

September 5, 2018

Russell Larsen/ Jon Muller  
Kilgore Companies LLC dba Elam Construction  
556 Struthers Ave  
Grand Junction, CO 81501



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

1313 Sherman Street, Room 215  
Denver, CO 80203

***RE: Sunny Side Gravel, Permit No. M-1986-160, Reclamation Costs Update and Notice of Surety Increase (SI-4)***

Dear Mr. Larsen/ Muller:

On July 6, 2018 the Colorado Division of Reclamation, Mining and Safety (Division) approved the Transfer of Permit and Succession of Operators Application (SO-1). 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 Division has updated the reclamation cost estimate (copy enclosed).

Division calculations estimate the cost to reclaim the above referenced site to be \$93,264.38. This is an increase of \$65,618.56 over the \$27,645.82 currently held by the Division. This estimate is based on conditions observed during the July 26, 2018 inspection. ***Therefore, pursuant to Section 34-32.5-117(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, November 05, 2018**. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

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, or have questions or concerns, please feel free to contact me. Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us

Sincerely,

**Amy Yeldell**  
Environmental Protection Specialist

Ec: Wally Erickson, Senior EPS, Grand Junction DRMS

Enc: Financial Warranty Cost Estimate  
Preliminary-Estimated Reclamation Cost Update



## COST SUMMARY WORK

Task description: SO-1 Update

Site: Sunny Side Gravel Pt

Permit Action: SO-1

Permit/Job#: M1986160

### PROJECT IDENTIFICATION

Task #: ACY

State: Colorado

Abbreviation: None

Date: 8/1/2018

County: Mesa

Filename: M160-ACY

User: ACY

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Grade Highwalls	DOZER	2	48.47	\$25,672.00
02a	Rip pit floor	RIPPER	2	3.88	\$2,071.00
03a	Place overburden/topsoil on pit floor	DOZER	2	31.63	\$15,587.00
03b	Place overburden/topsoil on graded slope	DOZER	2	5.23	\$2,576.00
04a	Cross rip to terrace slope	RIPPER	2	2.80	\$1,495.00
05a	Reveg disturbance	REVEGE	1	8.00	\$18,011.00
06a	Initial Mobilization of Reclamation Equipment	MOBILIZE	1	5.50	\$4,951.00
06b	Secondary Mobilization of Reclamation Equipment	MOBILIZE	1	5.50	\$2,148.00
<b><u>SUBTOTALS:</u></b>				<b>111.01</b>	<b>\$72,511</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$1,464.72

Performance bond: 1.05

Total = \$761.37

Job superintendent: 40.00

Total = \$2,922.00

Profit: 10.00

Total = \$7,251.10

TOTAL O & P = \$12,399.19

CONTRACT AMOUNT (direct + O & P) = \$84,910.19

#### LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 500.00

Total = 500.00

Engineering work and/or contract/bid preparation: 4.25

Total = \$3,608.68

Reclamation management and/or administration: 5.00

\$4,245.51

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$20,753.38

**TOTAL BOND AMOUNT (direct + indirect) = \$93,264.38**

**BULLDOZER WORK**Task description: **Grade Highwalls**Site: **Sunny Side Gravel Pt** Permit Action: **SO-1** Permit/Job#: **M1986160****PROJECT IDENTIFICATION**

Task #: **01A** State: **Colorado** Abbreviation: **None**  
 Date: **8/16/2018** County: **Mesa** Filename: **M160-01a**  
 User: **ACY**

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

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

**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$110.70	NA
Operating Cost/Hour:	\$95.46	100
Ripper own. Cost/Hour:	\$14.21	NA
Ripper op. Cost/Hour:	\$4.23	50
Operator Cost/Hour:	\$40.23	NA

Total unit Cost/Hour: **\$264.83**  
 Total Fleet Cost/Hour: **\$529.66**

**MATERIAL QUANTITIES**

Initial Volume: **42,495**  
 Swell factor: **1.090**  
 Loose volume: **46,320 LCY**

Source of estimated volume: **110'H x 300'W and 40'H x 600'W 1:1 to 3:1 cut fill**  
 Source of estimated swell factor: **Cat Handbook**

**HOURLY PRODUCTION**

Average push distance: **150 feet**  
 Unadjusted hourly production: **910.5 LCY/hr**

Materials consistency description: **Partly consolidated stockpile 1.1**

Average push gradient: **0 %**  
 Average site altitude: **5,800 feet**

Material weight: **2,400 lbs/LCY**Weight description: **Clay and gravel - Dry****Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(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:	0.958	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.5248

Adjusted unit production: 477.83 LCY/hr

Adjusted fleet production: **955.66** LCY/hr

### **JOB TIME AND COST**

Fleet size: 2 Dozer(s)

Unit cost: \$0.554/LCY

Total job time: **48.47** Hours

Total job cost: **\$25,672**

## BULLDOZER RIPPING WORK

Task description: Rip pit floor

Site: Sunny Side Gravel Pt Permit Action: SO-1 Permit/Job#: M1986160

### PROJECT IDENTIFICATION

Task #: 02A State: Colorado Abbreviation: None  
Date: 8/16/2018 County: Mesa Filename: M160-02a  
User: ACY

Agency or organization name: DRMS

### HOURLY EQUIPMENT COST

Basic Machine: Cat D9T - 9SU Horsepower: 405  
Ripper Attachment: 3-Shank Ripper Shift Basis: 1 per day  
Data Source: (CRG)

#### Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$110.70	NA
Operating Cost/Hour:	\$95.46	100
Ripper Ownership Cost/Hour:	\$12.36	NA
Ripper Operating Cost/Hour:	\$7.88	100
Operator Cost/Hour:	\$40.23	NA
Total Unit Cost/Hour:	\$266.63	
Total Fleet Cost/Hour:	<b>\$533.27</b>	

### MATERIAL QUANTITIES

Selected estimating method: Area

#### Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA  
Area: 5.40 acres Rip Depth (ft): 2.00 Volume: 17,424 BCY or CCY

Source of estimated quantity: Staff estimate of pit floor 5.4 ac

### HOURLY PRODUCTION

#### Seismic:

Seismic Velocity: NA feet/second

#### Area:

Average Ripping Depth: 2.63 mph  
Average Ripping Width: 7.67 degrees  
Average Ripping Length: 200.00 feet  
Average Dozer Speed: 88.00 feet  
Average Maneuver Time: 0.25 feet  
Production per unit area: 0.838 acres/hour

#### Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.838 Acres/hr  
Site Altitude: 5,800 feet  
Altitude Adj: 1.00 (CAT HB)  
Job Efficiency: 0.83 (1 shift/day)  
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.70 Acres/hr  
Adjusted Hourly Fleet Production: **1.39** Acres/hr

### JOB TIME AND COST

Fleet size: 2 Grader(s) Total job time: **3.88** Hours

Unit cost: \$383.542 Per acre Total job cost: **\$2,071**

**BULLDOZER WORK**Task description: **Place overburden/topsoil on pit floor**Site: **Sunny Side Gravel Pt** Permit Action: **SO-1** Permit/Job#: **M1986160****PROJECT IDENTIFICATION**

Task #: **03A** State: **Colorado** Abbreviation: **None**  
 Date: **8/16/2018** County: **Mesa** Filename: **M160-03a**  
 User: **ACY**

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

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

**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$110.70	NA
Operating Cost/Hour:	\$95.46	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	50
Operator Cost/Hour:	\$40.23	NA

Total unit Cost/Hour: **\$246.39**  
 Total Fleet Cost/Hour: **\$492.79**

**MATERIAL QUANTITIES**

Initial Volume: **8,712**  
 Swell factor: **1.090**  
 Loose volume: **9,496 LCY**

Source of estimated volume: **5.4 ac 12" deep**  
 Source of estimated swell factor: **Cat Handbook**

**HOURLY PRODUCTION**

Average push distance: **650 feet**  
 Unadjusted hourly production: **194.6 LCY/hr**

Materials consistency description: **Partly consolidated stockpile 1.1**

Average push gradient: **-10 %**  
 Average site altitude: **5,800 feet**

Material weight: **2,400 lbs/LCY**Weight description: **Clay and gravel - Dry****Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(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:	1.225	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.958	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.7714

Adjusted unit production: 150.11 LCY/hr

Adjusted fleet production: **300.22 LCY/hr**

### **JOB TIME AND COST**

Fleet size: 2 Dozer(s)

Unit cost: \$1.641/LCY

Total job time: **31.63 Hours**

Total job cost: **\$15,587**

**BULLDOZER WORK**Task description: Place overburden/topsoil on graded slopeSite: Sunny Side Gravel PtPermit Action: SO-1Permit/Job#: M1986160**PROJECT IDENTIFICATION**Task #: 03BState: ColoradoAbbreviation: NoneDate: 8/16/2018County: MesaFilename: M160-03bUser: ACYAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D9T - 9SUHorsepower: 405Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$110.70	NA
Operating Cost/Hour:	\$95.46	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	50
Operator Cost/Hour:	\$40.23	NA

Total unit Cost/Hour: \$246.39Total Fleet Cost/Hour: **\$492.79****MATERIAL QUANTITIES**Initial Volume: 5,647Swell factor: 1.090Loose volume: **6,155 LCY**Source of estimated volume: 3.5 ac 12" deepSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 225 feetUnadjusted hourly production: 616.7 LCY/hrMaterials consistency description: Partly consolidated stockpile 1.1Average push gradient: -25 %Average site altitude: 5,800 feetMaterial weight: 2,400 lbs/LCYWeight description: Clay and gravel - Dry**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(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:	1.516	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.958	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.9547

Adjusted unit production: 588.76 LCY/hr

Adjusted fleet production: **1177.52** LCY/hr

### **JOB TIME AND COST**

Fleet size: 2 Dozer(s)

Unit cost: \$0.418/LCY

Total job time: **5.23** Hours

Total job cost: **\$2,576**

## BULLDOZER RIPPING WORK

Task description: Cross rip to terrace slope

Site: Sunny Side Gravel Pt Permit Action: SO-1 Permit/Job#: M1986160

### PROJECT IDENTIFICATION

Task #: 04A State: Colorado Abbreviation: None  
Date: 8/16/2018 County: Mesa Filename: M160-04a  
User: ACY

Agency or organization name: DRMS

### HOURLY EQUIPMENT COST

Basic Machine: Cat D9T - 9SU Horsepower: 405  
Ripper Attachment: 3-Shank Ripper Shift Basis: 1 per day  
Data Source: (CRG)

#### Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$110.70	NA
Operating Cost/Hour:	\$95.46	100
Ripper Ownership Cost/Hour:	\$12.36	NA
Ripper Operating Cost/Hour:	\$7.88	100
Operator Cost/Hour:	\$40.23	NA
Total Unit Cost/Hour:	\$266.63	
Total Fleet Cost/Hour:	<b>\$533.27</b>	

### MATERIAL QUANTITIES

Selected estimating method: Area

#### Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA  
Area: 4.10 acres Rip Depth (ft): 1.00 Volume: 6,615 BCY or CCY

Source of estimated quantity: Staff estimate 4.1 ac of slopes

### HOURLY PRODUCTION

#### Seismic:

Seismic Velocity: NA feet/second

#### Area:

Average Ripping Depth: 1.00 mph  
Average Ripping Width: 7.67 degrees  
Average Ripping Length: 400.00 feet  
Average Dozer Speed: 88.00 feet  
Average Maneuver Time: 0.25 feet  
Production per unit area: 0.881 acres/hour

#### Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.881 Acres/hr  
Site Altitude: 5,800 feet  
Altitude Adj: 1.00 (CAT HB)  
Job Efficiency: 0.83 (1 shift/day)  
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.73 Acres/hr  
Adjusted Hourly Fleet Production: **1.46** Acres/hr

### JOB TIME AND COST

Fleet size: 2 Grader(s) Total job time: **2.80** Hours

Unit cost: \$364.537 Per acre Total job cost: **\$1,495**

**REVEGETATION WORK**Task description: Reveg disturbanceSite: Sunny Side Gravel PtPermit Action: SO-1Permit/Job#: M1986160**PROJECT IDENTIFICATION**Task #: 05AState: ColoradoAbbreviation: NoneDate: 8/16/2018County: MesaFilename: M160-05aUser: ACYAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Ammonium nitrate, 33-0-0	60.00	pound	\$0.34	\$20.40
			<b>Total Fertilizer Materials Cost/Acre</b>	<b>\$20.40</b>

**Application**

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$34.72
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$34.72</b>

**TILLING**

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

**SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Nespar	4.80	15.54	\$37.20
Crested Wheatgrass - Ephraim	5.00	22.96	\$18.75
Yellow Sweet Clover - Madrid	0.35	2.09	\$1.01
<b>Totals Seed Mix</b>	<b>10.15</b>	<b>40.58</b>	<b>\$56.96</b>

**Application**

Description	Cost /Acre
Drill Seeding (DRMS Survey Cost)	\$232.00

<b>Total Seed Application Cost/Acre</b>	<b>\$232.00</b>
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**MULCHING and MISCELLANEOUS****Materials**

<b>Description</b>	<b>Units / Acre</b>	<b>Unit</b>	<b>Cost / Unit</b>	<b>Cost /Acre</b>
Herbicide - 2,4D @ 1.0 pt/ac	1.00	ACRE	\$2.81	\$2.81
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$288.00	\$576.00
<b>Total Mulch Materials Cost/Acre</b>				<b>\$578.81</b>

**Application**

<b>Description</b>	<b>Cost /Acre</b>
Crimping, with tractor {DMG survey data}	\$68.78
Power mulcher (MEANS 32 91 13.16 0350)	\$92.78
Weed spray, truck, non-aquatic area, nox. [DMG]	\$73.22
<b>Total Mulch Application Cost/Acre</b>	<b>\$234.78</b>

**NURSERY STOCK PLANTING**

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

**JOB TIME AND COST**

No. of Acres:	9.5	Cost /Acre:	\$1,263.96
Estimated Failure Rate:	50%	Cost /Acre*:	\$1,263.96
*Selected Replanting Work Items:	FERTILIZING,TILLING,SEEDING,MU LCHING		

Initial Job Cost:	<b>\$12,007.62</b>
Reseeding Job Cost:	<b>\$6,003.81</b>
Total Job Cost:	<b>\$18,011</b>
Job Hours:	<b>8.00</b>

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Initial Mobilization of Reclamation Equipment**Site: **Sunny Side Gravel Pt**Permit Action: **SO-1**Permit/Job#: **M1986160****PROJECT IDENTIFICATION**Task #: **06A**State: **Colorado**Abbreviation: **None**Date: **8/16/2018**County: **Mesa**Filename: **M160-06a**User: **ACY**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:**

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	66.13	\$123.06	\$125.45	2	\$497.02	\$250.90	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$15.54	\$88.67	1	\$104.21	\$88.67	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$8.33	\$88.67	1	\$97.00	\$88.67	\$250.00

Subtotals: **\$698.23** **\$428.24** **\$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, 1 T. Crew	\$47.74	1	\$47.74	\$47.74

Subtotals: **\$47.74** **\$47.74**

**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	GRAND JUNCTION, CO	
Total one-way travel distance:	<u>35.00</u>	miles
Average Travel Speed:	<u>40.00</u>	mph
Total Non-Roadable Mob/Demob Cost *	\$4,867.78	
** two round trips with haul rig:		
Total Roadable Mob/Demob Cost **	<u>\$83.55</u>	
** 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):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.75	1.75

**JOB TIME AND COST**

Total job time: 5.50 Hours

Total job cost: \$4,951

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Secondary Mobilization of Reclamation Equipment**Site: **Sunny Side Gravel Pt**Permit Action: **SO-1**Permit/Job#: **M1986160****PROJECT IDENTIFICATION**Task #: **06B**State: **Colorado**Abbreviation: **None**Date: **8/16/2018**County: **Mesa**Filename: **M160-06b**User: **ACY**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:**

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
Drill/Broadcast Seeder with Tractor	25.00	\$15.54	\$88.67	1	\$104.21	\$88.67	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$8.33	\$88.67	1	\$97.00	\$88.67	\$250.00
Subtotals:					<b>\$201.21</b>	<b>\$177.34</b>	<b>\$500.00</b>

**ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 1 T. Crew	\$47.74	1	\$47.74	\$47.74
Subtotals:			<b>\$47.74</b>	<b>\$47.74</b>

**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	GRAND JUNCTION, CO	
Total one-way travel distance:	<u>35.00</u>	miles
Average Travel Speed:	<u>40.00</u>	mph
Total Non-Roadable Mob/Demob Cost *	\$2,064.88	
'* two round trips with haul rig:		
Total Roadable Mob/Demob Cost **	<u>\$83.55</u>	
** one round trip, no haul rig:		

**Transportation Cycle Time:**

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.88</u>	<u>0.88</u>
Return Time (Hours):	<u>0.88</u>	<u>0.88</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>2.75</u>	<u>1.75</u>

**JOB TIME AND COST**

Total job time:	<u>5.50</u>	Hours
Total job cost:	<u>\$2,148</u>	





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

1313 Sherman Street, Room 215  
Denver, CO 80203

August 20, 2018

Russell Larsen/ Jon Muller  
Kilgore Companies LLC dba Elam Construction  
556 Struthers Ave  
Grand Junction, CO 81501

***RE: Sunny Side Gravel, Permit No. M-1986-160, Preliminary-Estimated Reclamation Cost Update***

Dear Mr. Larsen/Muller:

In response to the Succession of Operators (SO-1) request that was approved on July 6, 2018 the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate. The Division calculations estimate the cost to reclaim the above referenced site to be \$93,264.38. This is an increase of \$65,618.56 over the \$27,645.82 currently held by the Division. This estimate is based on conditions observed during the July 26, 2018 inspection.

The Division acknowledges that this is a substantial increase. Previous calculations only noted a very small highwall requiring grading and some minor ripping. Also despite the majority of the permit being seeded only a portion had overburden/topsoil replaced. Presently the two highwalls exist and the majority of the pit requires some sort of earth work in addition to seeding.

The Division would like to give you an opportunity to either complete reclamation tasks to decrease your overall liability. Or survey the site and provide the Division with more accurate input figures for calculations. The Division has enclosed both the preliminary post SO-1 calculation as well as the 2012 SI-03 calculation. Furthermore enclosed is a table summarizing input figures for both sets of calculations.

Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted. If no response is received by Tuesday, September 4, 2018 than it is the Divisions understanding that the operator has no objections to the bond calculated on August 1, 2018 in the amount of \$93,264.38. At that time a Notice for Surety Increase will be issued for the above amount as required by the Act and Rules.

If you require additional information, or have questions or concerns, please feel free to contact me. Amy Yeldell at the Division of Reclamation, Mining and Safety, 1313 Sherman St., Room 215, Denver, CO 80203. Direct contact can be made by phone at 970-254-8511 or via email at amy.yeldell@state.co.us



Sincerely,



**Amy Yeldell**

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Department of Natural Resources  
Division of Reclamation, Mining and Safety  
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Ec:  
Wally Erickson, Senior EPS, Grand Junction DRMS

Enc:  
SO-2 Preliminary Financial Warranty Cost Estimate  
SI-3 Financial Warranty Cost Estimate

**Input figures for both Bond Calculations**

Highwall Reduction and Rip Pit Floor	
2012 01a	Rip 5.15 ac of pit floor and outcrop <ul style="list-style-type: none"><li>5 ac of pit floor and 444 BCY of rock outcrop (100' x 8' x 30')</li></ul>
2018 01a	Grade highwall benches (42,495 CCY) <ul style="list-style-type: none"><li>100'H x 300'W @ 1:1 cut/fill (33,611 CCY)</li><li>40'H x 600'W @ 1:1 cut/fill (88,89 CCY)</li></ul>
2018 02a	Rip compacted pit floor <ul style="list-style-type: none"><li>Approx. 5.4 ac</li></ul>

Place Overburden/Topsoil	
2012 02a	Place overburden/topsoil on slopes only 6,953 LCY w/ 100' push @ -15% slopes <ul style="list-style-type: none"> <li>4 ac @ 12" + 500 CCY (100' x 8' x 30' slopes)</li> </ul>
2018 03a	Place overburden/topsoil on pit floor 8,712 CCY w/650' push @ -10% slope <ul style="list-style-type: none"> <li>5.4 ac @ 12" deep</li> </ul>
2018 03b	Place overburden/topsoil on slopes 5647 CCY w/ 225' push @ -25% slope <ul style="list-style-type: none"> <li>3.5 ac @ 12" deep</li> </ul>
2018 04a	Cross rip slopes to control erosion <ul style="list-style-type: none"> <li>Approx. 4.10 ac of highwall slopes</li> </ul>
Revegetation	
2012 03a	Reveg 9 acres with 40% failure
2018 05a	Reveg 9.5 acres with 50% failure <ul style="list-style-type: none"> <li>Previously graded slope is barren and adjacent put has poor reveg, higher failure rate and entire site could benefit form seeding</li> </ul>
Mobilization	
2012 04a	<ul style="list-style-type: none"> <li>Single mobilization of equipment.</li> <li>Use of D8 dozer for earthwork</li> </ul>
2018 06a/06b	<ul style="list-style-type: none"> <li>Mobilization of reclamation equipment and secondary mobilization for reclamation failure</li> <li>Use of two D9 dozers for earthwork</li> </ul>
Indirect Costs	
2012	<ul style="list-style-type: none"> <li>Superintendent hrs. are 50% of total</li> <li>No engineering work and/or bid prep</li> <li>No contingency</li> </ul>
2018	<ul style="list-style-type: none"> <li>Superintendent hrs. at flat rate of 40 hrs.</li> <li>Standard 4.25% for engineering work and/or bid prep</li> <li>Standard 3% contingency</li> </ul>