

July 7, 2020

Mark Krivanek  
101 F Street  
Salida, CO 81201



1313 Sherman Street, Room 215  
Denver, CO 80203

***RE: Chip n Dale, Permit No. M-2014-017, Reclamation Costs Update and Notice of Surety Increase (SI-1)***

Mr. Krivanek:

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 34-32.5-117(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, September 07, 2020**. 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 above referenced site to be \$11,377.00. This is an increase of \$975.00 over the \$10,402.00 currently held by the Division. This estimate is based on current reclamation costs.

Please make arrangements with Jeffery Thompson at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8138 for submittal of the financial warranty. Any questions regarding completion, execution and/or submittal of financial warranty forms should also be directed to Jeffrey Thompson.

If you require additional information, or have questions or concerns, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dustin Czaplá'.

**Dustin Czaplá**  
Environmental Protection Specialist  
Division of Reclamation, Mining and Safety  
Phone: (303) 866-3567, ext. 8188

Enc: Financial Warranty Cost Estimate



## COST SUMMARY WORK

Task description: FW Update

Site: Chip n Dale Permit Action: 2020-07-01 FW  
Estimate

Permit/Job#: M2014017

### PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None  
Date: 7/1/2020 County: Chaffee Filename: M017-000  
User: DMC

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Backfill pits	EXCAVATE	1	12.58	\$1,378
02a	Backfill haul road and access road	EXCAVATE	1	51.35	\$5,623
03a	Equipment Mobilization/Demobilization	MOBILIZE	1	21.00	\$2,445
04a	Refuel Excavator	MISCTRUK	1	4.00	\$137
<b><u>SUBTOTALS:</u></b>				<b>88.93</b>	<b>\$9,583</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$194
Performance bond:	1.05	Total =	\$101
Job superintendent:	0.00	Total =	\$0
Profit:	10.00	Total =	\$958

TOTAL O & P = \$1,252

CONTRACT AMOUNT (direct + O & P) = \$10,836

#### LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	<u>\$0</u>	Total =	<u>\$0</u>
Engineering work and/or contract/bid preparation:	<u>0.00</u>	Total =	<u>\$0</u>
Reclamation management and/or administration:	<u>5.00</u>		<u>\$542</u>

CONTINGENCY: 0.00 Total = \$0

TOTAL INDIRECT COST = \$1,794

**TOTAL BOND AMOUNT (direct + indirect) = \$11,377**

## HYDRAULIC EXCAVATOR WORK

Task description: Backfill pits

Site: Chip n Dale Permit Action: 2020-07-01 FW Estimate:                      Permit/Job#: M2014017

### PROJECT IDENTIFICATION

Task #: 01A State: Colorado Abbreviation: None  
Date: 7/1/2020 County: Chaffee Filename: M017-01a  
User: DMC

Agency or organization name: DRMS

### HOURLY EQUIPMENT COST

Basic Machine: Cat 315D L 8'-6" Stick Horsepower: 115  
Attachment 1: ROPS Cab Weight (MT): 17.32  
Shift Basis: 1 per day  
Data Source: (CRG)

#### Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	<u>\$36.12</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$36.06</u>	<u>100</u>
Operator Cost/Hour:	<u>\$37.32</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$109.49</u>	
Total Fleet Cost/Hour:	<u>\$109.49</u>	

### MATERIAL QUANTITIES

Initial volume: 667 CCY Swell factor: 1.000  
Loose volume: 667 LCY

Source of estimated volume: Division of Reclamation, Mining & Safety  
Source of estimated swell factor: Cat Handbook

### HOURLY PRODUCTION

Excavator Cycle Time (load bucket, swing loaded, dump bucket, swing empty):

Basic Job Condition Description: SEVERE  
Secondary Job Condition within Basic Description: AVERAGE  
Cycle Time Value: 0.322 minutes

#### Load Bucket Capacity

Rated Capacity: 0.45 LCY (heaped) Bucket Size Class: Small  
Bucket Fill Factor: 0.875 Loose material - 1" and over (85 - 90%) 0.875  
Adjusted Capacity: 0.39 LCY

#### Job Condition Correction Factors

Site Altitude: 12500 feet

		Source
Altitude Adj:	<u>0.87</u>	<u>(CAT HB)</u>
Job Efficiency:	<u>0.83</u>	<u>(1 shift/day)</u>
Net Correction:	<u>0.72</u>	<u>multiplier</u>

Unadjusted Hourly Unit Production:	<u>73.37</u>	LCY/Hour
Adjusted Hourly Unit Production:	<u>52.98</u>	LCY/Hour
Adjusted Hourly Fleet Production:	<u>52.98</u>	LCY/Hour

### JOB TIME AND COST

Fleet size: 1 Excavator Total job time: 12.59 Hours  
Unit cost: \$2.067 /LCY Total job cost: \$1,378

## HYDRAULIC EXCAVATOR WORK

Task description: Backfill haul road and access road

Site: Chip n Dale Permit Action: 2020-07-01 FW Estimate:                      Permit/Job#: M2014017

### PROJECT IDENTIFICATION

Task #: 02A State: Colorado Abbreviation: None  
Date: 7/1/2020 County: Chaffee Filename: M017-02a  
User: DMC

Agency or organization name: DRMS

### HOURLY EQUIPMENT COST

Basic Machine: Cat 315D L 8'-6" Stick Horsepower: 115  
Attachment 1: ROPS Cab Weight (MT): 17.32  
Shift Basis: 1 per day  
Data Source: (CRG)

#### Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$36.12	NA
Operating Cost/Hour:	\$36.06	100
Operator Cost/Hour:	\$37.32	NA
Total Unit Cost/Hour:	\$109.49	
Total Fleet Cost/Hour:	\$109.49	

### MATERIAL QUANTITIES

Initial volume: 2,721 CCY Swell factor: 1.000  
Loose volume: 2,721 LCY

Source of estimated volume: Division of Reclamation, Mining & Safety  
Source of estimated swell factor: Cat Handbook

### HOURLY PRODUCTION

Excavator Cycle Time (load bucket, swing loaded, dump bucket, swing empty):

Basic Job Condition Description: SEVERE  
Secondary Job Condition within Basic Description: AVERAGE  
Cycle Time Value: 0.322 minutes

#### Load Bucket Capacity

Rated Capacity: 0.45 LCY (heaped) Bucket Size Class: Small  
Bucket Fill Factor: 0.875 Loose material - 1" and over (85 - 90%) 0.875  
Adjusted Capacity: 0.39 LCY

#### Job Condition Correction Factors

Site Altitude: 12500 feet

Altitude Adj: 0.87 Source: (CAT HB)  
Job Efficiency: 0.83 (1 shift/day)  
Net Correction: 0.72 multiplier

Unadjusted Hourly Unit Production: 73.37 LCY/Hour  
Adjusted Hourly Unit Production: 52.98 LCY/Hour  
Adjusted Hourly Fleet Production: 52.98 LCY/Hour

### JOB TIME AND COST

Fleet size: 1 Excavator Total job time: 51.36 Hours  
Unit cost: \$2.067 /LCY Total job cost: \$5,623

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Equipment Mobilization/Demobilization**

Site: **Chip n Dale** Permit Action: 2020-07-01 FW  
 Estimate Permit/Job#: M2014017

**PROJECT IDENTIFICATION**

Task #: 03A State: Colorado Abbreviation: None  
 Date: 7/1/2020 County: Chaffee Filename: M017-03a  
 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:**

<b>Available Rig Capacities</b>	<b>0-25 Tons</b>	<b>26-50 Tons</b>	<b>51+ Tons</b>
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 315D L 8'-6" Stick	19.05	\$36.12	\$67.39	1	\$103.51	\$67.39	\$250.00

Subtotals: **\$103.51** **\$67.39** **\$250.00**

**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.	\$13.23	1	\$13.23	\$13.23

Subtotals: **\$13.23** **\$13.23**

**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	<u>BUENA VISTA</u>	
Total one-way travel distance:	<u>25.00</u>	miles
Average Travel Speed:	<u>5.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$2,312.51</u>
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$132.30</u>
** one round trip, no haul rig:	

**Transportation Cycle Time:**

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>5.00</u>	<u>5.00</u>
Return Time (Hours):	<u>5.00</u>	<u>5.00</u>
Loading Time (Hours):	<u>0.25</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.25</u>	<u>NA</u>
Subtotals:	<u>10.50</u>	<u>10.00</u>

**JOB TIME AND COST**

Total job time:	<u>21.00</u>	Hours
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Total job cost:	<u>\$2,445</u>
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## MISCELLANEOUS TRUCK WORK

Task description: Refuel Excavator

Site: Chip n Dale Permit Action: 2020-07-01 FW Permit/Job#: M2014017  
Estimate

### PROJECT IDENTIFICATION

Task #: 04A State: Colorado Abbreviation: None  
Date: 7/1/2020 County: Chaffee Filename: M017-04a  
User: DMC

Agency or organization name: DRMS

### HOURLY EQUIPMENT COST

Make and Model: Light Duty Pickup, 4x4, 3/4 T. Horsepower: 160  
Attachment 1: \_\_\_\_\_ Shift Basis: 1 per day  
Attachment 2: \_\_\_\_\_ Weight: 2.25  
Labor Unit 1: Fuel/Lube Truck Driver (US Tons)  
Labor Unit 2: \_\_\_\_\_

#### Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	<u>\$4.84</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$8.39</u>	<u>100</u>
Operator Cost/Hour:	<u>\$21.12</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$34.36</u>	
Total Fleet Cost/Hour:	<u>\$34.36</u>	

### JOB TIME AND COST

Fleet size: 1 Truck(s) Total job time: 4.00 Hours  
Unit cost: \$34.36 /Hour Total job cost: \$137