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 <u>\$93,264.38</u>. This is an increase of <u>\$65,618.56</u> over the <u>\$27,645.82</u> 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,

us Geldell

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

Т	Task descrip	otion:	SO-1 Update					
Site:	Sunny Si	de Gravel Pt	Pe	rmit Action:	SO-1	Permit/Job	o#: <u>M1986160</u>	
<u>P</u>]	Task #:	IDENTIFIC	State:	Colorado		Abbreviation:	None	
	Date: User:	8/1/2018 ACY	County:	Mesa		Filename:	M160-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
		<u>SUBTC</u>	DTALS:	111.01	\$72,511

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): Engineering work and/or contract/bid preparation: Reclamation management and/or administration:	500.00 4.25 5.00	Total = Total =	500.00 \$3,608.68 \$4,245.51
CONTINGENCY:	0.00	Total =	\$0.00
	TOTAL IN	DIRECT COST =	\$20,753.38
TOTAL BO	\$93,264.38		

BULLDOZER WORK

Task description:	Grade Highwalls	5			
Sunny Side Gravel Pt	Peri	mit Action:	SO-1	Permit/Job#:	M1986160
PROJECT IDENTIF	ICATION				
Task #: 01A	State:	Colorado		Abbreviation:	None
Date: $\frac{0111}{8/16/2018}$	County:	Mesa		Filename:	M160-01a
User: ACY					
Agency or organ	nization name:	RMS			
HOURLY EQUIPME	<u>ENT COST</u>				
Basic Machine: Cat	D9T - 9SU				
Horsepower: 405					
	ni-Universal				
	hank ripper				
	er day				
Data Source: (CF	RG)				
Cost Breakdown:					
			Utilization %		
Ownership Cost/Hour:		\$110.70	NA		
Operating Cost/Hour:		\$95.46	100		
Ripper own. Cost/Hour:		\$14.21	NA		
		\$4.23	50		
Ripper op. Cost/Hour:		+==			
Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour:	\$264.83 \$ 529.66	\$40.23	NA		
Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour: MATERIAL QUANT	\$529.66 <u>TTIES</u>		NA		
Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 42,4	\$529.66 ITIES 95		NA		
Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 42,4 Swell factor: 1.09	\$529.66 ITIES 95		NA		
Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 42,4 Swell factor: 1.09 Loose volume: 46,3 Source of estimated volu Source of estimated swell	\$529.66 TTIES 95 0 20 LCY me: <u>110'H x 3</u> 1 factor: Cat Hand	\$40.23	NA 0'H x 600'W 1:1 to 3:1 o	cut fill	
Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 42,4' Swell factor: 1.09 Loose volume: 46,3	\$529.66 TTIES 95 0 20 LCY me: <u>110'H x 3</u> 1 factor: <u>Cat Hand</u> FION <u>150 feet</u>	\$40.23		cut fill	
Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 42,4 Swell factor: 1.09 Loose volume: 46,3 Source of estimated volu Source of estimated swell HOURLY PRODUCT Average push distance:	\$529.66 TTIES 95 0 20 LCY me: 110'H x 3 I factor: Cat Hand TION 150 feet ction: 910.5 LCY/	\$40.23		cut fill	
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Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 42,4 Swell factor: 1.09 Loose volume: 46,3 Source of estimated volum Source of estimated volum Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product Materials consistency des Average push gradient: Average site altitude: Material weight: Weight description: Job Condition Correction Operator	\$529.66 TTIES 95 0 20 LCY me: 110'H x 3 1 factor: Cat Hand TION ction: 910.5 LCY/ scription: Partly c 0 % 5,800 feet 2,400 lbs/LCY Clay and gravel - I Factor 0.	\$40.23	 0'H x 600'W 1:1 to 3:1 o stockpile 1.1 <u>Source</u> (AVG.)		
Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 42,4' Swell factor: 1.09 Loose volume: 46,3 Source of estimated volu Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product Materials consistency dest Average site altitude: Material weight: Weight description: Job Condition Correction Operator Material consist	\$529.66ITIES95020 LCYme: $110^{\circ}H \times 3$ 1 factor:Cat HandCat HandConstantCat HandCat HandHandCat HandCat Hand<	\$40.23 \$40.23 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	 0'H x 600'W 1:1 to 3:1 o stockpile 1.1 stockpile 1.1 (AVG.) (CAT HB)		
Ripper op. Cost/Hour: Operator Cost/Hour: Total unit Cost/Hour: Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 42,4' Swell factor: 1.09 Loose volume: 46,3 Source of estimated volut Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product Materials consistency dest Average site altitude: Material weight: Weight description: Job Condition Correction Operator 3 Material consist Dozing me	\$529.66ITIES95020 LCYme: $110'H x 3'$ 1 factor:Cat HandCat Hand <td>\$40.23</td> <td> 0'H x 600'W 1:1 to 3:1 o stockpile 1.1 <u>Source</u> (AVG.)</td> <td>cut fill</td> <td></td>	\$40.23	 0'H x 600'W 1:1 to 3:1 o stockpile 1.1 <u>Source</u> (AVG.)	cut fill	

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: 4	77.83 LCY/hr	
Adjusted fleet production: 9	955.66 LCY/hr	

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 G	ravel Pt Permit Action:	SO-1	Permit/Job	#: <u>M1986160</u>		
	PROJECT ID	ENTIFICATION					
	Task #: 024)	Abbreviation:			
		6/2018 County: Mesa		Filename:	M160-02a		
	User: AC						
	Agency	or organization name: DRMS					
	HOURLY EQ	UIPMENT COST					
	Basic 1	Machine: Cat D9T - 9SU		Horsepower:	405		
	Ripper Att	achment: 3-Shank Ripper			per day		
				Data Source:	(CRG)		
	Cost Breakdown:			·····			
		Ownership Cost/Hour:	\$110.70	Utilization % NA			
		Operating Cost/Hour:	\$95.46	100			
	Rippe	er Ownership Cost/Hour:	\$12.36	NA			
	Ripp	per Operating Cost/Hour:	\$7.88	100			
		Operator Cost/Hour:	\$40.23	NA			
		Total Unit Cost/Hour:	\$266.63				
		Total Fleet Cost/Hour: \$5	33.27				
	MATERIAL C	DUANTITIES Se	elected estimating n	nethod: Area			
	Alternate Method						
				DOV			
mic: Area:	NA 5.40	Bank Volume: acres Rip Depth (ft):	NA 2.00	BCY Volume: 17,424	NA BCY o		
iica.	5.40				BC10		
		Source of estimated quantity:Staff	estimate of pit floo	r 5.4 ac			
	HOURLY PRO	DDUCTION					
	Seismic:						
		Seismic Velocity:	NA	feet/second			
	Area:						
		Average Ripping Depth:	2.63	mph			
		Average Ripping Width:	7.67	degrees			
		Average Ripping Length: Average Dozer Speed:	200.00 88.00	feet feet			
		Average Maneuver Time:	0.25	feet			
		Production per unit area:	0.838	acres/hour			
	Job Condition Correction Factors						
		adjusted Hourly Unit Production:	0.838	Acres/hr			
	UII	· · ·					
		Site Altitude: Altitude Adj:	5,800	feet (CAT HB)			
		Job Efficiency:	0.83	(CATHB) (1 shift/day)			
		Net Correction:	0.83	multiplier			
		Adjusted Hourly Unit Production	n: 0.70	Acres/hr			
		Adjusted Hourly Fleet Production		Acres/hr			
	JOB TIME AN						
	Fleet size:	2 Grader(s)	Total job time:	3.88	Hours		
			·				
	Unit cost:	\$383.542 Per acre	Total job cost:	\$2,071			

BULLDOZER WORK

		n topson on	pit floor		
Sunny Side Gravel Pt	Peri	mit Action:	SO-1	Permit/Job#:	M1986160
PROJECT IDENTIFI	ICATION				
Task #: 03A	State:	Colorado		Abbreviation:	None
Date: 8/16/2018 User: ACY	County:	Mesa		Filename:	M160-03a
Agency or organ	nization name:	RMS			
HOURLY EQUIPME	<u>ENT COST</u>				
	D9T - 9SU				
Horsepower: 405					
Blade Type: Sen Attachment: NA	ni-Universal				
	er day				
Data Source: (CR					
Cost Breakdown:	,				
		*	Utilization %		
Ownership Cost/Hour:		\$110.70	NA		
Operating Cost/Hour:		\$95.46	100 NA		
Ripper own. Cost/Hour:		\$0.00 \$0.00	<u>NA</u> 50		
Ripper op. Cost/Hour: Operator Cost/Hour:		\$0.00			
Operator Cost/Hour.		\$40.23	INA		
Total unit Cost/Hour: Total Fleet Cost/Hour:	\$246.39 \$492.79				
Total Fleet Cost/Hour: MATERIAL QUANT	\$492.79 <u>TTIES</u>				
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: <u>8,712</u> Swell factor: <u>1.090</u>	\$492.79 TTIES 2 0				
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490	\$492.79 TTIES 2 0 6 LCY				
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum	\$492.79 TTIES 2 0 6 LCY ne:5.4 ac 12'				
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated swell	\$492.79 TTIES 2 0 6 LCY ne: 5.4 ac 12' factor: Cat Hand				
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated swell HOURLY PRODUCT	\$492.79 TTIES 2 0 6 LCY ne: 5.4 ac 12 ² Cat Hand FION				
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volur Source of estimated swell HOURLY PRODUCT Average push distance:	\$492.79 TTIES 2 0 6 LCY ne: 5.4 ac 12' Cat Hand CION 650 feet	book			
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated swell HOURLY PRODUCT	\$492.79 ITIES 2 0 6 LCY ne: 5.4 ac 12' 1 factor: Cat Hand If CON 650 feet ction: 194.6 LCY/	book	 stockpile 1.1		
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product Materials consistency destributed	\$492.79 ITIES 2 0 6 LCY ne: 5.4 ac 12' 1 factor: Cat Hand Image: 650 feet 1 factor: 194.6 LCY/ cription: Partly c	book	 stockpile 1.1		
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product	\$492.79 ITIES 2 0 6 LCY ne: 5.4 ac 12' 1 factor: Cat Hand If CON 650 feet ction: 194.6 LCY/	book	 stockpile 1.1		
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product Materials consistency dest Average push gradient:	\$492.79 ITIES 2 0 6 LCY ne: 5.4 ac 12' 1 factor: Cat Hand FION ction: 650 feet 194.6 LCY/ cription: Partly c -10 %	book			
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product Materials consistency desc Average push gradient: Average site altitude:	\$492.79 ITIES 2 0 6 LCY ne: 5.4 ac 12° 1 factor: Cat Hand FION ction: 194.6 LCY/ cription: Partly c -10 % 5,800 feet	book hr consolidated			
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product Average push gradient: Average site altitude: Material weight: Weight description: Job Condition Correction	\$492.79 TTIES 2 0 6 LCY ne: 5.4 ac 12² 0 6 LCY ne: 5.4 ac 12² Cat Hand FION ction: 650 feet ction: 194.6 LCY/ cription: Partly c -10 % 5,800 feet 2,400 lbs/LCY Clay and gravel - I Factor Factor	book /hr consolidated Dry	Source		
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated volum Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product Aterials consistency deservation Average site altitude: Material weight: Weight description: Job Condition Correction	\$492.79 TTIES 2 0 6 LCY ne: 5.4 ac 12' 1 factor: Cat Hand CION ction: 650 feet 194.6 LCY/ cription: Partly c -10 % 5,800 feet 2,400 lbs/LCY Clay and gravel - I Factor Skill: 0.	book Thr Consolidated Dry 750	Source (AVG.)		
Total Fleet Cost/Hour: MATERIAL QUANT Initial Volume: 8,712 Swell factor: 1.090 Loose volume: 9,490 Source of estimated volum Source of estimated swell HOURLY PRODUCT Average push distance: Unadjusted hourly product Average push gradient: Average site altitude: Material weight: Weight description: Job Condition Correction	\$492.79 ITIES 2 0 6 LCY ne: $5.4 \text{ ac } 12^\circ$ factor: Cat Hand EUON ction: 650 feet 194.6 LCY/ cription: Partly c -10% $5,800 \text{ feet}$ 2,400 lbs/LCY Clay and gravel - I Factor Skill: 0. ency: 1.	book /hr consolidated Dry	Source		

Job efficience	cy:	0.830	(1 SHIFT/DAY)
Spoil pi	le:	0.800	(FND-RF)
Push gradient:		1.225	(CAT HB)
Altitud	de:	1.000	(CAT HB)
Material Weight:		0.958	(CAT HB)
Blade type:		1.000	(PAT)
Net correction	on:	0.7714	
Adjusted unit production:	15	0.11 LCY/hr	
		0.22 LCY/hr	

Fleet size:	2 Dozer(s)
Unit cost:	\$1.641/LCY

Total job time:	31.63 Hours
Total job cost:	\$15,587

BULLDOZER WORK

		The second se	graded slope		
Sunny Side Gravel Pt	Peri	mit Action:	SO-1	Permit/Job#:	M1986160
PROJECT IDENTIFIC	CATION				
Task #: 03B	State:	Colorado		Abbreviation:	None
Date: $\frac{0.5D}{8/16/2018}$	County:	Mesa		Filename:	M160-03b
User: ACY	County:	mesu		-	11100 000
Agency or organi	zation name: DR	RMS			
HOURLY EQUIPMEN	NT COST				
Basic Machine: Cat I	D9T - 9SU				
Horsepower: 405					
	i-Universal				
Attachment: NA					
Shift Basis: 1 per					
Data Source: (CRC	G)				
Cost Breakdown:					
			Utilization %		
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		
Fotal unit Cost/Hour:	\$246.39				
Fotal Fleet Cost/Hour:	\$492.79				
Fotal Fleet Cost/Hour:					
Total Fleet Cost/Hour:	\$492.79				
	\$492.79				
	\$492.79 <u>TIES</u>				
MATERIAL QUANTI Initial Volume: <u>5,647</u> Swell factor: <u>1.090</u>	\$492.79 <u>TIES</u>				
MATERIAL QUANTIInitial Volume:5,647Swell factor:1.090Loose volume:6,155	\$492.79 TIES LCY				
MATERIAL QUANTIInitial Volume:5,647Swell factor:1.090Loose volume:6,155Source of estimated volum	\$492.79 TIES LCY e:				
MATERIAL QUANTIInitial Volume:5,647Swell factor:1.090Loose volume:6,155	\$492.79 TIES LCY e:				
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell for the statement of	\$492.79 TIES LCY e: <u>3.5 ac 12'</u> factor: <u>Cat Hand</u>				
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCT	\$492.79 TIES LCY le: <u>3.5 ac 12'</u> factor: Cat Hand ION				
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCTI Average push distance:	\$492.79 TIES LCY le: <u>3.5 ac 12</u> factor: <u>Cat Hand</u> ION <u>225 feet</u>	book			
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCT	\$492.79 TIES LCY le: <u>3.5 ac 12</u> factor: <u>Cat Hand</u> ION <u>225 feet</u>	book			
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCTI Average push distance:	\$492.79 TIES LCY ae: <u>3.5 ac 12'</u> factor: <u>Cat Hand</u> ION <u>225 feet</u> ion: <u>616.7 LCY/</u>	book			
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCT Average push distance: Unadjusted hourly product Materials consistency desc	\$492.79 TIES LCY ae:	book	stockpile 1.1		
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCTI Average push distance: Unadjusted hourly product Materials consistency desc Average push gradient:	\$492.79 TIES LCY e: <u>3.5 ac 12'</u> factor: <u>Cat Hand</u> ION ion: <u>225 feet</u> ion: <u>616.7 LCY/</u> ription: <u>Partly c</u> -25 %	book	 stockpile 1.1		
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCT Average push distance: Unadjusted hourly product Materials consistency desc	\$492.79 TIES LCY ae:	book			
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCTI Average push distance: Unadjusted hourly product Materials consistency desc Average push gradient:	\$492.79 TIES LCY e: <u>3.5 ac 12'</u> factor: <u>Cat Hand</u> ION ion: <u>225 feet</u> ion: <u>616.7 LCY/</u> ription: <u>Partly c</u> -25 %	book			
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCTI Average push distance: Unadjusted hourly product Materials consistency desc Average push gradient: Average site altitude:	\$492.79 TIES LCY e: <u>3.5 ac 12'</u> factor: <u>Cat Hand</u> ION ion: <u>616.7 LCY/</u> ription: <u>Partly c</u> -25 % 5,800 feet	book Thr consolidated			
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCTI Average push distance: Unadjusted hourly product Materials consistency desc Average site altitude: Average site altitude: Waterial weight:	\$492.79 TIES LCY e: <u>3.5 ac 12</u> factor: <u>Cat Hand</u> ION <u>225 feet</u> ion: <u>616.7 LCY/</u> ription: <u>Partly c</u> <u>-25 %</u> <u>5,800 feet</u> 2,400 lbs/LCY Clay and gravel - I	book Thr consolidated			
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCTI Average push distance: Unadjusted hourly product Materials consistency desc Average push gradient: Average site altitude: Material weight: Weight description: Lob Condition Correction F	\$492.79 TIES LCY e: <u>3.5 ac 12</u> ² factor: <u>Cat Hand</u> ION <u>225 feet</u> ion: <u>616.7 LCY/</u> ription: <u>Partly c</u> -25 % 5,800 feet 2,400 lbs/LCY Clay and gravel - I Factor	book Thr Consolidated Dry	Source		
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated volum Source of estimated swell factor: HOURLY PRODUCTI Average push distance: Unadjusted hourly product Materials consistency desc Average push gradient: Average site altitude: Waterial weight: Material weight: Material Scoription: Operator Si	\$492.79 TIES LCY e: <u>3.5 ac 12'</u> factor: <u>Cat Hand</u> ION <u>225 feet</u> ion: <u>616.7 LCY/</u> ription: <u>Partly c</u> -25 % 5,800 feet 2,400 lbs/LCY Clay and gravel - I Factor kill: <u>0</u> .	book Thr consolidated			
MATERIAL QUANTI Initial Volume: 5,647 Swell factor: 1.090 Loose volume: 6,155 Source of estimated volum Source of estimated swell factor: HOURLY PRODUCTI Average push distance: Unadjusted hourly product Materials consistency desc Average push gradient: Average site altitude: Material weight: Weight description: Lob Condition Correction F	\$492.79 TIES LCY e: <u>3.5 ac 12'</u> factor: <u>Cat Hand</u> ION <u>225 feet</u> 616.7 LCY/ ription: <u>Partly c</u> -25 % 5,800 feet 2,400 lbs/LCY Clay and gravel - I Factor kill: <u>0.</u> ncy: <u>1.</u>	book Thr Consolidated Dry 750	Source (AVG.)		

Job efficienc	y: 0.830	(1 SHIFT/DAY)
Spoil pil	e: 0.800	(FND-RF)
Push gradier	t: 1.516	(CAT HB)
Altitud	e: 1.000	(CAT HB)
Material Weigh	t: 0.958	(CAT HB)
Blade typ	e: 1.000	(PAT)
Net correctio	n: 0.9547	
Adjusted unit production:	588.76 LCY/hr	
Adjusted fleet production:	1177.52 LCY/hr	
-		

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 Gra	Permit Action:	SO-1	Permit/Job	#: <u>M1986160</u>
	PROJECT IDE	NTIFICATION			
	Task #: 04A	State: Colorado)	Abbreviation:	
		Z018 County: Mesa		Filename:	M160-04a
	User: ACY				
	Agency of	r organization name: DRMS			<u> </u>
	HOURLY EQU	IPMENT COST			
	Basic M	achine: Cat D9T - 9SU		Horsepower:	405
	Ripper Attac	chment: 3-Shank Ripper		Shift Basis: 1	per day
				Data Source:	(CRG)
	Cost Breakdown:				
				Utilization %	
		Ownership Cost/Hour: Operating Cost/Hour:	\$110.70 \$95.46	<u>NA</u> 100	
	Ripper	Ownership Cost/Hour:	\$12.36	NA	
		r Operating Cost/Hour:	\$7.88	100	
		Operator Cost/Hour:	\$40.23	NA	
		Total Unit Cost/Hour:	\$266.63		
		Total Fleet Cost/Hour: \$5	33.27		
	MATERIAL Q			.1 1 4	
			lected estimating n	nethod: Area	<u> </u>
	Alternate Methods	<u>.</u>			
mic:	NA	Bank Volume:	NA	BCY	NA
rea:	4.10	acres Rip Depth (ft):	1.00	Volume: <u>6,615</u>	BCY or
		Source of estimated quantity: <u>Staff</u>	estimate 4.1 ac of s	slopes	
	HOURLY PRO	DUCTION			
	Seismic:				
	<u>Beishine.</u>	Seismic Velocity:	NA	feet/second	
	A.r.o.;	·			
	<u>Area:</u>	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 Cor	rection Factors			
	Una	djusted 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	
			0.50	Acres/hr	
		Adjusted Hourly Unit Production	: 0.73		
		Adjusted Hourly Unit Production Adjusted Hourly Fleet Production		Acres/hr	
	JOB TIME ANI	Adjusted Hourly Fleet Production		Acres/hr	
	JOB TIME ANI Fleet size:	Adjusted Hourly Fleet Production		_	Hours

REVEGETATION WORK

Та	ask description:	Reveg disturbance			
Site:	Sunny Side Gravel P	Permit Action:	SO-1	Permit/Job	o#: <u>M1986160</u>
<u>PR</u>	OJECT IDENTIFI	CATION			
	Task #: 05A	State: Colorado		Abbreviation:	None
	Task #: 05A Date: 8/16/2018	State: Colorado County: Mesa		Abbreviation: Filename:	None M160-05a

FERTILIZING

Materials

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

Application

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

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
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
Totals Seed Mix	10.15	40.58	\$56.96

Application

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

Total Seed Application Cost/Acre \$232.00

MULCHING and MISCELLANEOUS

Materials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
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
Total Mulch Materials Cost/Acre				\$578.81

Application

Description		Cost /Acre
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
	Total Mulch Application Cost/Acre	\$234.78

NURSERY STOCK PLANTING

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
		Totals	Nursery Stoc	k Cost / Acre	\$0.00

	No. of Acres: ed Failure Rate: ng Work Items:	50%	Cost /Acre: Cost /Acr <u>e*:</u> LING,SEEDING,MU	
Initial Job Cost: Reseeding Job Cost: Total Job Cost: Job Hours:	\$6,003.81 \$18,011			

EQUIPMENT MOBILIZATION/DEMOBILIZATION

Task description	on: Init	ial Mobilization	of Reclamation	Equipme	ent		
e: Sunny Side	Gravel Pt	Permit	Action: SO-1]	Permit/Job#: <u>N</u>	A1986160
PROJECT ID	DENTIFICATI	<u>ON</u>					
Task #: ()6A	State: Co	olorado		Abbre	eviation: None	e
Date: 8	8/16/2018	County: Me	esa		Fi	ilename: M16	0-06a
User:	ACY	•					
Agenc	cy or organizatior	n name: DRMS					
EQUIPMENT	T TRANSPOR	<u>T RIG COST</u>					
					Shift ba	1	
				(Cost Data Sour	rce: CRG D	ata
Tr	uck Tractor Desc	ription: GENE	RIC ON-HIGH	WAY TRU	JCK TRACTO	DR, 6X4, DIESE	L POWERED.
					(2ND HALF,		,
Tr	uck Trailer Desc	ription: G	ENERIC FOLD			ROP DECK EQU	JIPMENT
					(25T, 50T, AN		
					(,,,		
Cost Breakdown	<u>n:</u>						
Available Rig	Capacities	0-25 Tons	26-50 Tons	51-	- Tons		
Owners	hip Cost/Hour:	\$16.63	\$18.37	\$2	22.33		
	ing Cost/Hour:	\$44.38	\$46.13	\$	50.07		
Opera	tor Cost/Hour:	\$27.66	\$27.66	\$2	27.66		
Hel	per Cost/Hour:	\$0.00	\$25.39	\$2	25.39		
Total U	Init Cost/Hour:	\$88.67	\$117.55	\$1	25.45		
		AFN/T-					
	ABLE EQUIPN						
Machine	Weight/	Owner ship	Haul Rig	Fleet	Haul Trip	Return Trip	DOT Permit
Description	Unit	Cost/hr/ unit	Cost/hr/uni	Size	Cost/hr/	Cost/hr/ fleet	Cost/ fleet
	(TONS)		t		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	6.00	\$8.33	\$88.67	1	\$97.00	\$88.67	\$250.00
(Bowie LD-90)	0.00	ψ0.33	ψ00.07	I	Ψ71.00	ψ00.07	φ230.00

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:	35.00	miles
Average Travel Speed:	40.00	mph
Total Non-Roadable Mob/Demob Cost *	\$4,867.78 \$83.55	_
** one round trip, no haul rig:	\$03. <i>33</i>	

Transportation Cycle Time:

	Non-	
	Roadable	Roadable
	Equipment	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
Unloading Time (Hours):	0.50	NA

Total job time:	5.50	Hours
Total job cost:	\$4,951	

EQUIPMENT MOBILIZATION/DEMOBILIZATION

Task description	: Sec	ondary Mobilizat	tion of Reclama	ation Equi	ipment		
e: Sunny Side G	ravel Pt	Permit	Action: <u>SO-1</u>		I	Permit/Job#:	M1986160
PROJECT IDE	NTIFICATI	ON					
Task #: 06	В	State: Co	olorado		Abbre	viation: No	one
Date: 8/1	6/2018	County: Mo	esa		Fi	lename: M	160-06b
User: AC	CY						
Agency	or organization	n name: DRMS					
EQUIPMENT '	TRANSPOR	<u>T RIG COST</u>					
					Shift ba	I	r day
				(Cost Data Sour	rce: CRG	Data
Truc	k Tractor Desc	ription: GENE	RIC ON-HIGH		JCK TRACTO (2ND HALF,		SEL POWERED,
Truc	ck Trailer Desc	ription: G	ENERIC FOLD			,	QUIPMENT
		-	r	FRAILER	(25T, 50T, AN	ND 100T)	
Cost Breakdown:							
Available Rig (Capacities	0-25 Tons	26-50 Tons	51+	- Tons		
Ownershi	p Cost/Hour:	\$16.63	\$18.37		22.33		
	g Cost/Hour:	\$44.38	\$46.13		50.07		
	r Cost/Hour:	\$27.66	\$27.66		27.66		
	r Cost/Hour:	\$0.00	\$25.39		25.39		
Total Uni	it Cost/Hour:	\$88.67	\$117.55	\$1	25.45		
		AENT.					
NON ROADAE	DLE EQUIPI	<u>VIENT:</u>					
Machine	Weight/	Owner ship	Haul Rig	Fleet	Haul Trip	Return Trip	
Description	Unit	Cost/hr/ unit	Cost/hr/uni	Size	Cost/hr/	Cost/hr/ fle	et Cost/ fleet
D.::11/D.: 1	(TONS)	¢1554	t	1	fleet	\$99 C7	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$15.54	\$88.67	1	\$104.21	\$88.67	\$250.00
Power Mulcher	6.00	\$8.33	\$88.67	1	\$97.00	\$88.67	\$250.00
(Bowie LD-90)							

Subtotals: **\$201.21 \$177.34 \$500.00**

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:	35.00	miles
Average Travel Speed:	40.00	mph
Total Non-Roadable Mob/Demob Cost *	\$2,064.88 \$83.55	_

Transportation Cycle Time:

Non-	
Roadable	Roadable
Equipment	Equipment
0.88	0.88
0.88	0.88
0.50	NA
0.50	NA
2.75	1.75
	Roadable Equipment 0.88 0.88 0.50 0.50

JOB TIME AND COST

Total job time:	5.50	Hours

Total job cost: \$2,148



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 decease 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 <u>Tuesday</u>, <u>September 4</u>, <u>2018</u> 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



Kilgore Companies LLC August 20, 2018 Page 2

Sincerely,

Amy Geldell

Amy Yeldell Environmental Protection Specialist Department of Natural Resources Division of Reclamation, Mining and Safety Phone: (970) 254-8511 Fax: (970) 241-1516

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 5 ac of pit floor and 444 BCY of rock outcrop (100' x 8' x 30') 	
2018 01a	Grade highwall benches (42,495 CCY) • 100'H x 300'W @ 1:1 cut/fill (33,611 CCY) • 40'H x 600'W @ 1:1 cut/fill (88,89 CCY)	
2018 02a	Rip compacted pit floor • Approx. 5.4 ac	

Place Ove	rburden/Topsoil
2012 02a	 Place overburden/topsoil on slopes only 6,953 LCY w/ 100' push @ -15% slopes 4 ac @ 12" + 500 CCY (100' x 8' x 30' slopes)
2018 03a	 Place overburden/topsoil on pit floor 8,712 CCY w/650' push @ -10% slope 5.4 ac @ 12" deep
2018 03b	 Place overburden/topsoil on slopes 5647 CCY w/ 225' push @ -25% slope 3.5 ac @ 12" deep
2018 04a	Cross rip slopes to control erosionApprox. 4.10 ac of highwall slopes
Revegetat	ion
2012 03a	Reveg 9 acres with 40% failure
2018 05a	 Reveg 9.5 acres with 50% failure Previously graded slope is barren and adjacent put has poor reveg, higher failure rate and entire site could benefit form seeding
Mobilizati	on
2012 04a	Single mobilization of equipment.Use of D8 dozer for earthwork
2018 06a/06b	 Mobilization of reclamation equipment and secondary mobilization for reclamation failure Use of two D9 dozers for earthwork
Indirect C	osts
2012	 Superintendent hrs. are 50% of total No engineering work and/or bid prep No contingency
2018	 Superintendent hrs. at flat rate of 40 hrs. Standard 4.25% for engineering work and/or bid prep Standard 3% contingency