



STATE OF
COLORADO

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Estimate of increase in reclamation costs

1 message

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Fri, Feb 19, 2021 at 2:30 PM

To: Basil Bear <basilbear@wolverinefuels.com>, Tamme Bishop <tamme.jestover@bresnan.net>

Hello -

Regarding the required surety for the Bowie No. 2 Mine, I cannot give you all a definitive answer, but I can give you an estimate. I think it would be reasonable to estimate that the reclamation costs (and our required surety) for the Bowie No. 2 Mine will increase approximately 9 percent from the last site-wide Reclamation Cost Estimate (RCE) that we did in October 2019 (with MT-05) to the next RCE, which we will create for RN-05 near the end of this year or early in 2022. This is based on the general increase from 2017 (with RN-04) to 2019 (MT-05) and based on some particular costs from one of the Division's experts with our cost estimating software.

The current required surety for this mine is \$10,149,223, and 9 percent of that is \$913,430. If that increase occurs, the new required surety will be \$11,062,653 by about this time next year.

Currently, the actual surety for this site is \$10,971,057 (five bonds with one insurance company), approximately \$90,000 short of the projected value for required surety.

Again, this is just an estimate, but I hope that helps.
Rob

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