



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

December 15, 2020

Randy Robins  
Robins Construction, LLLP  
P.O. Box 212  
Antonito, CO 81120

**Re: Robins Rock Pit, Permit No. M-2009-053, Permit Conversion, CN-01 Approval – Financial and Performance Warranty Request**

Dear Mr. Robins:

On December 15, 2020 the Division of Reclamation, Mining and Safety (Division) **approved** your Conversion Application for the Robins Rock Pit located in Conejos County. The approved conversion changes your permit to a 112c Reclamation Permit with a Total Permit Area of 41.03 and a Maximum Allowed Disturbance of 37.06 Acres.

The amount of financial warranty set by the Division for this operation is an amount of **\$58,632.00**. This is an increase of **\$25,439.91** over the currently held financial warranty. Copies of the Reclamation Cost Estimate Worksheets are enclosed with this letter. A financial warranty of the entire amount, Affidavit of Authority, as well as a Performance Warranty, must be submitted to the Division before the Approval is considered final. Also enclosed with this letter is the Financial Warranty for a Letter of Credit form, Performance Warranty and Affidavit of Authority to be completed and returned to the Division. If a different form of Financial Warranty is desired the applicable form can be found at the Division's Website <https://www.colorado.gov/pacific/drms/minerals-program-forms>.

Please make arrangements with Sara Stevenson-Benn at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 for submittal of the financial and performance warranties. Any questions regarding completion, execution and/or submittal of financial and/or performance warranty forms should also be directed to Sara Stevenson-Benn.

**PLEASE NOTE THAT MINING OPERATIONS IN THE CONVERSION AREA MAY NOT COMMENCE UNTIL AFTER RECEIPT OF THE FINANCIAL AND PERFORMANCE WARRANTIES. FINAL APPROVAL WILL NOT BE ISSUED UNTIL THE ADEQUACY OF BOTH THE FINANCIAL WARRANTY AND PERFORMANCE WARRANTY ARE VERIFIED BY THE DIVISION.**

If you require additional information, or have questions or concerns, please contact me at the Division's Grand Junction Field Office, by phone at 303-866-3567 Ext. 8187 or by email at [lucas.west@state.co.us](mailto:lucas.west@state.co.us).

Sincerely,

**Lucas West**



Recipient  
Page 2 of 2  
Date

Environmental Protection Specialist  
Division of Reclamation, Mining and Safety

Cc: Travis Marshall, Senior Environmental Protection Specialist

Ec: Sara Stevenson-Benn, DRMS Financial Warranty Specialist  
Scott Johnson, Summit Engineering Co.

Encl: Reclamation Cost Estimate Worksheets  
Letter Of Credit Financial Warranty Form  
Performance Warranty Form  
Affidavit of Authority

## COST SUMMARY WORK

Task description: Cost Summary

Site: Robins Rock Pit

Permit Action: CN-01

Permit/Job#: M2009053

### PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 12/3/2020

County: Conejos

Filename: M053-000

User: LJW

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Rip and grade existing affected lands, ensure slopes at 2:1	DOZER	1	17.84	\$4,668
002	deliver and place backfill of highwall at upper affected are	TRUCK1	1	9.05	\$6,963
003	Transport topsoil to all affected lands	LOADER	1	55.91	\$5,872
004	Spread topsoil on affected lands, avg 6 inches	DOZER	1	28.95	\$5,031
005	Revegetate 11 acres total affected land	REVEGE	1	40.00	\$17,128
006	Haul reclamation equipment to and from job site	MOBILIZE	1	3.84	\$7,407
<b><u>SUBTOTALS:</u></b>				<b>155.59</b>	<b>\$47,069</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$951

Performance bond: 1.05

Total = \$494

Job superintendent: 77.80

Total = \$5,411

Profit: 10.00

Total = \$4,707

TOTAL O & P = \$11,563

CONTRACT AMOUNT (direct + O & P) = \$58,632

#### LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0

Total = \$0

Engineering work and/or contract/bid preparation: 0.00

Total = \$0

Reclamation management and/or administration: 0.00

\$0

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$11,563

**TOTAL BOND AMOUNT (direct + indirect) = \$58,632**

**BULLDOZER WORK**Task description: **Rip and grade existing affected lands, ensure slopes at 2:1**Site: **Robins Rock Pit**Permit Action: CN-01Permit/Job#: M2009053**PROJECT IDENTIFICATION**Task #: 001State: ColoradoAbbreviation: NoneDate: 12/3/2020County: ConejosFilename: 053-001User: LJWAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: 3-shank ripperShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$116.22	NA
Operating Cost/Hour:	\$89.77	100
Ripper own.		
Cost/Hour:	\$12.00	NA
Ripper op. Cost/Hour:	\$2.29	25
Operator Cost/Hour:	\$41.30	NA

Total unit Cost/Hour: \$261.58Total Fleet Cost/Hour: **\$261.58****MATERIAL QUANTITIES**Initial Volume: 8,067Swell factor: 1.000Loose volume: **8,067 LCY**Source of estimated volume: (5ac)(43560sf/ac)(1'D) / 27 = 8,066.67 cySource of estimated swell factor: NA, basalt rock blasted**HOURLY PRODUCTION**Average push distance: 50 feetUnadjusted hourly production: 1,400.0 LCY/hrMaterials consistency description: Rock, avg. ripped or blasted 0.7Average push gradient: -15 %Average site altitude: 8,100 feetMaterial weight: 3,300 lbs/LCYWeight description: BasaltJob Condition Correction FactorSource

Operator Skill:	0.750	(AVG.)
Material consistency:	0.700	(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:	1.329	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.697	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3229

Adjusted unit  
production: 452.06 LCY/hr  
Adjusted fleet  
production: **452.06** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)  
Unit cost: \$0.579/LCY

Total job time: **17.84** Hours  
Total job cost: **\$4,668**

**TRUCK/LOADER TEAM WORK**Task description: **Deliver and place backfill of highwall at upper affected are**Site: **Robins Rock Pit**Permit Action: CN-01Permit/Job#: M2009053**PROJECT IDENTIFICATION**Task #: 002State: ColoradoAbbreviation: NoneDate: 12/3/2020County: ConejosFilename: M053-002User: LJWAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Shift basis: 1 per day

	Equipment Description
Truck Loader Team -Truck:	Cat 772
-Loader:	Cat 324D L 9'-8" Stick
Support Equipment -Load Area:	NA
-Dump Area:	Cat D8T - 8SU
Road Maintenance -Motor Grader:	NA
-Water Truck:	NA

**Cost Breakdown:**

	Truck/Loader Team		Support Equipment		Maintenance Equipment	
	Truck	Excavator	Load Area	Dump Area	Motor Grader	Water Truck
%Utilization-machine:	100	100	NA	100	NA	NA
Ownership cost/hour:	\$82.94	\$50.59	NA	\$116.22	NA	NA
Operating cost/hour:	\$73.99	\$54.04	NA	\$89.77	NA	NA
%Utilization-riper:	NA	0	NA	0	NA	NA
Ripper own. cost/hour:	NA	\$0.00	NA	\$12.00	NA	NA
Ripper op. cost/hour:	NA	\$0.00	NA	\$0.00	NA	NA
Operator cost/hour:	\$32.98	\$37.32	NA	\$41.30	NA	NA
Unit Subtotals:	\$189.90	\$141.95	NA	\$247.28	NA	NA
Number of Units:	2	1	0	1	0	0
Group Subtotals:	Work: \$521.75		Support: \$247.28		Maint: \$0.00	

Total work team cost/hour: **\$769.03****MATERIAL QUANTITIES**Initial volume: 3,704

CCY

Swell factor: 1.125Loose volume: **4,167**

LCY

Source of estimated volume: 20' highwall, 200 LN Ft, backfill to 3:1Source of estimated swell factor: Cat HandbookMaterial Purchase Cost: \$0.00Total Cost: \$0.00**HOURLY PRODUCTION****Truck Capacity:****Truck Payload (weight) Basis:**Material weight: 2,650

Pounds/LCY

Description: Decomposed rock - 25% Rock, 75% EarthRated Payload: 92,900

Pounds

Payload Capacity: 35.06 LCY

**Truck Bed (volume) Basis:**

Struck Volume: 26.40 LCY  
 Heaped Volume: 36.00 LCY  
 Average Volume: 31.20 LCY  
 Adjusted Volume: 35.06 LCY

Final Truck Volume Based on Number of Loader Passes: 33.90 LCY

**Loading Tool Capacity**

Bucket Size Class: Large

Rated Capacity: 2.980 LCY (heaped)  
 Bucket Fill Factor: 0.875 Loose material - 1" and over (85 - 90%) 0.875  
 Adjusted Capacity: 2.608 LCY

**Job Condition Corrections:**

Site Altitude (ft.): 8100 feet

	Truck	Loader	Source
Altitude Adj:	0.930	1.000	(CAT HB)
Job Efficiency:	0.830	0.830	(CAT HB)
Net Correction:	<b>0.772</b>	<b>0.830</b>	

**Loading Tool Cycle Time:**

Number of Loading Tool Passes Required to Fill 13 passes  
 Truck:

**Excavators and Front Shovels:**

Machine Cycle Time vs. Job Condition Rating: ABOVE AVERAGE  
 Selected Value within this Basic Rating: AVERAGE

Track Loaders – Material Description: \_\_\_\_\_

**Cycle Time Elements (min.):**

Load: NA Maneuver: NA Dump: 0.100

Wheel and Track Loaders - Unadjusted Basic Loader Cycle Time (load, dump, maneuver): NA minutes

Cycle Time Factors		Factor (min.)	Source
Material:	NA	NA	(Cat HB)
Stockpile:	NA	NA	(Cat HB)
Truck Ownership:	NA	NA	(Cat HB)
Operation:	NA	NA	(Cat HB)
Dump Target:	NA	NA	(Cat HB)
Net Cycle Time Adjustment:		NA	minutes
Adjusted Loader Cycle Time:		<b>0.239</b>	minutes
Net Load Time per Truck:		<b>2.968</b>	minutes

**Truck Cycle Time:**

Truck Exchange Time: 0.70 Minutes Adjusted for site altitude: 0.753 Minutes  
 Truck Load Time: 2.968 Minutes Adjusted for site altitude: 2.968 Minutes  
 Truck Maneuver and Dump Time: 1.10 Minutes Adjusted for site altitude: 1.183 Minutes

Truck Travel (Haul & Return) Time: penetration 4.0

Road Condition: Rutted dirt, little maintenance, no water, 1" tire





## Haul Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	600.00	0.00	4.00	4.00	1993	0.508

Haul Time: **0.508** minutes

## Return Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	600.00	0.00	4.00	4.00	2993	0.351

Return Time: **0.351** minutesTotal Truck Cycle Time: **5.762** minutes

Loading Tool unit

Production 546.63 LCY/HourAdjusted for job efficiency: 453.71 LCY/Hour

Truck Unit Production

352.95 LCY/HourAdjusted for job efficiency: 292.95 LCY/HourOptimal No. of Trucks: 2 Truck(s)Selected Number of Trucks: 2 Truck(s)Adjusted hourly truck team production: 585.89 LCY/HourAdjusted single truck/loader team production: 453.71 LCY/HourAdjusted multiple truck/loader team production: **453.71** LCY/Hour**JOB TIME AND COST**Fleet size: 1 Team(s)Total job time: **9.18** HoursUnit cost: \$1.695 /LCYTotal job cost: **\$7,063**

**WHEEL LOADER – LOAD AND CARRY WORK**Task description: Transport topsoil to all affected landsSite: Robins Rock PitPermit Action: CN-01Permit/Job#: M2009053**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 12/3/2020County: ConejosFilename: M053-003User: LJWAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: CAT 950HAttachment 1: ROPS CabHorsepower: 197Shift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		Utilization %
Ownership Cost/Hour:	\$28.79	NA
Operating Cost/Hour:	\$35.52	100
Operator Cost/Hour:	\$40.71	NA
Total Unit Cost/Hour:	\$105.01	
Total Fleet Cost/Hour:	\$105.01	

**MATERIAL QUANTITIES**Initial volume: 8,873

CCY

Swell factor: 1.000Loose volume: 8,873

LCY

Source of estimated volume: 11 Acres, 6" deep= 8,873.3 CYSource of estimated swell factor: NA**HOURLY PRODUCTION****Loader Cycle Time:**Unadjusted Basic Cycle Time (load, dump,  
maneuver):

0.500

minutes

Cycle Time Factors		Factor (min.)	Source
Material:	Mixed material 0.02	0.020	(Cat HB)
Stockpile:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Truck Ownership:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Operation:	Constant operation -0.04	-0.040	(Cat HB)
Dump Target:	Nominal target 0.00	0.000	(Cat HB)
Net Cycle Time Adjustment:		-0.020	minutes
Adjusted Basic Cycle Time:		0.480	minutes

**Rolling Resistance – Road Conditions**Haul: Rutted dirt, little maintenance, no water, 2" tire penetration 5.0Return: Rutted dirt, little maintenance, no water, 2" tire penetration 5.0**Haul and Return Time**

	Length (feet)	Grade Res. (%)	Rolling Res. (%)	Total Res. (%)	Travel Time (minutes)	Source
Haul Route:	500	5.00	5.00	10.00	0.6748	(Cat HB)

Return Route:	500	-5.00	5.00	0.00	0.3296	(Cat HB)
---------------	-----	-------	------	------	--------	----------

Total Travel Time: 1.0044 minutes  
Total Cycle Time: 1.4844 minutes

Load Bucket Capacity

Rated Capacity: 4.30 LCY (heaped)  
Bucket Fill Factor: 1.100 Other - rock/dirt mixtures (100-120%) 1.100  
Adjusted Capacity: 4.73 LCY

Job Condition Correction Factors

Site Altitude: 8100 feet

Altitude Adj:	<u>1.00</u>	Source (CAT HB)
Job Efficiency:	<u>0.83</u>	(1 shift/day)
Net Correction:	<u>0.83</u>	multiplier

Unadjusted Hourly Unit Production: 191.19 LCY/Hour  
Adjusted Hourly Unit Production: 158.69 LCY/Hour  
Adjusted Hourly Fleet Production: 158.69 LCY/Hour

**JOB TIME AND COST**

Fleet size: 1 Loader(s) Total job time: 55.91 Hours  
Unit cost: \$0.662 /LCY Total job cost: \$5,872

**BULLDOZER WORK**Task description: Spread topsoil on affected lands, avg 6 inchesSite: Robins Rock PitPermit Action: CN-01Permit/Job#: M2009053**PROJECT IDENTIFICATION**Task #: 004State: ColoradoAbbreviation: NoneDate: 12/3/2020County: ConejosFilename: M053-004User: LJWAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D6T XLHorsepower: 185Blade Type: Semi-UniversalAttachment: 3-shank ripperShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$68.78	NA
Operating Cost/Hour:	\$58.85	100
Ripper own.		
Cost/Hour:	\$4.86	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.30	NA

Total unit Cost/Hour: \$173.79Total Fleet Cost/Hour: \$173.79**MATERIAL QUANTITIES**Initial Volume: 8,873Swell factor: 1.000Loose volume: 8,873 LCYSource of estimated volume: 11 Acres, 6in deep = 8, 873Source of estimated swell factor: NA**HOURLY PRODUCTION**Average push distance: 50 feetUnadjusted hourly production: 444.6 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: -15 %Average site altitude: 8,100 feetMaterial weight: 2,650 lbs/LCYWeight description: Decomposed rock - 25% Rock, 75% EarthJob Condition Correction FactorSource

Operator Skill:	0.750	(AVG.)
Material consistency:	1.200	(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:	1.329	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.6894

Adjusted unit  
production: 306.51 LCY/hr  
Adjusted fleet  
production: **306.51** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)  
Unit cost: \$0.567/LCY

Total job time: **28.95** Hours  
Total job cost: **\$5,031**

**REVEGETATION WORK**Task description: Revegetate 11 acres total affected landSite: Robins Rock PitPermit Action: CN-01Permit/Job#: M2009053**PROJECT IDENTIFICATION**Task #: 005State: ColoradoAbbreviation: NoneDate: 12/3/2020County: ConejosFilename: M053-005User: LJWAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			<b>Total Fertilizer Materials Cost/Acre</b>	<b>\$0.00</b>

**Application**

Description	Cost /Acre
	\$
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$0.00</b>

**TILLING**

Description	Cost /Acre
Chisel plowing {DMG}	\$94.63
<b>Total Tilling Cost/Acre</b>	<b>\$94.63</b>

**SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Grama - Hachita	1.60	26.12	\$25.56
Indian Ricegrass - Nespar	6.00	19.42	\$53.25
Sand Dropseed	0.20	23.88	\$1.95
Bottlebrush Squirreltail	4.60	20.28	\$74.64
Saltbush, Four Wing - Dewinged	10.00	16.07	\$185.00
<b>Totals Seed Mix</b>	<b>22.40</b>	<b>105.76</b>	<b>\$340.40</b>

**Application**

--	--

Description	Cost /Acre
Broadcast seeding [DMG]	\$267.22
<b>Total Seed Application Cost/Acre</b>	<b>\$267.22</b>

**MULCHING and MISCELLANEOUS****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Hay, delivered {MEANS 31 25 14.16 1200}	1.00	TON	\$301.00	\$301.00
Herbicide - Curtail @ 4.0 pt/ac	1.00	ACRE	\$7.63	\$7.63
<b>Total Mulch Materials Cost/Acre</b>				<b>\$308.63</b>

**Application**

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$70.17
Power mulcher (MEANS 32 91 13.16 0350)	\$101.93
Weed spray, truck, non-aquatic area, nox. [DMG]	\$62.72
<b>Total Mulch Application Cost/Acre</b>	<b>\$234.82</b>

**NURSERY STOCK PLANTING**

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

**JOB TIME AND COST**

No. of Acres: 11 Cost /Acre: \$1,245.70  
 Estimated Failure Rate: 25% Cost /Acre\*: \$1,245.70  
 \*Selected Replanting Work Items: TILLING,SEEDING,MULCHING

Initial Job Cost: **\$13,702.70**  
 Reseeding Job Cost: **\$3,425.68**  
 Total Job Cost: **\$17,128**  
 Job Hours: **40.00**

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Haul reclamation equipment to and from job site**Site: **Robins Rock Pit**Permit Action: CN-01Permit/Job#: M2009053**PROJECT IDENTIFICATION**Task #: 006State: ColoradoAbbreviation: NoneDate: 12/3/2020County: ConejosFilename: M053-006User: LJWAgency 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:**

<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 D8T - 8SU	53.08	\$128.22	\$141.54	1	\$269.76	\$141.54	\$250.00
Cat 324D L 9'-8" Stick	27.33	\$50.59	\$123.81	1	\$174.40	\$123.81	\$250.00
Cat 772	36.80	\$82.94	\$123.81	2	\$413.50	\$247.62	\$500.00
Drill/Broadcast Seeder with Tractor	25.00	\$6.72	\$67.39	1	\$74.11	\$67.39	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$11.19	\$67.39	1	\$78.58	\$67.39	\$250.00
CAT 950H	20.13	\$28.79	\$67.39	1	\$96.18	\$67.39	\$250.00

Subtotals: **\$1,106.53** **\$715.14** **\$1,750.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 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>ALAMOSA</u>	
Total one-way travel distance:	<u>30.00</u>	miles
Average Travel Speed:	<u>65.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$7,394.60</u>
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$12.21</u>
** one round trip, no haul rig:	

**Transportation Cycle Time:**

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.46</u>	<u>0.46</u>
Return Time (Hours):	<u>0.46</u>	<u>0.46</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>1.92</u>	<u>0.92</u>

**JOB TIME AND COST**

Total job time: 3.85 Hours

Total job cost: \$7,407

# STATE OF COLORADO

## DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

Phone: (303) 866-3567

FAX: (303) 832-8106



### FINANCIAL WARRANTY

### LETTER OF CREDIT

Operator: \_\_\_\_\_

Operation: \_\_\_\_\_

Permit No.: \_\_\_\_\_

Bank: \_\_\_\_\_

Street: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Area Code: \_\_\_\_\_ Telephone: \_\_\_\_\_

*This form has been approved by the Mined Land Reclamation Board pursuant to sections 34-32-117, C.R.S., of the Mined Land Reclamation Act and 34-32.5-117, C.R.S., of the Colorado Land Reclamation Act for the Extraction of Construction Materials. Any alteration or modification of this form, without approval by the Board shall result in the financial warranty being invalid and result in the voiding of any permit issued in conjunction with such invalid financial warranty and subject the operator to cease and desist orders and civil penalties for operating without a permit pursuant to sections 34-32-123, C.R.S., of the Mined Land Reclamation Act and 34-32.5-123, C.R.S., of the Colorado Land Reclamation Act for the Extraction of Construction Materials.*

KNOW ALL MEN BY THESE PRESENTS, THAT:

WHEREAS, the Colorado Mined Land Reclamation Act, C.R.S. 1973, 34-32-101 et seq. (the "Act"), as amended, provides that no permit may be issued under the Act until the Mined Land Reclamation Board (the "Board") receives a Financial Warranty (or Warranties) as described in the Act.

WHEREAS, \_\_\_\_\_ (the "Operator"), a \_\_\_\_\_ corporation, has applied for a permit to conduct a mining operation known as \_\_\_\_\_ (the "Operation"), on certain lands in \_\_\_\_\_ County, Colorado. These lands are described in the permit application, as amended and supplemented, and are referred to herein as the "Affected Lands".

WHEREAS, as part of the application for the permit, the Operator has agreed to be bound by all requirements of the Act and all applicable rules and regulations of the Board, as amended from time to time.

WHEREAS, in its application for the permit, the Operator has agreed with the Board to provide for reclamation of the Affected Lands that are now, or may become, subject to the permit, as required by law.

WHEREAS, the Board has determined, in accordance with the Act, that the estimated costs of reclamation of the Affected Lands are those amounts for the stated periods of time as set forth herein. Said amount may be amended from time to time to reflect revised estimates of said costs of reclamation.

WHEREAS, The Operator, in accordance with the Act, has promised and hereby promises the Board that it will be responsible for all of the estimated costs of reclamation with regard to the Affected Lands.

WHEREAS, the Board has determined that the Financial Warranty by the Operator equals the estimated costs of reclamation, as approved by the Board, with regard to the Affected Lands.

WHEREAS, as proof of its financial responsibility, the Operator has proceeded pursuant to Section 34-32-117(3)(a)(II) of the Act and has caused the \_\_\_\_\_ Bank of \_\_\_\_\_, State of \_\_\_\_\_ (the "Bank") to issue its Irrevocable Letter of Credit No. \_\_\_\_\_ dated \_\_\_\_\_, \_\_\_\_\_ payable to the Board in the amount of \_\_\_\_\_ Dollars (\$) for the period from \_\_\_\_\_, \_\_\_\_\_, through \_\_\_\_\_, \_\_\_\_\_ and has delivered it to the Board to be held by the Board as proof of the Operator's financial responsibility under this financial warranty. The Bank is not a party to this agreement; its obligations are set forth in its Letter of Credit. Nothing in this Financial Warranty diminishes or qualifies the Bank's obligation under its Letter of Credit.

NOW THEREFORE, the Operator is held hereby firmly unto the State of Colorado in the amount of those sums for those periods of time as set forth herein, until this financial warranty is amended or released in accordance with applicable law.

The Board may, for good cause shown, increase or decrease the amount and duration of this financial warranty. The Operator shall have sixty (60) days after the date of notice of any such adjustment to fulfill all new requirements.

The Operator shall notify the Board immediately of any event which may impair this financial warranty. Additionally, the Warrantor reserves the right to cancel this Financial Warranty, effective only upon an anniversary date, and only by giving written notice to the effect, mailed by Certified Mail, at least ninety (90) days prior to such anniversary date, addressed to both the operator at its address herein stated, and to the Board or Division at the address herein stated. If the Board receives such notice, or otherwise has reason to believe that this Financial Warranty has been materially impaired, it may convene a hearing in accordance with the Act for the purpose of determining whether impairment has occurred.

No misrepresentation by the Operator which may have induced the Bank to deliver its Letter of Credit shall be any defense to any draft by the State under such Letter of Credit.

The Board may present drafts upon the Bank for payment under the Letter of Credit if the Board determines that reclamation which ought to have been performed by the Operator, or its successors or assigns, remains unperformed. No other condition precedent need be fulfilled to entitle the Board to receive the amounts of such drafts. However, if, upon completion of such reclamation by the Board, the amounts expended for reclamation shall be less than the amount received from the Bank, the excess shall be promptly refunded to the Operator.

If or to the extent that the Bank shall cancel its Letter of Credit and such assurance shall not concurrently be reduced to a cash deposit as substitute assurance, the Operator agrees that it will forthwith provide substitute assurance, in form and substance approved by the Board, equal to the amount of the Letter of Credit which has been so canceled and not reduced to a cash deposit.

With the prior consent of the Board, which consent shall not be unreasonably withheld, the Operator may from time to time change the Bank whose Letter of Credit is held by the State as assurance or alter the form of assurance of financial responsibility held by the State for the faithful performance by the Operator of its obligations hereunder; provided that at all times there shall be in existence and delivered to the Board such assurance or other evidence of financial responsibility as shall be required by applicable laws and regulations of the State of Colorado and as shall be, in form and substance, approved by the Board or the Division.

The obligation of the Operator shall continue until the Board has released this Financial Warranty or has ordered it forfeited in accordance with applicable provisions of the Act. It is understood that periods of years may necessarily be required before determination can be made that reclamation of the Affected Lands has been satisfactorily completed. It is also recognized that, as reclamation is accomplished, the amount of this Financial Warranty may be reduced with the approval of the Board so that it reflects the then current estimated cost of the remaining reclamation of the Affected Lands. No revision, extension, or renewal of the permit or of the time allowed to complete reclamation shall diminish the Operator's obligation under this Financial Warranty.

In any single year during the life of the permit, the amount of the Financial Warranty shall not exceed the estimated cost of fully reclaiming all lands to be affected in said year, plus all lands affected in previous permit years and not yet fully reclaimed. Reclamation costs shall be computed with reference to current reclamation costs.

The amount of this Financial Warranty is based upon estimates as to the cost of reclamation, and does not operate to liquidate, limit, enlarge or restrict the Operator's obligations to complete the reclamation, even though the actual costs thereof may substantially exceed the amount of this Financial Warranty.

This Financial Warranty shall be subject to forfeiture whenever the Board determines that any one or more of the following circumstances exist:

1. A Cease and Desist Order entered pursuant to Section 34-32-124 of the Act has been violated, and the corrective action proposed in such Order has not been completed, although ample time to have done so has elapsed; or

2. The Operator is in default under its Performance Warranty, and such default has not been cured, although written notice and ample time to cure such default has been given; or
3. The Operator has failed to maintain its Financial Warranty in good standing as required by the Act; or
4. The Financial Warrantor no longer has the financial ability to carry out its obligations in accordance with the Act.

The description of lands herein is for convenience of reference only, and no error in such description, nor any revision of the permitted mining area, nor the disturbance by the Operator of lands outside of the permitted mining area shall alter or diminish the obligations of the Warrantor and/or the Operator hereunder, which shall extend to the reclamation of all such lands disturbed.

If this Financial Warranty applies to National Forest System lands, and if this Financial Warranty is accepted by the United States Forest Service ("U.S.F.S.") as the bond required under 36 C.F.R. 228.13, then the Operator, having requested that the Board and the U.S.F.S. accept this single Financial Warranty in lieu of the separate bonds which would otherwise be required by applicable law, hereby agrees that, notwithstanding any other provision hereof, or of law, this Financial Warranty shall remain in full force and effect until U.S.F.S. has advised the Board by written notice that the Operator's obligations to U.S.F.S., for which this Warranty is executed, have been satisfied, and until the financial warranty has been released by the Board.

If this Financial Warranty applies to lands under the jurisdiction of the State Board of Land Commissioners ("Land Board"), and if this Financial Warranty, in whole or in part, is accepted by the Land Board as the bond required under its applicable law and procedures, then the Operator, having requested that the Board accept this Financial Warranty in lieu of the separate bonds which would otherwise be required by the Colorado Mined Land Reclamation Board or Division of Reclamation, Mining and Safety and by the Land Board, hereby agrees that, notwithstanding any other provision hereof, or of law, this Financial Warranty shall remain in full force and effect until the Board is notified in writing by the Land Board that the Operator's obligations to the Land Board, for which this Warranty is executed, have been satisfied, and until the financial warranty has been released by the Board.

If all or any part of the Affected Lands are under the jurisdiction of the Bureau of Land Management, United States Department of the Interior (the "BLM"), and if at the request of the Operator on this Financial Warranty the BLM has, pursuant to 43 C.F.R. 3809.1-9, accepted this Financial Warranty in lieu of requiring a separate reclamation bond payable to the United States, then, notwithstanding any other provision of this Financial Warranty, or of law, the Operator hereby agrees that this Financial Warranty shall not be released until the Board is advised in writing by the BLM that the Operator's obligations to the BLM, for which this warranty is executed, have been satisfied, and until the financial warranty has been released by the Board.

This Financial Warranty may be executed in multiple copies, each of which shall be treated as an original, but together they constitute only one agreement, the validity and interpretation of which shall be governed by the laws of the State of Colorado.

The provisions hereof shall bind and inure to the benefit of the parties hereto and their successors and assigns.

SIGNED, SEALED AND DATED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Operator (SEAL)

By: \_\_\_\_\_

Title: \_\_\_\_\_

**NOTARIZATION OF OPERATOR'S ACKNOWLEDGEMENT**

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by  
\_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: \_\_\_\_\_

APPROVED:

State of Colorado  
Mined Land Reclamation Board  
Division of Reclamation, Mining and Safety

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Division Director



## COLORADO

Division of Reclamation,  
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

### PERFORMANCE WARRANTY

Permittee/Operator: \_\_\_\_\_

Operation known as: \_\_\_\_\_

Permit Number: \_\_\_\_\_

***This form is approved by the Colorado Mined Land Reclamation Board (“Board”) pursuant to C.R.S. 34-32-117 of the Colorado Mined Land Reclamation Act and C.R.S. 34-32.5-117 of the Colorado Land Reclamation Act for the Extraction of Construction Materials.***

All parties are on Notice from this Document that:

The above listed Operator provides this warranty to the Board in conjunction with a reclamation Permit to conduct the above described mining operation on certain lands in Colorado. The “Affected Lands” are described in the above listed reclamation Permit, and include any Permit Amendment(s) approved by the Division of Reclamation Mining and Safety (“Division”).

The Colorado Mined Land Reclamation Act, C.R.S. 34-32-101 *et seq.* (“Hard Rock Act”), and the Colorado Land Reclamation Act for the Extraction of Construction Materials, C.R.S. 34-32.5-101 *et seq.* (“Construction Materials Act”), both require a permit issued by the Board to include a written promise by the Operator to comply with all requirements of the Hard Rock and Construction Materials Acts (referred to herein together as “Acts”).

Through the terms and conditions of this performance warranty and Permit, the Operator agrees to be bound by all requirements of the Acts and all Mineral Rules and Regulations of the Board for Hard Rock, Metal, and Designated Mining Operations (2 C.C.R. 407-1) and all Mineral Rules and Regulations of the Board for the Extraction of Construction Materials (2 C.C.R. 407-4) (referred to herein together as “Rules”).

The Operator hereby provides the Board warranties of performance pursuant to C.R.S. 34-32-117(2), (3), and (4)/C.R.S. 34-32.5-117(2), (3), and (4), and promises the Board it will comply with all applicable requirements of the Acts and Rules.

The Operator hereby promises the Board it will comply with all of the terms of the reclamation Permit, including any Permit Amendment(s) approved by the Division. This performance warranty obligation of the Operator shall continue until the Operator’s liability is released by the Board.

The Operator promises to be responsible for reclamation costs up to the amount established by the Board and incorporates its financial warranty to this performance warranty. The Operator agrees to maintain a financial warranty (or warranties) in good standing for the reclamation costs for the entire life of the



Permit. The amount of the financial warranty shall be sufficient to assure the completion of reclamation of affected lands if the Division has to complete such reclamation due to forfeiture. If the Board determines the Operator is in default under this performance warranty and the Operator fails to cure such default, the Operator's financial warranty shall be subject to forfeiture pursuant to C.R.S. 34-32-118/34-32.5-118.

This performance warranty by the Operator is perpetual and shall remain in full force and effect until all obligations have been met and all associated financial warranty is released by the Board. Any release of liability in a succession of Operators shall comply with C.R.S. 34-32-119/34-32.5-119.

The provisions hereof shall bind and inure to the benefit of the parties hereto and their successors and assigns.

SIGNED, SEALED AND DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Operator: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

#### NOTARIZATION OF OPERATOR'S ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )  
 ) ss.

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_  
(Day) (Month) (Year)

by \_\_\_\_\_ as \_\_\_\_\_  
(Name) (Title)

of \_\_\_\_\_.  
(Operator)

\_\_\_\_\_  
NOTARY PUBLIC

My Commission expires: \_\_\_\_\_

APPROVED:  
State of Colorado  
Mined Land Reclamation Board  
Division of Reclamation, Mining and Safety

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Division Director





**COLORADO**

**Division of Reclamation,  
Mining and Safety**

Department of Natural Resources

1313 Sherman Street, Room 215  
Denver, CO 80203

## **Documentation of Legal Authority to Execute Financial Warranty Documents**

*The Colorado Mined Land Reclamation Board (“Board”) has adopted the attached Affidavit of Authority to Execute Financial Warranty Documents pursuant to the Mined Land Reclamation Act (C.R.S. § 34-32-101 et. seq.) and the Land Reclamation Act for the Extraction of Construction Materials (C.R.S. § 34-32.5-101 et. seq.). The Board and the Division of Reclamation Mining and Safety (“Division”) have determined that, in order to carry out the financial warranty requirements set forth in C.R.S. §§ 34-32-117 and 34-32.5-117 with reasonable diligence, it is prudent to verify the legal authority of the individual signing all necessary documents.*

*Accordingly, you must provide confirmation of the legal authority of the individual signing all Financial Warranty Documents to the Division. You may do so either by submitting a resolution of the decision-making body of your company that authorizes an individual to sign the Financial Warranty Documents on the company’s behalf, or by completing and notarizing the attached affidavit. The Division reserves the right to require the attached affidavit in all circumstances. Please note that if you are a sole proprietor who is executing documents on your own behalf, documentation of legal authority is unnecessary.*



### Affidavit of Authority to Execute Financial Warranty Documents

Before me this day, the undersigned \_\_\_\_\_ [name of authorized person], in his/her capacity as \_\_\_\_\_ [title of authorized person] ("Affiant"), personally appeared and, being first duly sworn upon oath said:

1. This affidavit is being executed and submitted on behalf of \_\_\_\_\_ [name of business organization], a(n) \_\_\_\_\_ [legal form of business organization, *e.g.*, corporation, partnership, limited liability company, etc.], in good standing in the State of Colorado (the "Company").
2. It is in the interest of the Company to execute certain financial warranty documents associated with file number \_\_\_\_\_ (DRMS file number), which are required by the Colorado Mined Land Reclamation Board and Division of Reclamation Mining and Safety pursuant to Colorado law ("Financial Warranty Documents").
3. Affiant is duly authorized to sign such Financial Warranty Documents on behalf of the Company and to bind the Company to the same.
4. Affiant is not prohibited or limited by the Company's governing documents or by any applicable law from executing the Financial Warranty Documents.
5. Affiant will inform the Division of Reclamation Mining and Safety within thirty (30) days in the event that his/her authorization to execute Financial Warranty Documents on the Company's behalf is terminated.

Further, Affiant sayeth not.

\_\_\_\_\_  
Affiant's Name

\_\_\_\_\_  
Signature

STATE OF \_\_\_\_\_ )  
\_\_\_\_\_) ss.:  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_,  
by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

Notary Public \_\_\_\_\_

My Commission Expires \_\_\_\_\_