



COLORADO

**Division of Reclamation,
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, Colorado 80203

May 30, 2019

Dave DiRezza
Direzza Limited Family Partnership
4815 Hwy 194
Las Animas, CO 81054-9411

Re: Direzza Pit, Permit No. M-1984-028, Financial Warranty Increase, Revision No. SI-1

Mr. DiRezza:

On May 29, 2019, the Division of Reclamation, Mining and Safety (Division) increased the required Financial Warranty for this permit to \$5,500.00 in accordance with Rule 4.2.1. This is an increase of \$500.00 from the previous required amount of \$5,000.00.

The Division is requesting a new Financial Warranty reflecting the increase of \$500.00 within 60 days from the date of this letter, due by **July 29, 2019**. You may provide an amendment of the current Financial Warranty Letter of Credit per the terms of the Irrevocable Letter of Credit, that the face amount of this Letter of Credit No. 09-01 shall be increased by \$500.00. You may also submit a new Financial Warranty reflecting the \$500.00 increase by the deadline specified above.

For questions regarding completion, execution, and/or submittal of the Financial Warranty, please contact Barbara Coria by telephone at 303-866-3567, ext. 8148, or by email at barbara.coria@state.co.us.

If you need additional information, you may contact me by telephone at 303-866-3567, ext. 8129, or by email at amy.eschberger@state.co.us.

Sincerely,

Amy Eschberger
Environmental Protection Specialist

CERTIFIED Mail No. 7014 2120 0001 7871 1189
Return Receipt Request

Encl: Bond Estimate

CC: Barbara J. Coria, DRMS
Michael Cunningham, DRMS
Vince Tatum, The Colorado Bank & Trust Company



COST SUMMARY WORK

Task description: Cost Summary

Site: Direzza Pit

Permit Action: 3-8-2019 Inspection

Permit/Job#: M1984028

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 5/28/2019

County: Bent

Filename: M028-000

User: AME

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Grade pit walls to 3H:1V	DOZER	1	0.47	\$74
002	Replace 6 inches topsoil on 0.28 acre	SCRAPER1	1	0.49	\$127
003	Revegetate 0.28 acre	REVEGE	1	0.28	\$368
004	Mobilization/Demobilization	MOBILIZE	1	3.98	\$3,497
<u>SUBTOTALS:</u>				5.22	\$4,066

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02
Performance bond: 1.05
Job superintendent: 0.00
Profit: 10.00

Total = \$82
Total = \$43
Total = \$0
Total = \$407

TOTAL O & P = \$531

CONTRACT AMOUNT (direct + O & P) = \$4,597

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$500
Engineering work and/or contract/bid preparation: 4.25
Reclamation management and/or administration: 5.00

Total = \$500
Total = \$195
Total = \$230

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$1,457

TOTAL BOND AMOUNT (direct + indirect) = \$5,523

BULLDOZER WORKTask description: **Grade pit walls to 3H:1V**Site: **Direzza Pit**Permit Action: **3-8-2019 Inspection**Permit/Job#: **M1984028****PROJECT IDENTIFICATION**Task #: **001**State: **Colorado**Abbreviation: **None**Date: **5/28/2019**County: **Bent**Filename: **M028-001**User: **AME**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D7R DS XR Series II**Horsepower: **240**Blade Type: **Semi-Universal**Attachment: **NA**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$61.41	NA
Operating Cost/Hour:	\$54.22	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.52	NA
Total unit Cost/Hour:	\$157.15	
Total Fleet Cost/Hour:	\$157.15	

MATERIAL QUANTITIESInitial Volume: **185**Swell factor: **1.250**Loose volume: **231 LCY**Source of estimated volume: **Pit walls 800' L x 5' H, with 1H:1V slopes**Source of estimated swell
factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **50 feet**Unadjusted hourly
production: **1,022.9 LCY/hr**Materials consistency description: **Compacted fill or embankment 0.9**Average push
gradient: **0 %**Average site altitude: **4,020 feet**Material weight: **2,650 lbs/LCY**Weight description: **Decomposed rock - 25% Rock, 75% Earth****Job Condition Correction Factor****Source**

Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(CAT HB))
Dozing method:	1.100	(50% SL)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.900	(SSD-FC)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4814

Adjusted unit
production: 492.42 LCY/hr
Adjusted fleet
production: **492.42** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.319/LCY

Total job time: **0.47** Hours
Total job cost: **\$74**

SCRAPER TEAM WORKTask description: Replace 6 inches topsoil on 0.28 acreSite: Direzza PitPermit Action: 3-8-2019 InspectionPermit/Job#: M1984028**PROJECT IDENTIFICATION**Task #: 002State: ColoradoAbbreviation: NoneDate: 5/28/2019County: BentFilename: M028-002User: AMEAgency or organization name: DRMS**HOURLY EQUIPMENT**COSTShift basis: 1 per day

Equipment Description	
-Scraper:	Cat 631G
-Dozer:	NA
Support Equipment -Load Area:	NA
-Dump Area:	NA
Road Maintenance -Motor Grader:	NA
-Water Truck:	NA

Cost Breakdown:

	Scraper Work Team		Support Equipment		Maintenance Equipment	
	Scraper	Dozer	Load Area	Dump Area	Motor Grader	Water Truck
%Utilization-machine:	100	NA	NA	NA	NA	NA
Ownership cost/hour:	\$110.85	NA	NA	NA	NA	NA
Operating cost/hour:	\$119.02	NA	NA	NA	NA	NA
%Utilization-ripper:	NA	NA	NA	NA	NA	NA
Ripper own. cost/hour:	NA	NA	NA	NA	NA	NA
Ripper op. cost/hour:	NA	NA	NA	NA	NA	NA
Operator cost/hour:	\$31.05	NA	NA	NA	NA	NA
Unit Subtotals:	\$260.92	NA	NA	NA	NA	NA
Number of Units:	1	0	0	0	0	0
Group Subtotals:	Work:	\$260.92	Support:	\$0.00	Maint:	\$0.00

Total work team cost/hour: **\$260.92****MATERIAL QUANTITIES**Initial volume: 222

CCY

Swell factor: 1.215Loose volume: 270

LCY

Source of estimated volume: 0.28 acre (pit slopes phase 1B) x 6 inches depthSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION****Scraper Bowl (volume) Basis:**

Material weight:	<u>1,600 lbs/LCY</u>	Struck Volume:	<u>24.00</u>	LCY
Material description:	<u>Top Soil</u>	Heaped Volume:	<u>34.00</u>	LCY
Rated Payload:	<u>81,600 pounds</u>	Average Volume:	<u>29.00</u>	LCY
Payload Capacity:	<u>51.00 LCY</u>	Adjusted Capacity:	<u>29.00</u>	LCY

Cycle Time:

Scraper Loading Time: 0.80 Minutes
 Maneuver and Spread Time: 0.70 Minutes

Job Condition Correction:

Site Altitude: 4020 feet

	Scraper	Push Dozer	Source
Altitude Adj:	1.000	NA	(CAT HB)
Job Efficiency:	0.830	NA	(CAT HB)
Net Correction:	0.830	NA	

Travel Time:Road Condition: Firm, smooth, rolling, dirt/lt. surfaced, watered, maintained 3.0Haul Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	850.00	1.00	3.00	4.00	1667	0.62

Haul Time: 0.62 minutesReturn Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	850.00	-1.00	3.00	2.00	2914	0.48

Return Time: 0.48 minutes

Total Scraper team cycle time: 2.60 minutes
 Adjusted for job conditions: 555.46 LCY/Hour
 Selected Number of Scrapers: 1 Scraper(s)
 Adjusted single scraper team (unit) hourly production: 555.46 LCY/Hour
 Adjusted multiple scraper team (fleet) hourly production: 555.46 LCY/Hour

Unadjusted unit production/hour: 669.23 LCY/Hour

Optimal Number of Scrapers per push dozer: _____

JOB TIME AND COSTFleet size: 1 Team(s) Total job time: 0.49 HoursUnit cost: \$0.470 /LCY Total job cost: \$127

REVEGETATION WORKTask description: Revegetate 0.28 acreSite: Direzza PitPermit Action: 3-8-2019 InspectionPermit/Job#: M1984028**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 5/28/2019County: BentFilename: M028-003User: AMEAgency 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
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	0.75	12.24	\$12.50
Sand Dropseed	0.13	15.52	\$1.44
Sideoats Grama - Vaughn	2.25	7.39	\$23.04
Western Wheatgrass - Arriba	4.00	10.10	\$33.12
Totals Seed Mix	7.13	45.25	\$70.10

Application

Description	Cost /Acre
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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
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$288.00	\$576.00
Total Mulch Materials Cost/Acre				\$576.00

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$68.78
Weed spray, hand, non-aquatic area, nox. [DMG]	\$184.32
Total Mulch Application Cost/Acre	\$253.10

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:	0.28	Cost /Acre:	\$1,237.49
Estimated Failure Rate:	25%	Cost /Acre*:	\$302.10
*Selected Replanting Work Items:	SEEDING		

Initial Job Cost:	\$346.50
Reseeding Job Cost:	\$21.15
Total Job Cost:	\$368
Job Hours:	0.28

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mobilization/DemobilizationSite: Direzza PitPermit Action: 3-8-2019 InspectionPermit/Job#: M1984028**PROJECT IDENTIFICATION**Task #: 004State: ColoradoAbbreviation: NoneDate: 5/28/2019County: BentFilename: M028-004User: AMEAgency 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 D7R DS XR Series II	35.93	\$67.43	\$117.55	1	\$184.98	\$117.55	\$250.00
Cat 631G	52.50	\$110.85	\$125.45	1	\$236.30	\$125.45	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$15.54	\$88.67	1	\$104.21	\$88.67	\$250.00

Subtotals: **\$525.49** **\$331.67** **\$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:	LA JUNTA	
Total one-way travel distance:	13.50	miles
Average Travel Speed:	55.00	mph

Total Non-Roadable Mob/Demob Cost *	\$3,497.26
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$0.00
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.25	0.25
Return Time (Hours):	0.25	0.25
Loading Time (Hours):	0.75	NA
Unloading Time (Hours):	0.75	NA
Subtotals:	1.99	0.49

JOB TIME AND COST

Total job time:	3.98	Hours
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Total job cost:	\$3,497
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