



**ACCEPTANCE OF AMENDED NOTICE OF INTENT TO CONDUCT
COAL EXPLORATION**

(Involving 250 Tons or Less of Coal)

Notice of Intent No.: X-2020-232-03 **Amendment No:** AM-1
Date Issued: February 19, 2021 **Bond Amount** \$85,625.00
Decision Type: Approve **Revised Required Surety:** \$80,168
Project Name: Lorencito Canyon Mine 2020 **County:** Las Animas
Exploration Program
Issued To: New Elk Coal Company, LLC **Site** Louis Head
12250 State Hwy 12 **Contact:** New Elk Coal Company, LLC
Weston CO 81091 12250 State Hwy 12
Weston CO 81091
Number of Sites: 16 **Number of Holes:** 16
Revised Average Depth of Drill Holes: 550 ft. **Number of Excavated Mud Pits:** 16
Revised Length of New Roads to be Constructed: 540 ft.

Legal Description:

Latitude and Longitude
37.116,-104.855 ; 37.116,-104.844; 37.117,-104.825
37.126,-104.821; 37.115,-104.808; 37.106,-104.799
37.105,-104.771; 37.080,-104.783; 37.066,-104.781
37.083,-104.810; 37.089,-104.829; 37.100,-104.836
37.103,-104.819; 37.093,-104.815
37.093,-104.804; 37.081,-104.793

Division Specialist: Tabettha Lynch

The Division finds that the above-issued prospector has filed a complete and adequate Notice of Intent to Explore in accordance with the Rules and Regulations of the Colorado Division of Reclamation, Mining and Safety, Office of Mined Land Reclamation for Coal Mining, adopted in accordance with the Colorado Surface Coal Mining Reclamation Act, C.R.S. 34-33-101 *et seq.* The Division further finds that the proposed project qualifies as coal exploration with substantial disturbance to the land, and that all performance bond requirements, if any, have been satisfied.

Authorized Representative/Permittee¹

Date:

¹ Signature is required if stipulations are attached

Authorized Representative/Division of
Reclamation, Mining and Safety

Date: February 19, 2021

COST SUMMARY WORKTask description: AM1 update

Site: Lorencito Canyon Mine Permit Action: 2020 Drilling Program Permit/Job#: X202023203
AM1

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
 Date: 2/19/2021 County: Las Animas Filename: X232-000
12:47:09 PM
 User: TNL

Agency or organization name: DRMS**TASK LIST (DIRECT COSTS)**

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Plug and Abandon 16 wells	BOREHOLE	1	0.00	\$56,279
002	Backfill and Regrade Drill pads and Mud Pits	DOZER	1	7.33	\$2,000
003	Replace Topsoil on Drill Pads	DOZER	1	1.93	\$527
004	Backfill and Regrad Roads	DOZER	1	0.22	\$59
005	Road Topsoil	DOZER	1	0.07	\$19
006	reveg	REVEGE	1	0.00	\$823
<u>SUBTOTALS:</u>				9.55	\$59,707

INDIRECT COSTS**OVERHEAD AND PROFIT:**

Liability insurance:	2.02	Total =	\$1,206
Performance bond:	1.05	Total =	\$627
Job superintendent:	4.78	Total =	\$332
Profit:	10.00	Total =	\$5,971
		TOTAL O & P =	\$8,136
		CONTRACT AMOUNT (direct + O & P) =	\$67,843

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	\$500	Total =	\$500
Engineering work and/or contract/bid preparation:	8.59	Total =	\$5,828
Reclamation management and/or administration:	6.20		\$4,206

CONTINGENCY:	3.00	Total =	\$1,791
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TOTAL INDIRECT COST = \$20,461TOTAL BOND AMOUNT (direct + indirect) = \$80,168

BOREHOLE SEALING WORKTask description: **Plug and Abandon 16 wells**

Site: **Lorencito Canyon Mine** Permit Action: 2020 Drilling Program
AM1 Permit/Job#: X202023203

PROJECT IDENTIFICATION

Task 001 State: Colorado Abbreviation: None
 #: _____
 Date: 2/19/2021 County: Las Animas Filename: 001
 User: TNL

Agency or organization name: DRMS**UNIT COSTS**

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
Plug and Seal 16 wells	Portland cement grout - 6 in. (labor, equip, materials)	5	8815	8,815.00	LF	\$6.32	\$55,710.80
marker	Borehole location/identification marker (EA, material cost only)	16	NA	16.00	EA	\$35.50	\$568.00

Job Hours: 0.00 Total Cost: \$56,279.00

BULLDOZER WORKTask description: **Backfill and Regrade Drill pads and Mud Pits**Site: **Lorencito Canyon Mine**Permit Action: 2020 Drilling Program
AM1

Permit/Job#: X202023203

PROJECT IDENTIFICATION

Task #: 002

State: Colorado

Abbreviation: None

Date: 2/19/2021

County: Las Animas

Filename: 002

User: TNL

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU

Horsepower: 310

Blade Type: Semi-Universal

Attachment: 1-shank ripper

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:	\$15.57	NA
Ripper op. Cost/Hour:	\$10.00	100
Operator Cost/Hour:	\$41.30	NA

Total unit Cost/Hour: \$272.85

Total Fleet Cost/Hour: **\$272.85****MATERIAL QUANTITIES**

Initial Volume: 3,194

Swell factor: 1.250

Loose volume: **3,993 LCY**

Source of estimated volume: Division of Reclamation, Mining & Safety

Source of estimated swell
factor: Cat Handbook**HOURLY PRODUCTION**

Average push distance: 50 feet

Unadjusted hourly
production: 1,400.0 LCY/hrMaterials consistency
description: Compacted fill or embankment 0.9Average push
gradient: 0 %

Average site altitude: 7,200 feet

Material weight: 2,650 lbs/LCY

Weight description: Decomposed rock - 25% Rock, 75% Earth

<u>Job Condition</u>	<u>Correction Factor</u>	<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(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:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3890

Adjusted unit
production: 544.60 LCY/hr

Adjusted fleet
production: **544.6 LCY/hr**

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.501/LCY

Total job time: **7.33 Hours**
Total job cost: **\$2,000**

BULLDOZER WORKTask description: Replace Topsoil on Drill PadsSite: Lorencito Canyon MinePermit Action: 2020 Drilling Program
AM1Permit/Job#: X202023203**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 2/19/2021County: Las AnimasFilename: 003User: TNLAgency 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:	\$116.22	NA
Operating Cost/Hour:	\$89.77	100
Ripper own. Cost/Hour:	\$15.57	NA
Ripper op. Cost/Hour:	\$10.00	100
Operator Cost/Hour:	\$41.30	NA

Total unit Cost/Hour: \$272.85Total Fleet Cost/Hour: **\$272.85****MATERIAL QUANTITIES**Initial Volume: 2,129Swell factor: 1.000Loose volume: **2,129** LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell
factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 50 feetUnadjusted hourly
production: 1,400.0 LCY/hrMaterials consistency
description: Partly consolidated stockpile 1.1Average push
gradient: 0 %Average site altitude: 7,200 feetMaterial weight: 1,600 lbs/LCY

Weight description: Top Soil

Job Condition Correction Factor

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(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:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.7877

Adjusted unit
production: 1,102.78 LCY/hr

Adjusted fleet
production: **1102.78** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.247/LCY

Total job time: **1.93** Hours

Total job cost: **\$527**

BULLDOZER WORKTask description: **Backfill and Regrad Roads**Site: **Lorencito Canyon Mine**Permit Action: 2020 Drilling Program
AM1Permit/Job#: X202023203**PROJECT IDENTIFICATION**Task #: 004
Date: 2/19/2021
User: TNLState: Colorado
County: Las AnimasAbbreviation: None
Filename: 004Agency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SU
Horsepower: 310
Blade Type: Semi-Universal
Attachment: 1-shank ripper
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:	\$15.57	NA
Ripper op. Cost/Hour:	\$10.00	100
Operator Cost/Hour:	\$41.30	NA
Total unit Cost/Hour:	\$272.85	
Total Fleet Cost/Hour:	\$272.85	

MATERIAL QUANTITIESInitial Volume: 116
Swell factor: 1.250
Loose volume: **145** LCYSource of estimated volume: Division of Reclamation, Mining & Safety
Source of estimated swell
factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 50 feet
Unadjusted hourly
production: 1,400.0 LCY/hrMaterials consistency
description: Partly consolidated stockpile 1.1Average push
gradient: 0 %
Average site altitude: 7,200 feetMaterial weight: 2,650 lbs/LCY

Weight description: Decomposed rock - 25% Rock, 75% Earth

<u>Job Condition</u>	<u>Correction Factor</u>	<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(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:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4755

Adjusted unit
production: 665.70 LCY/hr

Adjusted fleet
production: **665.7** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.410/LCY

Total job time: **0.22** Hours
Total job cost: **\$59**

BULLDOZER WORKTask description: Road Topsoil

Site: Lorencito Canyon Mine Permit Action: 2020 Drilling Program
AM1 Permit/Job#: X202023203

PROJECT IDENTIFICATION

Task #: 005 State: Colorado Abbreviation: None
 Date: 2/19/2021 County: Las Animas Filename: 005
 User: TNL

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

Basic Machine: Cat D8T - 8SU
 Horsepower: 310
 Blade Type: Semi-Universal
 Attachment: 1-shank ripper
 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:	\$15.57	NA
Ripper op. Cost/Hour:	\$10.00	100
Operator Cost/Hour:	\$41.30	NA
Total unit Cost/Hour:	\$272.85	
Total Fleet Cost/Hour:	\$272.85	

MATERIAL QUANTITIES

Initial Volume: 78
 Swell factor: 1.000
 Loose volume: 78 LCY

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

HOURLY PRODUCTION

Average push distance: 50 feet
 Unadjusted hourly
 production: 1,400.0 LCY/hr

Materials consistency
 description: Partly consolidated stockpile 1.1

Average push
 gradient: 0 %
 Average site altitude: 7,200 feet

Material weight: 1,600 lbs/LCY

Weight description: Top Soil

Job Condition Correction Factor

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(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:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.7877

Adjusted unit
production: 1,102.78 LCY/hr

Adjusted fleet
production: **1102.78** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.247/LCY

Total job time: **0.07** Hours
Total job cost: **\$19**

REVEGETATION WORKTask description: Reveg

Site: Lorencito Canyon Mine Permit Action: 2020 Drilling Program
AM1 Permit/Job#: X202023203

PROJECT IDENTIFICATION

Task #: 006 State: Colorado Abbreviation: None
 Date: 2/19/2021 County: Las Animas Filename: 006
 User: TNL

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
	\$
Total Tilling Cost/Acre	\$0.00

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Fringed Brome grass - Native	2.00	3.67	\$34.00
Buffalograss - Bison	4.00	3.86	\$38.00
Blue Grama - Native	1.34	21.87	\$18.39
Little Bluestem - Native	2.40	14.33	\$32.56
Sideoats Grama - Butte	5.00	16.41	\$45.00
Smooth Brome - Lincoln	2.00	6.66	\$6.65
Streambank Wheatgrass - Sodar	3.00	9.78	\$17.10

Thickspike Wheatgrass - Critana	1.00	3.54	\$6.88
Western Wheatgrass - Native	4.00	10.10	\$24.00
Totals Seed Mix	24.74	90.21	\$222.58

Application

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

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
Total Mulch Materials Cost/Acre				\$0.00

Application

Description	Cost /Acre
	\$
Total Mulch Application Cost/Acre	\$0.00

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:	1.4	Cost /Acre:	\$489.80
Estimated Failure Rate:	20%	Cost /Acre*:	\$489.80
*Selected Replanting Work Items:	SEEDING		

Initial Job Cost:	\$685.72
Reseeding Job Cost:	\$137.14
Total Job Cost:	\$823
Job Hours:	0.00