



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

June 1, 2020

Trent Stafford
Seifert Enterprises, LLC
198 Rangeview Loop
Westcliffe, CO 81252

RE: Division's Financial Warranty Cost Estimates for Cedarwood Clay Mine (M1977-317)

Dear Mr. Stafford,

On May 21, 2020 the Division performed an inspection as part of the Succession of Operators request of the Cedarwood Clay Mine. As part of the inspection the financial warranty for the mine was calculated.

A copy of the mine's estimate is attached for your review. The Division will allow 14 days to review and comment on the bond estimate prior to issuing a surety increase notice for the Cedarwood Clay Mine. Once the surety increase is issued by the Division, the Operator will have 60 days to provide the additional financial warranty.

If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **303-866-3567 x8114**, or by email at patrick.lennberg@state.co.us.

Sincerely,

Patrick Lennberg
Environmental Protection Specialist

cc: Jared Ebert, DRMS

ec: Trent Stafford, Seifert Enterprises, LLC, trent@sbcompanies.com
Kenneth Klco, Azurite Inc., kenneth.klco@gmail.com



COST SUMMARY WORK

Task description: _____

Site: Cedarwood Clay Mine

Permit Action: 2020Inspection

Permit/Job#: M1977317

PROJECT IDENTIFICATION

Task #: 999

State: Colorado

Abbreviation: None

Date: 5/30/2020

County: Pueblo

Filename: M317-999

User: JPL

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Grade 400ft of highwall to 3H:1V	DOZER	1	5.85	\$1,455
002	Spread 12 inches of topsoil over 24 acres	DOZER	1	188.49	\$45,237
003	Revegetation	REVEGE	1	24.00	\$35,111
004	Mobilization	MOBILIZE	1	4.84	\$3,337
<u>SUBTOTALS:</u>				223.18	\$85,140

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$1,720
Performance bond:	1.05	Total =	\$894
Job superintendent:	100.00	Total =	\$6,939
Profit:	10.00	Total =	\$8,514

TOTAL O & P = \$18,067

CONTRACT AMOUNT (direct + O & P) = \$103,207

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	<u>\$500</u>	Total =	<u>\$500</u>
Engineering work and/or contract/bid preparation:	<u>4.25</u>	Total =	<u>\$4,386</u>
Reclamation management and/or administration:	<u>5.00</u>		<u>\$5,160</u>

CONTINGENCY: 0.00 Total = \$0

TOTAL INDIRECT COST = \$28,113

TOTAL BOND AMOUNT (direct + indirect) = \$113,253

BULLDOZER WORKTask description: Grade 400ft of highwall to 3H:1VSite: Cedarwood Clay MinePermit Action: 2020InspectionPermit/Job#: M1977317**PROJECT IDENTIFICATION**Task #: 001State: ColoradoAbbreviation: NoneDate: 5/30/2020County: PuebloFilename: 317-001User: JPLAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: 1-shank ripperShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$103.86	NA
Operating Cost/Hour:	\$82.26	100
Ripper own.		
Cost/Hour:	\$13.90	NA
Ripper op. Cost/Hour:	\$8.74	100
Operator Cost/Hour:	\$39.98	NA

Total unit Cost/Hour: \$248.73Total Fleet Cost/Hour: **\$248.73****MATERIAL QUANTITIES**Initial Volume: 910Swell factor: 1.430Loose volume: **1,301 LCY**Source of estimated volume: Calculated grade 400 ft highwall to 3H:1VSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 150 feetUnadjusted hourly production: 634.3 LCY/hrMaterials consistency description: Rock, poorly ripped or blasted 0.6Average push gradient: -10 %Average site altitude: 5,900 feetMaterial weight: 3,300 lbs/LCYWeight description: Decomposed rock - 75% Rock, 25% Earth**Job Condition Correction Factor**Operator Skill: 0.750Source
(AVG.)

Material consistency:	0.600	(CAT HB)
Dozing method:	1.100	(50% SL)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	1.000	(DOZ-OC)
Push gradient:	1.225	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.697	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3508

Adjusted unit production: 222.51 LCY/hr

Adjusted fleet production: **222.51** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$1.118/LCY

Total job time: **5.85** Hours

Total job cost: **\$1,455**

BULLDOZER WORKTask description: Spread 12 inches of topsoil over 24 acresSite: Cedarwood Clay MinePermit Action: 2020InspectionPermit/Job#: M1977317**PROJECT IDENTIFICATION**Task #: 002State: ColoradoAbbreviation: NoneDate: 5/30/2020County: PuebloFilename: 317-002User: JPLAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: 1-shank ripperShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$103.86	NA
Operating Cost/Hour:	\$82.26	100
Ripper own.	\$13.90	NA
Cost/Hour:		
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$39.98	NA

Total unit Cost/Hour: \$240.00Total Fleet Cost/Hour: **\$240.00****MATERIAL QUANTITIES**Initial Volume: 38,720Swell factor: 1.230Loose volume: **47,626 LCY**Source of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 250 feetUnadjusted hourly production: 377.8 LCY/hrMaterials consistency description: Consolidated stockpile 1.0Average push gradient: -5 %Average site altitude: 5,900 feetMaterial weight: 2,100 lbs/LCYWeight description: Earth - Loam**Job Condition Correction Factor**Operator Skill: 0.750Source
(AVG.)

Material consistency:	1.000	(CAT HB)
Dozing method:	1.100	(50% SL)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.095	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.6688

Adjusted unit production: 252.67 LCY/hr

Adjusted fleet production: **252.67** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.950/LCY

Total job time: **188.49** Hours

Total job cost: **\$45,237**

REVEGETATION WORKTask description: **Revegetation**Site: **Cedarwood Clay Mine**Permit Action: **2020Inspection**Permit/Job#: **M1977317****PROJECT IDENTIFICATION**Task #: **003**State: **Colorado**Abbreviation: **None**Date: **6/1/2020**County: **Pueblo**Filename: **317-003**User: **JPL**Agency 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)	\$101.93
Weed control spraying (MEANS 31 31 16.13 3100)	\$193.60
Total Tilling Cost/Acre	\$295.53

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Grama - Hachita	1.70	27.75	\$27.16
White Dutch Clover - Alice	0.50	9.76	\$3.35
Milk Vetch, Cicer - Lutana	2.60	8.65	\$21.32
Thickspike Wheatgrass - Critana	6.50	22.98	\$44.69
Western Wheatgrass - Arriba	4.50	11.36	\$29.25
Totals Seed Mix	15.80	80.50	\$125.76

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
Hay, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$295.00	\$590.00
Total Mulch Materials Cost/Acre				\$590.00

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$70.17
Power mulcher (MEANS 32 91 13.16 0350)	\$95.83
Total Mulch Application Cost/Acre	\$166.00

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: 24 Cost /Acre: \$1,409.29
 Estimated Failure Rate: 15% Cost /Acre*: \$357.76
 *Selected Replanting Work Items: SEEDING

Initial Job Cost: **\$33,822.96**
 Reseeding Job Cost: **\$1,287.94**
 Total Job Cost: **\$35,111**
 Job Hours: **24.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilization**Site: **Cedarwood Clay Mine**Permit Action: **2020Inspection**Permit/Job#: **M1977317****PROJECT IDENTIFICATION**Task #: **004**State: **Colorado**Abbreviation: **None**Date: **6/1/2020**County: **Pueblo**Filename: **317-004**User: **JPL**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:	\$17.20	\$29.63	\$38.69
Operating Cost/Hour:	\$26.56	\$47.02	\$55.69
Operator Cost/Hour:	\$23.63	\$23.63	\$23.63
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$67.39	\$123.81	\$141.54

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	52.21	\$117.76	\$141.54	1	\$259.30	\$141.54	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$18.15	\$67.39	1	\$85.54	\$67.39	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$9.74	\$67.39	1	\$77.13	\$67.39	\$250.00
Subtotals:					\$421.97	\$276.32	\$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>PUEBLO</u>	
Total one-way travel distance:	<u>32.00</u>	miles
Average Travel Speed:	<u>45.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$3,337.06</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>0.71</u>	<u>0.71</u>
Return Time (Hours):	<u>0.71</u>	<u>0.71</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>2.42</u>	<u>1.42</u>

JOB TIME AND COST

Total job time:	<u>4.84</u>	Hours
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Total job cost:	<u>\$3,337</u>
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