Davis:

During the file review for the current acreage release request (AR-01) the Division noted the additional financial warranty required based on the approval of AM-03 and necessary for the authorization to proceed with activities proposed in the AM-03 application.

Given the extensive time period between the original approval of AM-03 and now, the Division used current unit costs to update the additional financial warranty required to proceed with the activities approved under AM-03. This update is current as of November 7, 2017. The updated financial warranty estimate for AM-03 activity approved under AM-03 is attached.

The Mined Land Reclamation Board affirmed the original Office approval of AM-03 (Board Order enclosed), thereby extending the terms of AM-03 approved by the Division to be incorporated into Permit No. M-1982-155. All other conditions and requirements of Permit No. M-1982-155 remain in full force and effect.

The revised liability amount exceeds the performance bond currently held (see below). Please submit additional bond. The revision will not be final until the bond is approved by the Division.

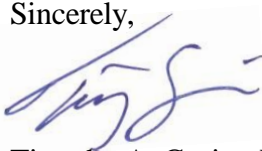
Bond Held:	\$310,388.00
Change in Liability:	\$146,800.00
<b>Revised Liability:</b>	<b>\$457,188.00</b>



Pursuant to the Board Order, the additional bond is due 90 days from the November 9, 2017 mailing date of the Order.

If you have any questions or need further information, please contact me at (303)866-3567 x8169.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Timothy A. Cazier', is written over a light blue rectangular background.

Timothy A. Cazier, P.E.  
Environmental Protection Specialist

ec: Wally Erickson, DRMS (w/o attachments)  
Barbara Coria, DRMS (w/o attachments)  
DRMS file  
Susan Lattarulo, Holmes Murphy (w/o attachments except Cost Summary Sheet.)

## COST SUMMARY WORK

Task description: Cost Summary

Site: Fountain Pit

Permit Action: AM-03 Update

Permit/Job#: M1982155

### PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 11/7/2016

County: El Paso

Filename: M155-000

User: TC1

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Cut and fill to 3:1	DOZER	1	164.28	\$40,429.00
002	Replace overburden	DOZER	1	23.90	\$5,881.00
003	Replace topsoil	DOZER	1	7.10	\$1,748.00
004	Replace overburden/pit bottom	DOZER	1	120.21	\$29,584.00
005	Apply 4" of topsoil over 15 acres	DOZER	1	25.18	\$6,196.00
006	seed and mulch	REVEGE	1	42.00	\$25,011.00
007	mob/demob	MOBILIZE	1	2.20	\$2,358.00
<b><u>SUBTOTALS:</u></b>				<b>384.87</b>	<b>\$111,207</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$2,246.38

Performance bond: 1.05

Total = \$1,167.67

Job superintendent: 192.43

Total = \$14,057.01

Profit: 10.00

Total = \$11,120.70

TOTAL O & P = \$28,591.76

CONTRACT AMOUNT (direct + O & P) = \$139,798.76

#### 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

\$6,989.94

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$35,581.70

TOTAL BOND AMOUNT (direct + indirect) = \$146,788.70

**ROUNDED TOTAL BOND AMOUNT (direct + indirect) = \$146,800.00**

**BULLDOZER WORK**Task description: **Cut and fill to 3:1**Site: **Fountain Pit** Permit Action: **AM-03 Update** Permit/Job#: **M1982155****PROJECT IDENTIFICATION**

Task #: **001** State: **Colorado** Abbreviation: **None**  
 Date: **11/7/2016** County: **El Paso** Filename: **M155-001**  
 User: **TC1**

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

Basic Machine: **Cat D9T - 9SU**  
 Horsepower: **405**  
 Blade Type: **Semi-Universal**  
 Attachment: **3-shank ripper**  
 Shift Basis: **1 per day**  
 Data Source: **(CRG)**

**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$100.59	NA
Operating Cost/Hour:	\$87.23	100
Ripper own. Cost/Hour:	\$10.94	NA
Ripper op. Cost/Hour:	\$6.82	100
Operator Cost/Hour:	\$40.52	NA
Total unit Cost/Hour:	\$246.10	
Total Fleet Cost/Hour:	<b>\$246.10</b>	

**MATERIAL QUANTITIES**

Initial Volume: **34,722**  
 Swell factor: **1.180**  
 Loose volume: **40,972 LCY**

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

**HOURLY PRODUCTION**

Average push distance: **250 feet**  
 Unadjusted hourly production: **546.0 LCY/hr**

Materials consistency description: **Compacted fill or embankment 0.9**

Average push gradient: **-15 %**  
 Average site altitude: **5,342 feet**

Material weight: **4,050 lbs/LCY**Weight description: **Sand and clay - Compacted**Job Condition Correction FactorSource

Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(CAT HB))
Dozing method:	1.200	(SLOT)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.900	(SSD-FC)
Push gradient:	1.329	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.568	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4568

Adjusted unit production: 249.41 LCY/hr

Adjusted fleet production: **249.41** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)

Unit cost: \$0.987/LCY

Total job time: **164.28** Hours

Total job cost: **\$40,429**

**BULLDOZER WORK**Task description: **Replace overburden**Site: **Fountain Pit** Permit Action: **AM-03 Update** Permit/Job#: **M1982155****PROJECT IDENTIFICATION**

Task #: **002** State: **Colorado** Abbreviation: **None**  
 Date: **11/7/2016** County: **El Paso** Filename: **M155-002**  
 User: **TC1**

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

Basic Machine: **Cat D9T - 9SU**  
 Horsepower: **405**  
 Blade Type: **Semi-Universal**  
 Attachment: **3-shank ripper**  
 Shift Basis: **1 per day**  
 Data Source: **(CRG)**

**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$100.59	NA
Operating Cost/Hour:	\$87.23	100
Ripper own. Cost/Hour:	\$10.94	NA
Ripper op. Cost/Hour:	\$6.82	100
Operator Cost/Hour:	\$40.52	NA
Total unit Cost/Hour:	\$246.10	
Total Fleet Cost/Hour:	<b>\$246.10</b>	

**MATERIAL QUANTITIES**

Initial Volume: **5,852**  
 Swell factor: **1.266**  
 Loose volume: **7,407 LCY**

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

**HOURLY PRODUCTION**

Average push distance: **250 feet**  
 Unadjusted hourly production: **546.0 LCY/hr**

Materials consistency description: **Consolidated stockpile 1.0**

Average push gradient: **-5 %**  
 Average site altitude: **5,342 feet**

Material weight: **2,700 lbs/LCY**Weight description: **Sand and clay - Loose**Job Condition Correction FactorSource

Operator Skill:	0.750	(AVG.)
Material consistency:	1.000	(CAT HB)
Dozing method:	1.200	(SLOT)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.852	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.5677

Adjusted unit  
production: 309.96 LCY/hr  
Adjusted fleet  
production: **309.96** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)  
Unit cost: \$0.794/LCY

Total job time: **23.90** Hours  
Total job cost: **\$5,881**

**BULLDOZER WORK**Task description: **Replace topsoil**Site: **Fountain Pit** Permit Action: **AM-03 Update** Permit/Job#: **M1982155****PROJECT IDENTIFICATION**

Task #: 003 State: Colorado Abbreviation: None  
 Date: 11/7/2016 County: El Paso Filename: M155-003  
 User: TC1

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

Basic Machine: Cat D9T - 9SU  
 Horsepower: 405  
 Blade Type: Semi-Universal  
 Attachment: 3-shank ripper  
 Shift Basis: 1 per day  
 Data Source: (CRG)

**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$100.59	NA
Operating Cost/Hour:	\$87.23	100
Ripper own. Cost/Hour:	\$10.94	NA
Ripper op. Cost/Hour:	\$6.82	100
Operator Cost/Hour:	\$40.52	NA
Total unit Cost/Hour:	\$246.10	
Total Fleet Cost/Hour:	<b>\$246.10</b>	

**MATERIAL QUANTITIES**

Initial Volume: 1,951  
 Swell factor: 1.429  
 Loose volume: **2,787 LCY**

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

**HOURLY PRODUCTION**

Average push distance: 250 feet  
 Unadjusted hourly production: 546.0 LCY/hr

Materials consistency description: Consolidated stockpile 1.0

Average push gradient: -5 %  
 Average site altitude: 5,342 feet

Material weight: 1,600 lbs/LCYWeight description: Top SoilJob Condition Correction FactorSource



Operator Skill:	0.750	(AVG.)
Material consistency:	1.000	(CAT HB)
Dozing method:	1.200	(SLOT)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.600	(FND-SF)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.7186

Adjusted unit  
production: 392.36 LCY/hr  
Adjusted fleet  
production: **392.36** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)  
Unit cost: \$0.627/LCY

Total job time: **7.10** Hours  
Total job cost: **\$1,748**

**BULLDOZER WORK**Task description: **Replace overburden/pit bottom**Site: **Fountain Pit** Permit Action: AM-03 Update Permit/Job#: M1982155**PROJECT IDENTIFICATION**

Task #: 004 State: Colorado Abbreviation: None  
 Date: 11/7/2016 County: El Paso Filename: M155-004  
 User: TC1

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

Basic Machine: Cat D9T - 9SU  
 Horsepower: 405  
 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>\$100.59</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$87.23</u>	<u>100</u>
Ripper own. Cost/Hour:	<u>\$10.94</u>	<u>NA</u>
Ripper op. Cost/Hour:	<u>\$6.82</u>	<u>100</u>
Operator Cost/Hour:	<u>\$40.52</u>	<u>NA</u>
Total unit Cost/Hour:	<u>\$246.10</u>	
Total Fleet Cost/Hour:	<b><u>\$246.10</u></b>	

**MATERIAL QUANTITIES**

Initial Volume: 24,200  
 Swell factor: 1.266  
 Loose volume: **30,632 LCY**

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

**HOURLY PRODUCTION**

Average push distance: 250 feet  
 Unadjusted hourly production: 546.0 LCY/hr

Materials consistency description: Consolidated stockpile 1.0

Average push gradient: 0 %  
 Average site altitude: 5,342 feet

Material weight: 2,700 lbs/LCYWeight description: Sand and clay - LooseJob Condition Correction FactorSource

Operator Skill:	0.750	(AVG.)
Material consistency:	1.000	(CAT HB)
Dozing method:	1.100	(50% SL)
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: 0.4667

Adjusted unit  
production: 254.82 LCY/hr  
Adjusted fleet  
production: **254.82** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)  
Unit cost: \$0.966/LCY

Total job time: **120.21** Hours  
Total job cost: **\$29,584**

**BULLDOZER WORK**Task description: Apply 4" of topsoil over 15 acresSite: Fountain PitPermit Action: AM-03 UpdatePermit/Job#: M1982155**PROJECT IDENTIFICATION**Task #: 005State: ColoradoAbbreviation: NoneDate: 11/7/2016County: El PasoFilename: M155-005User: TC1Agency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D9T - 9SUHorsepower: 405Blade Type: Semi-UniversalAttachment: 3-shank ripperShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$100.59	NA
Operating Cost/Hour:	\$87.23	100
Ripper own.		
Cost/Hour:	\$10.94	NA
Ripper op. Cost/Hour:	\$6.82	100
Operator Cost/Hour:	\$40.52	NA

Total unit Cost/Hour: \$246.10Total Fleet Cost/Hour: \$246.10**MATERIAL QUANTITIES**Initial Volume: 8,067Swell factor: 1.429Loose volume: 11,525 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 250 feetUnadjusted hourly production: 546.0 LCY/hrMaterials consistency description: Consolidated stockpile 1.0Average push gradient: -5 %Average site altitude: 5,342 feetMaterial weight: 1,600 lbs/LCYWeight description: Top SoilJob Condition Correction FactorSource

Operator Skill:	0.750	(AVG.)
Material consistency:	1.000	(CAT HB)
Dozing method:	1.200	(SLOT)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.700	(FND-MF)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.8384

Adjusted unit  
production: 457.77 LCY/hr  
Adjusted fleet  
production: **457.77** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)  
Unit cost: \$0.538/LCY

Total job time: **25.18** Hours  
Total job cost: **\$6,196**

**REVEGETATION WORK**Task description: Seed and mulchSite: Fountain PitPermit Action: AM-03 UpdatePermit/Job#: M1982155**PROJECT IDENTIFICATION**Task #: 006State: ColoradoAbbreviation: NoneDate: 11/7/2016County: El PasoFilename: M155-006User: TC1Agency 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
Chisel plowing {DMG}	\$90.60
<b>Total Tilling Cost/Acre</b>	<b>\$90.60</b>

**SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Grama - Native	0.50	8.16	\$7.25
Little Bluestem - Native	1.00	5.97	\$15.75
Sideoats Grama - Vaughn	1.00	3.28	\$10.00
White Sweet Clover	0.50	2.98	\$2.07
Western Wheatgrass - Native	3.00	7.58	\$21.00
Needlegrass, Green - Lodorm	2.00	8.31	\$9.74
<b>Totals Seed Mix</b>	<b>8.00</b>	<b>36.28</b>	<b>\$65.81</b>

**Application**

Description	Cost /Acre
Drill Seeding (DRMS Survey Cost)	\$232.00
<b>Total Seed Application Cost/Acre</b>	<b>\$232.00</b>

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

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Hay, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$261.00	\$522.00
<b>Total Mulch Materials Cost/Acre</b>				<b>\$522.00</b>

**Application**

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$66.02
Power mulcher (MEANS 32 91 13.16 0350)	\$99.32
<b>Total Mulch Application Cost/Acre</b>	<b>\$165.34</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: 18.6 Cost /Acre: \$1,075.75  
 Estimated Failure Rate: 25% Cost /Acre\*: \$1,075.75  
 \*Selected Replanting Work Items: TILLING,SEEDING,MULCHING  
 Initial Job Cost: **\$20,008.95**  
 Reseeding Job Cost: **\$5,002.24**  
 Total Job Cost: **\$25,011**  
 Job Hours: **42.00**

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: Mob/demobSite: Fountain PitPermit Action: AM-03 UpdatePermit/Job#: M1982155**PROJECT IDENTIFICATION**Task #: 007State: ColoradoAbbreviation: NoneDate: 11/7/2016County: El PasoFilename: M155-007User: TC1Agency 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:**

<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:**

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 D9T - 9SU	60.01	\$100.59	\$125.45	1	\$226.04	\$125.45	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$12.22	\$88.67	1	\$100.89	\$88.67	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$7.03	\$88.67	1	\$95.70	\$88.67	\$250.00

Subtotals: **\$422.63** **\$302.79** **\$750.00****ROADABLE EQUIPMENT:**

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



**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	<u>COLORADO SPRINGS</u>	
Total one-way travel distance:	<u>15.00</u>	miles
Average Travel Speed:	<u>50.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$2,357.88</u>
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$0.00</u>
** one round trip, no haul rig:	

**Transportation Cycle Time:**

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.30</u>	<u>0.30</u>
Return Time (Hours):	<u>0.30</u>	<u>0.30</u>
Loading Time (Hours):	<u>0.25</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.25</u>	<u>NA</u>
Subtotals:	<u>1.10</u>	<u>0.60</u>

**JOB TIME AND COST**

Total job time: 2.20 Hours

Total job cost: \$2,358