



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

1313 Sherman St. Room 215
Denver, CO 80203

March 29, 2021

Mr. Eric Frei
Flag Resources Inc
1412 CR 311
New Castle, CO 81641

Re: Goldman Gravel Pit, Permit No. M-1978-279, Financial Warranty Increase, Revision No. SI-3

Dear Mr. Frei:

On March 29, 2021 the Division of Reclamation, Mining and Safety increased the current Financial Warranty for this permit to \$22,017.00, in accordance with Rule 4.2.1 of the Rules and Regulations. This is an increase of \$1,609.00.

The Division ordered amendment of the current Financial Warranty, or submittal of a new Financial Warranty reflecting the increase, within 60 days (Friday, May 28, 2021) from the date of this letter. If you wish to submit a different type of Financial Warranty, please contact me such that I may send you the applicable form.

If you have any questions, please contact me.

Sincerely,

Amy C. Yeldell
Environmental Protection Specialist

cc: Sara M. Stevenson-Benn, DRMS

M-FW-14



COST SUMMARY WORK

Task description: Post inspection 2021

Site: Goldman Gravel Pit

Permit Action: 2021-03

Permit/Job#: M1978279

PROJECT IDENTIFICATION

Task #: ACY

State: Colorado

Abbreviation: None

Date: 3/29/2021

County: Garfield

Filename: M279-ACY

User: ACY

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Highwall reduction	DOZER	1	22.66	\$5,603
02a	Rip compacted pit floor	RIPPER	1	5.13	\$1,379
03a	Distribute topsoil over disturbed area	DOZER	1	5.36	\$1,326
04a	Revegetate affected area	REVEGE	1	16.00	\$5,928
05a	Mobilize reclamation crew and equipment	MOBILIZE	1	2.57	\$2,486
05b	Secondary Mobilization	MOBILIZE	1	2.57	\$1,402
<u>SUBTOTALS:</u>				54.29	\$18,124

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$366

Performance bond: 1.05

Total = \$190

Job superintendent: 0.00

Total = \$0

Profit: 10.00

Total = \$1,812

TOTAL O & P = \$2,369

CONTRACT AMOUNT (direct + O & P) = \$20,493

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$500

Total = \$500

Engineering work and/or contract/bid preparation: 0.00

Total = \$0

Reclamation management and/or administration: 5.00

\$1,025

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$3,893

TOTAL BOND AMOUNT (direct + indirect) = \$22,017

BULLDOZER WORKTask description: **Highwall reduction**Site: **Goldman Gravel Pit** Permit Action: **2021-03** Permit/Job#: **M1978279****PROJECT IDENTIFICATION**

Task #: **01A** State: **Colorado** Abbreviation: **None**
 Date: **3/29/2021** County: **Garfield** Filename: **M279-01a**
 User: **ACY**

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: **16,667**
 Swell factor: **1.124**
 Loose volume: **18,727 LCY**

Source of estimated volume: **Cut and fill 500 lft. of HW 30' high, 1H:1V to 3H:1V.**
 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: **Compacted fill or embankment 0.9**

Average push gradient: **-15 %**
 Average site altitude: **5,600 feet**

Material weight: **2,900 lbs/LCY**Weight description: **Sand and gravel - Dry****Job Condition Correction Factor**

		<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:	1.000	(DOZ-OC)
Push gradient:	1.329	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.5904

Adjusted unit production: 826.56 LCY/hr

Adjusted fleet production: **826.56** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.299/LCY

Total job time: **22.66** Hours

Total job cost: **\$5,603**

BULLDOZER RIPPING WORK

Task description: Rip compacted pit floor

Site: Goldman Gravel Pit

Permit Action: 2021-03

Permit/Job#: M1978279

PROJECT IDENTIFICATION

Task #: 02A

State: Colorado

Abbreviation: None

Date: 3/29/2021

County: Garfield

Filename: M279-02a

User: ACY

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU
Ripper Attachment: 3-Shank Ripper

Horsepower: 310

Shift Basis: 1 per day

Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$116.22	NA
Operating Cost/Hour:	\$89.77	100
Ripper Ownership Cost/Hour:	\$12.00	NA
Ripper Operating Cost/Hour:	\$9.18	100
Operator Cost/Hour:	\$41.30	NA
Total Unit Cost/Hour:	\$268.46	
Total Fleet Cost/Hour:	\$268.46	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 3.00 acres Rip Depth (ft): 2.00 Volume: 9,680 BCY or CCY

Source of estimated quantity: Onsite observations

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth: 2.56 feet/pass
Average Ripping Width: 7.08 feet/pass
Average Ripping Length: 100.00 feet/pass
Average Dozer Speed: 88.00 feet/minute
Average Maneuver Time: 0.25 minutes/pass
Production per unit area: 0.703 acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.703 Acres/hr
Site Altitude: 5,600 feet
Altitude Adj: 1.00 (CAT HB)
Job Efficiency: 0.83 (1 shift/day)
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.58 Acres/hr

Adjusted Hourly Fleet Production: **0.58** Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: **5.14** Hours

Unit cost: \$459.814 Per acre Total job cost: **\$1,379**

BULLDOZER WORKTask description: Distribute topsoil over disturbed areaSite: Goldman Gravel PitPermit Action: 2021-03Permit/Job#: M1978279**PROJECT IDENTIFICATION**Task #: 03AState: ColoradoAbbreviation: NoneDate: 3/29/2021County: GarfieldFilename: M279-03aUser: ACYAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: NAShift 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:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$41.30	NA

Total unit Cost/Hour: \$247.28Total Fleet Cost/Hour: **\$247.28****MATERIAL QUANTITIES**Initial Volume: 6,453Swell factor: 1.000Loose volume: **6,453** LCYSource of estimated volume: 4 ac. / 12" depthSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 50 feetUnadjusted hourly production: 1,400.0 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: 0 %Average site altitude: 5,600 feetMaterial weight: 1,600 lbs/LCYWeight description: Top Soil**Job Condition Correction Factor**

		<u>Source</u>
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:	1.000	(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: 1,203.02 LCY/hr

Adjusted fleet production: **1203.02** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.206/LCY

Total job time: **5.36** Hours

Total job cost: **\$1,326**

REVEGETATION WORKTask description: Revegetate affected areaSite: Goldman Gravel PitPermit Action: 2021-03Permit/Job#: M1978279**PROJECT IDENTIFICATION**Task #: 04AState: ColoradoAbbreviation: NoneDate: 3/29/2021County: GarfieldFilename: M279-04aUser: ACYAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
8-32-16, 16-20-0	300.00	pound	\$0.32	\$94.50
			Total Fertilizer Materials Cost/Acre	\$94.50

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$37.03
Total Fertilizer Application Cost/Acre	\$37.03

TILLING

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$107.16
Total Tilling Cost/Acre	\$107.16

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Native	1.25	4.05	\$8.13
Crested Wheatgrass - Nordan	7.00	32.14	\$27.30
Yellow Sweet Clover - Madrid	1.40	8.36	\$3.96
Totals Seed Mix	9.65	44.54	\$39.38

Application

Description	Cost /Acre
Drill Seeding (DRMS Survey Cost)	\$232.00

Total Seed Application Cost/Acre	\$232.00
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MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Herbicide - Curtail @ 4.0 pt/ac	1.00	ACRE	\$7.63	\$7.63
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$301.00	\$602.00
Total Mulch Materials Cost/Acre				\$609.63

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
Total Mulch Application Cost/Acre	\$234.82

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: \$1,354.52
 Estimated Failure Rate: 25% Cost /Acre*: \$510.07
 *Selected Replanting Work Items: FERTILIZING,TILLING,SEEDING

Initial Job Cost: **\$5,418.08**
 Reseeding Job Cost: **\$510.07**
 Total Job Cost: **\$5,928**
 Job Hours: **16.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilize reclamation crew and equipment**Site: **Goldman Gravel Pit**Permit Action: **2021-03**Permit/Job#: **M1978279****PROJECT IDENTIFICATION**

Task #: **05A** State: **Colorado** Abbreviation: **None**
 Date: **3/29/2021** County: **Garfield** Filename: **M279-05a**
 User: **ACY**

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
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

Subtotals: **\$392.72** **\$258.59** **\$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, 1 T. Crew	\$49.16	1	\$49.16	\$49.16

Subtotals: **\$49.16** **\$49.16**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: SILT
 Total one-way travel distance: 5.00 miles
 Average Travel Speed: 35.00 mph

Total Non-Roadable Mob/Demob Cost * \$2,471.53
 * two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$14.05
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.14	0.14
Return Time (Hours):	0.14	0.14
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.29	0.29

JOB TIME AND COST

Total job time: 2.57 Hours

Total job cost: \$2,486

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Secondary Mobilization**Site: **Goldman Gravel Pit**Permit Action: **2021-03**Permit/Job#: **M1978279****PROJECT IDENTIFICATION**Task #: **05B**State: **Colorado**Abbreviation: **None**Date: **3/29/2021**County: **Garfield**Filename: **M279-05b**User: **ACY**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
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
Subtotals:					\$152.69	\$134.78	\$500.00

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	\$49.16	1	\$49.16	\$49.16
Subtotals:			\$49.16	\$49.16

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: SILT
 Total one-way travel distance: 5.00 miles
 Average Travel Speed: 35.00 mph

Total Non-Roadable Mob/Demob Cost * \$1,387.51
 ** two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$14.05
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.14	0.14
Return Time (Hours):	0.14	0.14
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.29	0.29

JOB TIME AND COST

Total job time: 2.57 Hours

Total job cost: \$1,402