



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

January 21, 2021

Scott West
Steel Rose I. Inc.
802 3rd St.
Colorado Springs, CO 80907

RE: Notice of Surety Increase (SI-01), Steel Rose 1, Permit No. M-2006-031

Dear Mr. West,

On January 21, 2021 the Division of Reclamation, Mining and Safety (Division) increased the current required Financial Warranty for the Steel Rose 1, Permit No. M-2006-031. In accordance with Rule 4.2.1, the Division may review a financial warranty at any time to determine if the amount is sufficient to fulfill the reclamation plan. The Division currently holds a financial warranty of \$12,600.00. The Division has calculated a reclamation cost estimate in the amount of \$19,500.00 for the Steel Rose 1 based on the approved mining and reclamation plans and current site conditions. **This is an increase of \$6,900.00 from the current financial warranty held.** The Division provided you an electronic draft of the enclosed Reclamation Cost Estimate on January 5, 2021 for your review.

Pursuant to Rule 4.2.1(2), the current Financial Warranty must be amended or replaced to reflect the increase within 60 days from the date of this letter, due March 22, 2021.

For questions regarding financial warranties, please contact Sara Stevenson-Benn, the Division's Financial Assurance Specialist, at (303) 866-3567 x 8148. There are various financial warranty application forms on our website at mining.state.co.us.

For all other questions, please contact me at 303-866-3567 x 8132.

Sincerely,

Elliott R. Russell
Environmental Protection Specialist

Enclosure: Reclamation Cost Estimate SI01 M2006031

Cc: Jason Musick, DRMS
Sara Stevenson-Benn, DRMS
Amy Titterington, USFS



COST SUMMARY WORK

Task description: Reclamation Cost Summary

Site: Steel Rose 1 Permit Action: 2021 Bond Calculation Permit/Job#: M2006031

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 12/31/2020 County: Park Filename: M031-000
User: ERR

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Backfill and Regrade Overburden	DOZER	1	26.23	\$6,487
002	Replace Topsoil	DOZER	1	6.29	\$1,556
003	Revegetate Disturbed Areas	REVEGE	1	8.00	\$5,186
004	Mobilization/Demobilization of Equipment	MOBILIZE	1	7.50	\$2,715
<u>SUBTOTALS:</u>				48.02	\$15,944

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$322
Performance bond:	1.05	Total =	\$167
Job superintendent:	8.00	Total =	\$556
Profit:	10.00	Total =	\$1,594

TOTAL O & P = \$2,640

CONTRACT AMOUNT (direct + O & P) = \$18,584

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>\$929</u>

CONTINGENCY: 0.00 Total = \$0

TOTAL INDIRECT COST = \$3,569

TOTAL (direct + indirect) = \$19,513

TOTAL BOND AMOUNT (rounded) = \$19,500

BULLDOZER WORKTask description: **Backfill and Regrade Overburden**Site: **Steel Rose 1** Permit Action: **2021 Bond Calculation** Permit/Job#: **M2006031****PROJECT IDENTIFICATION**

Task #: **001** State: **Colorado** Abbreviation: **None**
 Date: **12/31/2020** County: **Park** Filename: **1**
 User: **ERR**

Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**

Basic Machine: **Cat D8T - 8SU**
 Horsepower: **310**
 Blade Type: **Semi-Universal**
 Attachment: **NA**
 Shift Basis: **1 per day**
 Data Source: **(CRG)**

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$116.22	NA
Operating Cost/Hour:	\$89.77	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.30	NA

Total unit Cost/Hour: **\$247.28**
 Total Fleet Cost/Hour: **\$247.28**

MATERIAL QUANTITIES

Initial Volume: **22,289**
 Swell factor: **1.250**
 Loose volume: **27,861 LCY**

Source of estimated volume: **USFS**
 Source of estimated swell factor: **Cat Handbook**

HOURLY PRODUCTION

Average push distance: **100 feet**
 Unadjusted hourly production: **852.6 LCY/hr**

Materials consistency description: **Loose stockpile 1.2**

Average push gradient: **-30 %**
 Average site altitude: **9,400 feet**

Material weight: **2,650 lbs/LCY**Weight description: **Decomposed rock - 25% Rock, 75% Earth****Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.200	(CAT HB)
Dozing method:	1.200	(SLOT)
Visibility:	1.000	(AVG.)

Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	1.000	(DOZ-OC)
Push gradient:	1.601	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 1.2457

Adjusted unit production: 1,062.08 LCY/hr

Adjusted fleet production: **1062.08** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.233/LCY

Total job time: **26.23** Hours

Total job cost: **\$6,487**

BULLDOZER WORKTask description: **Replace Topsoil**Site: **Steel Rose 1** Permit Action: 2021 Bond Calculation Permit/Job#: M2006031**PROJECT IDENTIFICATION**

Task #: 002 State: Colorado Abbreviation: None
 Date: 12/31/2020 County: Park Filename: 2
 User: ERR

Agency or organization name: DRMS**HOURLY EQUIPMENT COST**

Basic Machine: Cat D8T - 8SU
 Horsepower: 310
 Blade Type: Semi-Universal
 Attachment: NA
 Shift Basis: 1 per day
 Data Source: (CRG)

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$116.22</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$89.77</u>	<u>100</u>
Ripper own. Cost/Hour:	<u>\$0.00</u>	<u>NA</u>
Ripper op. Cost/Hour:	<u>\$0.00</u>	<u>0</u>
Operator Cost/Hour:	<u>\$41.30</u>	<u>NA</u>

Total unit Cost/Hour: \$247.28
 Total Fleet Cost/Hour: **\$247.28**

MATERIAL QUANTITIES

Initial Volume: 3,226
 Swell factor: 1.429
 Loose volume: **4,609 LCY**

Source of estimated volume: Permit: 6". Site Observations: 4 acres
 Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTION

Average push distance: 100 feet
 Unadjusted hourly production: 852.6 LCY/hr

Materials consistency description: Loose stockpile 1.2

Average push gradient: 0 %
 Average site altitude: 9,400 feet

Material weight: 1,600 lbs/LCYWeight description: Top Soil**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>1.200</u>	<u>(CAT HB)</u>
Dozing method:	<u>1.000</u>	<u>(GEN.)</u>
Visibility:	<u>1.000</u>	<u>(AVG.)</u>

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:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.8593

Adjusted unit production: 732.64 LCY/hr

Adjusted fleet production: **732.64** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.338/LCY

Total job time: **6.29** Hours

Total job cost: **\$1,556**

REVEGETATION WORKTask description: Revegetate Disturbed AreasSite: Steel Rose 1Permit Action: 2021 Bond CalculationPermit/Job#: M2006031**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 12/31/2020County: ParkFilename: 3User: ERRAgency 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
Chisel plowing {DMG}	\$94.63
Total Tilling Cost/Acre	\$94.63

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Mountain Brome - Bromar	4.00	6.43	\$15.20
Great Basin Wildrye - Magnar	3.60	14.63	\$41.58
Bottlebrush Squirreltail	4.00	17.63	\$64.90
Sheep Fescue - Bighorn	3.00	46.83	\$13.20
Thickspike Wheatgrass - Critana	4.00	14.14	\$27.50
Prairie Junegrass	0.40	21.26	\$10.40
Totals Seed Mix	19.00	120.92	\$172.78

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
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$301.00	\$602.00
Total Mulch Materials Cost/Acre				\$602.00

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$70.17
Total Mulch Application Cost/Acre	\$70.17

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: 4 Cost /Acre: \$1,171.58
 Estimated Failure Rate: 25% Cost /Acre*: \$499.41
 *Selected Replanting Work Items: TILLING,SEEDING

Initial Job Cost: **\$4,686.32**
 Reseeding Job Cost: **\$499.41**
 Total Job Cost: **\$5,186**
 Job Hours: **8.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilization/Demobilization of Equipment**Site: **Steel Rose 1**Permit Action: **2021 Bond Calculation**Permit/Job#: **M2006031****PROJECT IDENTIFICATION**Task #: **004**State: **Colorado**Abbreviation: **None**Date: **12/31/2020**County: **Park**Filename: **4**User: **ERR**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	47.71	\$116.22	\$123.81	1	\$240.03	\$123.81	\$250.00
Subtotals:					\$240.03	\$123.81	\$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, 1 T. Crew	\$121.96	2	\$243.92	\$243.92
Subtotals:			\$243.92	\$243.92

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	<u>COLORADO SPRINGS</u>	
Total one-way travel distance:	<u>65.00</u>	miles
Average Travel Speed:	<u>40.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$1,922.51</u>
'* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$792.74</u>
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>1.63</u>	<u>1.63</u>
Return Time (Hours):	<u>1.63</u>	<u>1.63</u>
Loading Time (Hours):	<u>0.25</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.25</u>	<u>NA</u>
Subtotals:	<u>3.75</u>	<u>3.25</u>

JOB TIME AND COST

Total job time: 7.50 Hours

Total job cost: \$2,715