



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

1313 Sherman Street, Room 215
Denver, CO 80203

December 12, 2017

Caleb Bolander
Gold Tamers, LLC
216 1st Street, Suite D
Eaton, CO 80615

RE: Destiny Pit; DRMS File No. M-2009-056; Transfer of Permit and Succession of
Operator Approval and Request for Financial Warranty (SO1)

Dear Mr. Bolander,

On December 4, 2017, the Division of Reclamation, Mining and Safety (Division) found that your application for a Transfer of Permit and Succession of Operator submitted to the Division on October 26, 2014 to be complete for review. On your application form you initialed Option 1, which specifies that the Division would recalculate the required bond prior to approval of the transfer. The estimated liability of the reclamation bond (copy enclosed) has been calculated to be \$21,526.95. Please submit a financial warranty in the amount of \$21,526.95 within 60 days (February 10, 2018) of the date of this letter this letter.

The financial warranty forms can be found online at <http://mining.state.co.us>. The transfer of Permit No. M-2009-056 will not be final until the bond is approved by the Division. You will be contacted once the warranties have been reviewed and approved.

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

Sincerely,

Michael A. Cunningham
Environmental Protection Specialist

Enclosure: Bond Calculation

CC: Wally Erickson, DRMS
Barbara Coria, DRMS
Stephanie Carter, BLM
Boyd Astemborski, Destiny Mining, LLC



COST SUMMARY WORK

Task description: _____

Site: Destiny Pit

Permit Action: SO01

Permit/Job#: M2009056

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 12/11/2017

County: Park

Filename: M056-000

User: MAC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Backfill/grade 30 LF of highwall to 3:1	DOZER	1	9.11	\$1,748.00
002	Grade topsoil stockpiles from site perimeter into site	GRADER	1	7.67	\$1,003.00
003	Push overburden into pond	DOZER	1	2.93	\$561.00
004	Revegetate affected areas	REVEGE	1	19.36	\$6,865.00
005	Weed control - one time (BLM Requirement)	REVEGE	1	2.42	\$749.00
006	Mobilize/demob from Lakewood	MOBILIZE	1	8.66	\$4,860.00
007	Remove Fence (BLM Requirement)	DEMOLISH	1	0.00	\$2,346.12
<u>SUBTOTALS:</u>				50.15	\$18,132

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$366.27

Performance bond: 1.05

Total = \$190.39

Job superintendent: 0.00

Total = \$0.00

Profit: 10.00

Total = \$1,813.20

TOTAL O & P = \$2,369.86

CONTRACT AMOUNT (direct + O & P) = \$20,501.86

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

\$1,025.09

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$3,394.95

TOTAL BOND AMOUNT (direct + indirect) = \$21,526.95

BULLDOZER WORKTask description: **Backfill/grade 30 LF of highwall to 3:1**Site: **Destiny Pit**Permit Action: SO01Permit/Job#: M2009056**PROJECT IDENTIFICATION**Task #: 001State: ColoradoAbbreviation: NoneDate: 12/11/2017County: ParkFilename: M056-001User: MACAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$83.81	NA
Operating Cost/Hour:	\$66.17	100
Ripper own.		
Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.85	NA

Total unit Cost/Hour: \$191.83Total Fleet Cost/Hour: **\$191.83****MATERIAL QUANTITIES**Initial Volume: 2,083Swell factor: 1.330Loose volume: **2,770 LCY**Source of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 100 feetUnadjusted hourly production: 852.6 LCY/hrMaterials consistency description: Consolidated stockpile 1.0Average push gradient: 5 %Average site altitude: 9,900 feetMaterial weight: 2,900 lbs/LCYWeight description: Decomposed rock - 50% Rock, 50% Earth**Job Condition Correction Factor**Operator Skill: 0.750Source
(AVG.)

Material consistency:	1.000	(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:	0.903	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3566

Adjusted unit production: 304.04 LCY/hr

Adjusted fleet production: **304.04** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.631/LCY

Total job time: **9.11** Hours

Total job cost: **\$1,748**

MOTOR GRADER WORK

Task description: Grade topsoil stockpiles from site perimeter into site

Site: Destiny Pit

Permit Action: SO01

Permit/Job#: M2009056

PROJECT IDENTIFICATION

Task #: 002

State: Colorado

Abbreviation: None

Date: 12/11/2017

County: Park

Filename: M056-002

User: MAC

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: CAT 14M

Horsepower: 259

Ripper Attachment: _____

Shift Basis: 1 per day

Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$54.68	NA
Operating Cost/Hour:	\$46.99	100
Ripper Ownership Cost/Hour:	\$0.00	NA
Ripper Operating Cost/Hour:	\$0.00	
Operator Cost/Hour:	\$28.90	NA
Total Unit Cost/Hour:	\$130.57	
Total Fleet Cost/Hour:	\$130.57	

MATERIAL QUANTITIES

Total Area to be graded or ripped: 4.23 acres

Source of estimated acreage: Affected area (4.84 acres), minus stockpile area (0.60 acre)

HOURLY PRODUCTION

Average Grader Speed:	<u>0.50</u>	mph
Selected Application:	<u>Production</u>	Deration - 0.5
Selected Blade Angle:	<u>30</u>	degrees
Effective Blade Length:	<u>12.10</u>	feet
Width of blade overlap per pass:	<u>2.00</u>	feet
Net grading or ripping width per pass:	<u>10.10</u>	feet
Unadjusted Hourly Unit Production:	<u>0.6121</u>	acres/hour

Job Condition Correction Factors

Site Altitude: 9900 feet

Altitude Adj:	<u>1.00</u>	Source (CAT HB)
Job Efficiency:	<u>0.90</u>	(1sh/d, fav.)
Net Correction:	<u>0.9000</u>	multiplier

Adjusted Hourly Unit Production: 0.5509 acres/Hour

Adjusted Hourly Fleet Production: **0.5509** acres/Hour

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: **7.68** Hours

Unit cost: \$237.01 per acre Total job cost: **\$1,003**

BULLDOZER WORKTask description: **Push overburden into pond**Site: **Destiny Pit**Permit Action: **SO01**Permit/Job#: **M2009056****PROJECT IDENTIFICATION**Task #: **003**State: **Colorado**Abbreviation: **None**Date: **12/11/2017**County: **Park**Filename: **M056-003**User: **MAC**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D8T - 8SU**Horsepower: **310**Blade Type: **Semi-Universal**Attachment: **NA**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$83.81	NA
Operating Cost/Hour:	\$66.17	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.85	NA

Total unit Cost/Hour: **\$191.83**Total Fleet Cost/Hour: **\$191.83****MATERIAL QUANTITIES**Initial Volume: **741**Swell factor: **1.330**Loose volume: **986 LCY**Source of estimated volume: **(100 X 50 X 4 feet) / 27 cf/cyd**Source of estimated swell
factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **100 feet**Unadjusted hourly
production: **852.6 LCY/hr**Materials consistency description: **Consolidated stockpile 1.0**Average push
gradient: **0 %**Average site altitude: **9,900 feet**Material weight: **2,900 lbs/LCY**Weight description: **Decomposed rock - 50% Rock, 50% Earth****Job Condition Correction Factor**Operator Skill: **0.750**Source
(AVG.)

Material consistency:	1.000	(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:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3949

Adjusted unit production: 336.69 LCY/hr

Adjusted fleet production: **336.69** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.570/LCY

Total job time: **2.93** Hours

Total job cost: **\$561**

REVEGETATION WORKTask description: Revegetate affected areasSite: Destiny PitPermit Action: SO01Permit/Job#: M2009056**PROJECT IDENTIFICATION**Task #: 004State: ColoradoAbbreviation: NoneDate: 12/11/2017County: ParkFilename: M056-004User: MACAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
12-4-8	40.00	pound	\$0.43	\$17.20
			Total Fertilizer Materials Cost/Acre	\$17.20

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$144.62
Total Fertilizer Application Cost/Acre	\$144.62

TILLING

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$106.29
Total Tilling Cost/Acre	\$106.29

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Grama - Hachita	1.00	16.32	\$16.27
Arizona Fescue - Redondo	2.00	22.96	\$23.68
Sandberg Bluegrass - VNS	1.00	21.24	\$8.06
Strawberry Clover (coated)	1.00	6.77	\$6.28
Hard Fescue - Discovery	1.00	12.97	\$3.71
Streambank Wheatgrass - Sodar	5.00	16.30	\$30.45
Western Wheatgrass - Rosanna	5.00	12.63	\$40.40
Tufted Hairgrass	2.00	114.78	\$21.40
Penstemon, Rocky Mountain	1.00	15.67	\$29.50
Yarrow, Western	1.00	60.80	\$41.80

Totals Seed Mix	20.00	300.44	\$221.55
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Application

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

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
Herbicide - 2,4D @ 1.0 pt/ac	1.00	ACRE	\$2.74	\$2.74
Total Mulch Materials Cost/Acre				\$524.74

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$66.02
Weed spray, hand, non-aquatic area, nox. [DMG]	\$180.00
Total Mulch Application Cost/Acre	\$246.02

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:	4.1	Cost /Acre:	\$1,527.64
Estimated Failure Rate:	30%	Cost /Acre*:	\$488.77
*Selected Replanting Work Items:	SEEDING		
Initial Job Cost:	\$6,263.32		
Reseeding Job Cost:	\$601.19		
Total Job Cost:	\$6,865		
Job Hours:	19.36		

REVEGETATION WORKTask description: Weed control - one time (BLM Requirement)Site: Destiny PitPermit Action: SO01Permit/Job#: M2009056**PROJECT IDENTIFICATION**Task #: 005State: ColoradoAbbreviation: NoneDate: 12/11/2017County: ParkFilename: M056-005User: MACAgency 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
	\$
Total Tilling Cost/Acre	\$0.00

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
			\$
Totals Seed Mix	0.00	0.00	\$0.00

Application

Description	Cost /Acre
	\$

Total Seed Application Cost/Acre	\$0.00
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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	\$2.74	\$2.74
Total Mulch Materials Cost/Acre				\$2.74

Application

Description	Cost /Acre
Weed spray, hand, non-aquatic area, nox. [DMG]	\$180.00
Total Mulch Application Cost/Acre	\$180.00

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:	4.1	Cost /Acre:	\$182.74
Estimated Failure Rate:	0%	Cost /Acre*:	\$0.00
*Selected Replanting Work Items:	NONE		

Initial Job Cost:	\$749.23
Reseeding Job Cost:	\$0.00
Total Job Cost:	\$749
Job Hours:	2.42

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mobilize/demob from LakewoodSite: Destiny PitPermit Action: SO01Permit/Job#: M2009056**PROJECT IDENTIFICATION**Task #: 006State: ColoradoAbbreviation: NoneDate: 12/11/2017County: ParkFilename: M056-006User: MACAgency 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
Cat D8T - 8SU	47.71	\$83.81	\$117.55	1	\$201.36	\$117.55	\$250.00
CAT 14M	23.57	\$54.68	\$88.67	1	\$143.35	\$88.67	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$12.22	\$88.67	1	\$100.89	\$88.67	\$250.00
Subtotals:					\$445.60	\$294.89	\$750.00

ROADABLE EQUIPMENT:

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

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	<u>LAKEWOOD</u>	
Total one-way travel distance:	<u>75.00</u>	miles
Average Travel Speed:	<u>45.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$4,859.50</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>1.67</u>	<u>1.67</u>
Return Time (Hours):	<u>1.67</u>	<u>1.67</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>4.33</u>	<u>3.33</u>

JOB TIME AND COST

Total job time:	<u>8.67</u>	Hours
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Total job cost:	<u>\$4,860</u>
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DEMOLITION WORK

Task description: Remove Fence (BLM Requirement)

Site: Destiny Pit

Permit Action: SO01

Permit/Job#: M2009056

PROJECT IDENTIFICATION

Task #: 007

State: Colorado

Abbreviation: None

Date: 12/11/2017

County: Park

Filename: M056-007

User: MAC

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 93.10 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Perimeter fence	1,800lf	Fencing, wood, all types - 4 ft. to 6 ft. high	1,800.00	LF	\$1.40	\$2,520.00

Job Hours: 0.00

Subtotal
(unadjusted): \$2,520.00

Total Cost
(adjusted for
location): \$2,346.12