



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

1313 Sherman St. Room 215  
Denver, CO 80203

June 24, 2021

Steve Craig  
CJK Milling Company, LLC  
PO Box 620490  
Littleton, CO 80162

**Re: Penn Mine, File # M-2021-032, Decision Letter - Financial and Performance Warranty Request - Hard Rock Mining Operation**

Mr. Craig:

On June 24, 2021, the Division of Reclamation, Mining and Safety approved your 110(2) mining permit application.

The amount of financial warranty set by the Division for this operation is \$47,365.00. You must submit a financial warranty in this amount and a performance warranty in order for us to issue a permit. Please select a type of financial warranty from those detailed in Rule 4.3 and download the applicable financial warranty and performance warranty forms from the Division's website.

Please make arrangements with Jeff Thompson at the Division of Reclamation, Mining and Safety Denver Office, jeffreyc.thompson@state.co.us, or phone no. 303.866.3567, ext. 8138 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 Mr. Thompson.

**PLEASE NOTE THAT MINING OPERATIONS MAY NOT COMMENCE UNTIL A PERMIT HAS BEEN ISSUED BY THE DIVISION AFTER RECEIPT OF YOUR FINANCIAL WARRANTY AND PERFORMANCE WARRANTY. A PERMIT WILL NOT BE ISSUED UNTIL WE VERIFY THE ADEQUACY OF BOTH YOUR FINANCIAL WARRANTY AND PERFORMANCE WARRANTY.**



If you have any questions, please contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Dustin M. Czapla', with a long horizontal flourish extending to the right.

Dustin M. Czapla  
Environmental Protection Specialist

Enclosure: Reclamation Cost Estimate 2021-06-17

## COST SUMMARY WORK

Task description: 2021-06-17 New App Cost Estimate

Site: Penn Mine Permit Action: 2021-06-17 New App  
Cost Estimate

Permit/Job#: M2021032

### PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None  
Date: 6/17/2021 County: Lake Filename: M032-000  
User: DMC

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Reclamation grading	DOZER	1	77.36	\$14,907
02a	Reveg.	REVEGE	1	10.00	\$21,881
03a	Mob. Reclamation Crew/Equipment	MOBILIZE	1	2.48	\$3,107
<b><u>SUBTOTALS:</u></b>				<b>89.84</b>	<b>\$39,895</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$806
Performance bond:	1.05	Total =	\$419
Job superintendent:	0.00	Total =	\$0
Profit:	10.00	Total =	\$3,990

TOTAL O & P = \$5,214

CONTRACT AMOUNT (direct + O & P) = \$45,109

#### 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>\$2,255</u>

CONTINGENCY: 0.00 Total = \$0

TOTAL INDIRECT COST = \$7,470

**TOTAL BOND AMOUNT (direct + indirect) = \$47,365**

**BULLDOZER WORK**Task description: **Reclamation grading**Site: **Penn Mine**Permit Action: 2021-06-17 New App  
Cost Estimate

Permit/Job#: M2021032

**PROJECT IDENTIFICATION**Task #: 01A  
Date: 6/17/2021  
User: DMCState: Colorado  
County: LakeAbbreviation: None  
Filename: M032-01a

Agency or organization name: DRMS

**HOURLY EQUIPMENT COST**Basic Machine: Cat D7R DS Series II LGP  
Horsepower: 240  
Blade Type: Straight  
Attachment: NA  
Shift Basis: 1 per day  
Data Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$76.61	NA
Operating Cost/Hour:	\$74.78	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:	\$192.69	
Total Fleet Cost/Hour:	<b>\$192.69</b>	

**MATERIAL QUANTITIES**Initial Volume: 16,500  
Swell factor: 1.000  
Loose volume: **16,500 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: 800.0 LCY/hrMaterials consistency description: **Compacted fill or embankment 0.9**Average push gradient: 0 %  
Average site altitude: 11,200 feet

Material weight: 2,900 lbs/LCY

Weight description: Decomposed rock - 50% Rock, 50% Earth

**Job Condition Correction Factor****Source**

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:	0.600	(FND-SF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.2666

Adjusted unit  
production: 213.28 LCY/hr  
Adjusted fleet  
production: **213.28** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)  
Unit cost: \$0.903/LCY

Total job time: **77.36** Hours  
Total job cost: **\$14,907**

**REVEGETATION WORK**Task description: Reveg.

Site: Penn Mine Permit Action: 2021-06-17 New App  
Cost Estimate Permit/Job#: M2021032

**PROJECT IDENTIFICATION**

Task #: 02A State: Colorado Abbreviation: None  
 Date: 6/17/2021 County: Lake Filename: M032-02a  
 User: DMC

Agency 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
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$107.16
Weed control spraying (MEANS 31 31 16.13 3100)	\$193.60
<b>Total Tilling Cost/Acre</b>	<b>\$300.76</b>

**SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Wildrye - Arlington or Elkton	1.75	6.03	\$11.66
Nodding Brome	2.50	6.23	\$21.25
Creeping Red Fescue, Slender	0.50	6.31	\$1.03
Hard Fescue - Durar	0.50	6.49	\$1.46
Lupine, Mountain	1.00	0.57	\$80.00
Sheep Fescue - Covar	0.50	7.81	\$3.05
Slender Wheatgrass - San Luis	1.40	5.11	\$5.95
Muttongrass	0.50	10.33	\$17.20
Red Top	0.10	11.46	\$0.79
Tufted Hairgrass	0.50	28.70	\$5.51

Yarrow, White	0.10	6.36	\$4.00
<b>Totals Seed Mix</b>	9.35	95.37	<b>\$151.89</b>

## Application

Description	Cost /Acre
Drill Seeding (DRMS Survey Cost)	\$232.00
<b>Total Seed Application Cost/Acre</b>	<b>\$232.00</b>

## 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				<b>\$602.00</b>

## Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$70.17
Power mulcher (MEANS 32 91 13.16 0350)	\$101.93
<b>Total Mulch Application Cost/Acre</b>	<b>\$172.10</b>

## NURSERY STOCK PLANTING

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

### **JOB TIME AND COST**

No. of Acres:	10	Cost /Acre:	\$1,458.75
Estimated Failure Rate:	50%	Cost /Acre*:	\$1,458.75
*Selected Replanting Work Items:	TILLING, SEEDING, MULCHING		
Initial Job Cost:	\$14,587.50		
Reseeding Job Cost:	\$7,293.75		
Total Job Cost:	\$21,881		
Job Hours:	10.00		

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Mob. Reclamation Crew/Equipment**

Site: **Penn Mine** Permit Action: 2021-06-17 New App  
 Cost Estimate Permit/Job#: M2021032

**PROJECT IDENTIFICATION**

Task #: 03A State: Colorado Abbreviation: None  
 Date: 6/17/2021 County: Lake Filename: M032-03a  
 User: DMC

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:**

<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 D7R DS Series II LGP	34.57	\$76.61	\$123.81	1	\$200.42	\$123.81	\$250.00
CAT 450E	9.80	\$37.14	\$67.39	1	\$104.53	\$67.39	\$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:					<b>\$457.64</b>	<b>\$325.98</b>	<b>\$1,000.00</b>

**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:			<b>\$13.23</b>	<b>\$13.23</b>



**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region: LEADVILLE  
 Total one-way travel distance: 3.00 miles  
 Average Travel Speed: 25.00 mph

Total Non-Roadable Mob/Demob Cost \* \$3,103.35  
 \*\* two round trips with haul rig:  
 Total Roadable Mob/Demob Cost \*\* \$3.18  
 \*\* one round trip, no haul rig:

**Transportation Cycle Time:**

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.12	0.12
Return Time (Hours):	0.12	0.12
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.24	0.24

**JOB TIME AND COST**

Total job time: 2.48 Hours

Total job cost: \$3,107