

July 10, 2018

Robert Caulder
Lockland, LLC
902 East 6th Street
Leadville, CO 80461



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Hopemore Shaft, Permit No. M-2013-026, Reclamation Costs Update and Notice of Surety Increase (SI-1)

Mr. Caulder:

In an effort to ensure the Financial Warranty for the above referenced site adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed). ***Therefore, pursuant to Section 34-32-117(4) of the Colorado Land Reclamation Act, adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of this letter.*** The additional amount needs to be accepted prior to **Monday, September 10, 2018**. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

Staff calculations estimate the cost to reclaim the site to be \$38,132.10. This is an increase of \$5,632.10 over the \$32,500.00 currently held by the Division. This updated estimate now includes costs for removal of structures from the BLM property.

Please make arrangements with Barbara Coria at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 for submittal of the financial warranty. Any questions regarding completion, execution and/or submittal of financial warranty forms should also be directed to Barbara Coria.

If you require additional information, have questions or concerns, please contact me at the DRMS Grand Junction Field Office.

Sincerely,

Dustin Czapla
Environmental Protection Specialist
Department of Natural Resources
Division of Reclamation, Mining and Safety
101 South 3rd, Suite 301
Grand Junction, CO 81501
Phone: (970) 243-6299



COST SUMMARY WORK

Task description: 2018-05-15 FW Review

Site: Hopemore Shaft

Permit Action: 2018 Update

Permit/Job#: M2013026

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 5/14/2018

County: Lake

Filename: M026-000

User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Demolition and disposal of structures	DEMOLISH	1	80.00	\$16,824.65
02a	Seal Hopemore and Hunter shafts	MINESEAL	1	20.00	\$3,586.57
03a	Reclamation grading	DOZER	1	15.48	\$1,862.00
04a	Revegetate disturbed area	REVEGE	1	2.00	\$3,478.00
05a	Mobilize reclamation crew and equipment	MOBILIZE	1	2.80	\$2,481.00
<u>SUBTOTALS:</u>				120.28	\$28,233

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$570.31

Performance bond: 1.05

Total = \$296.45

Job superintendent: 60.14

Total = \$4,393.23

Profit: 10.00

Total = \$2,823.30

TOTAL O & P = \$8,083.29

CONTRACT AMOUNT (direct + O & P) = \$36,316.29

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

\$1,815.81

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$9,899.10

TOTAL BOND AMOUNT (direct + indirect) = \$38,132.10

DEMOLITION WORK

Task description: Demolition and disposal of structures

Site: Hopemore Shaft

Permit Action: 2018 Update

Permit/Job#: M2013026

PROJECT IDENTIFICATION

Task #: 01A
Date: 5/14/2018
User: DMC

State: Colorado
County: Lake

Abbreviation: None
Filename: M201302601a

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 89.00 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Hopemore shaft building-superstructure	18' x 24' x 12'	Bldg. (MN) demo./off-site disposal in approved landfill - Max. 5 mile haul	5,184.00	CF	\$0.33	\$1,710.72
Hopemore shaft building-concrete floor	18' x 24'	Floor, concrete, demolition only, average reinforcing - 12 in. thick	432.00	SF	\$1.18	\$509.76
Hopemore hoist building and shop	24' x 36' x 12'	Bldg. (SN) demo./off-site disposal in approved landfill - Max. 5 mile haul	10,368.00	CF	\$0.30	\$3,110.40
Hopemore hoist building and shop-concrete floor	24' x 36'	Floor, concrete, demolition only, average reinforcing - 12 in. thick	864.00	SF	\$1.18	\$1,019.52
Compressor room-superstructure	32' x 10' x 12'	Bldg. (SN) demo./off-site disposal in approved landfill - Max. 5 mile haul	3,840.00	CF	\$0.30	\$1,152.00
Compressor room-concrete floor	32' x 10'	Floor, concrete, demolition only, average reinforcing - 12 in. thick	320.00	SF	\$1.18	\$377.60
Water tank building	10' x 10' x 10'	Bldg. (SN) demo./off-site disposal in approved landfill - Max. 5 mile haul	1,000.00	CF	\$0.30	\$300.00
Generator shed	9' x 12' x 12'	Bldg. (SN) demo./off-site disposal in approved landfill - Max. 5 mile haul	1,296.00	CF	\$0.30	\$388.80
Loading/Hauling Foundations	60 c.y.	Loading and 5 mile haul, salvage allowed - Concrete frame structures	60.00	CY	\$12.60	\$756.00
Dump Fees	863 c.y.	Dump fees - Building construction materials.	863.00	CY	\$11.10	\$9,579.30

Job Hours: 80.00

Subtotal
(unadjusted): \$18,904.10

Total Cost
(adjusted for
location): \$16,824.65

SAFEGUARDING UNDERGROUND OPENINGS

Task description: Seal Hopemore and Hunter shafts

Site: Hopemore Shaft

Permit Action: 2018 Update

Permit/Job#: M2013026

PROJECT IDENTIFICATION

Task #: 02A

State: Colorado

Abbreviation: None

Date: 5/14/2018

County: Lake

Filename: M201302602a

User: DMC

Agency or organization name: DRMS

UNIT COSTS

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Shafts	9' x 4.5', 9.5' x 5'	Shaft closure - polyurethane foam plug (per cu. yd.)	26.90	CY	\$133.33	\$3,586.58

Job Hours: 20.00

Total Cost: \$3,586.58

BULLDOZER WORKTask description: **Reclamation grading**Site: **Hopemore Shaft**Permit Action: **2018 Update**Permit/Job#: **M2013026****PROJECT IDENTIFICATION**Task #: **03A**State: **Colorado**Abbreviation: **None**Date: **5/14/2018**County: **Lake**Filename: **M201302603a**User: **DMC**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D6T LGP**Horsepower: **200**Blade Type: **Straight**Attachment: **NA**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$43.25	NA
Operating Cost/Hour:	\$35.17	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: **\$120.27**Total Fleet Cost/Hour: **\$120.27****MATERIAL QUANTITIES**Initial Volume: **1,000**Swell factor: **1.250**Loose volume: **1,250 LCY**Source of estimated volume: **Division of Reclamation, Mining & Safety**

Source of estimated swell

factor:

Cat Handbook**HOURLY PRODUCTION**Average push distance: **150 feet**

Unadjusted hourly

production:

212.5 LCY/hrMaterials consistency description: **Compacted fill or embankment 0.9**

Average push

gradient:

0 %Average site altitude: **11,500 feet**Material weight: **2,550 lbs/LCY**Weight description: **Earth - Dry packed****Job Condition Correction Factor****Source**

Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(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:	0.940	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3800

Adjusted unit
production: 80.75 LCY/hr
Adjusted fleet
production: **80.75 LCY/hr**

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$1.489/LCY

Total job time: **15.48 Hours**
Total job cost: **\$1,862**

REVEGETATION WORKTask description: Revegetate disturbed areaSite: Hopemore ShaftPermit Action: 2018 UpdatePermit/Job#: M2013026**PROJECT IDENTIFICATION**Task #: 04AState: ColoradoAbbreviation: NoneDate: 5/14/2018County: LakeFilename: M201302604aUser: DMCAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
8-24-24, 10-15-15, 10-20-20	200.00	pound	\$0.32	\$64.00
Total Fertilizer Materials Cost/Acre				\$64.00

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
Chisel plowing {DMG}	\$90.60
Weed control spraying (MEANS 31 31 16.13 3100)	\$242.00
Total Tilling Cost/Acre	\$332.60

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Arizona Fescue - Redondo	4.50	51.65	\$53.28
Mountain Brome - Bromar	3.80	6.11	\$16.53
Western Wheatgrass - Native	6.40	16.16	\$44.80
Prairie Junegrass	4.00	212.62	\$121.32
Totals Seed Mix	18.70	286.54	\$235.93

Application

Description	Cost /Acre
	\$0.00
Total Seed Application Cost/Acre	\$0.00

MULCHING and MISCELLANEOUS**Materials**

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

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$66.02
Power mulcher (MEANS 32 91 13.16 0350)	\$99.32
Total Mulch Application Cost/Acre	\$165.34

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:	1.9	Cost /Acre:	\$1,464.49
Estimated Failure Rate:	25%	Cost /Acre*:	\$1,464.49
*Selected Replanting Work Items:	FERTILIZING, TILLING, SEEDING, MULCHING		
Initial Job Cost:	\$2,782.53		
Reseeding Job Cost:	\$695.63		
Total Job Cost:	\$3,478		
Job Hours:	2.00		

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilize reclamation crew and equipment**Site: **Hopemore Shaft**Permit Action: **2018 Update**Permit/Job#: **M2013026****PROJECT IDENTIFICATION**

Task #: **05A** State: **Colorado** Abbreviation: **None**
 Date: **5/14/2018** County: **Lake** Filename: **M201302605a**
 User: **DMC**

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 D6T LGP	26.87	\$43.25	\$117.55	1	\$160.80	\$117.55	\$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: **\$357.39** **\$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, 3/4 T.	\$12.26	1	\$12.26	\$12.26

Subtotals: **\$12.26** **\$12.26**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: LEADVILLE
 Total one-way travel distance: 5.00 miles
 Average Travel Speed: 25.00 mph

Total Non-Roadable Mob/Demob Cost * \$2,475.69
 ‘* two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$4.90
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.20</u>	<u>0.20</u>
Return Time (Hours):	<u>0.20</u>	<u>0.20</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>1.40</u>	<u>0.40</u>

JOB TIME AND COST

Total job time: 2.80 Hours

Total job cost: \$2,481