

July 22, 2021

Miranda Kawcak  
Peabody Williams Fork Mining, LLC  
29515 Routt County Road #27  
Oak Creek, CO 80467

**RE: Red Rock Pit, Permit No. M-1978-315,  
Reclamation Costs Update and Notice of Surety Increase (SI-2)**

Dear Ms. Kawcak:

In an effort to ensure the Financial Warranty for the above referenced site adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed).

Division calculations estimate the cost to reclaim the above referenced site to be **\$37,143**. This is an increase of **\$6,353** over the **\$30,790** currently required by the Division. This estimate is based on conditions observed during the June 15, 2021 inspection. It is noted that the Division currently holds a total bond amount of **\$31,550**. **Therefore, additional bond is required to be posted at this time.**

Any questions regarding completion, execution and/or submittal of financial warranty forms should be directed to Jeff Thompson, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8138.

If you need additional information or have any questions, please contact me at Division of Reclamation, Mining and Safety, 1313 Sherman Street, Room 215, Denver, CO 80203, by telephone at **720-618-0860**, or by email at [tabetha.lynch@state.co.us](mailto:tabetha.lynch@state.co.us).

Sincerely,



Tabetha Lynch  
Environmental Protection Specialist

Enc: Financial Warranty Cost Estimate



## COST SUMMARY WORK

Task description: \_\_\_\_\_

Site: Red Rock Pit

Permit Action: 2021

Permit/Job#: M1978315

### PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 7/21/2021

County: Routt

Filename: M315-000

User: TNL

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Finish grade mined 1H:1V slopes, spread fines	DOZER	1	27.89	\$6,592
02a	Rip base area in Phase 2	RIPPER	1	6.06	\$1,586
03a	Spread topsoil over base area	DOZER	1	1.34	\$317
04a	Revegetate base area in Phase 2	REVEGE	1	3.00	\$4,842
04b	Revegetate slopes in Phase 2	REVEGE	1	5.00	\$10,844
05a	Initial mobilize reclamation crew and equipment	MOBILIZE	1	4.22	\$3,025
05b	Secondary mobilize reclamation crew and equipment	MOBILIZE	1	4.22	\$1,662
<b><u>SUBTOTALS:</u></b>				<b>51.73</b>	<b>\$28,868</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance: 2.02  
Performance bond: 1.05  
Job superintendent: 25.87  
Profit: 10.00

Total = \$583  
Total = \$303  
Total = \$1,863  
Total = \$2,887

TOTAL O & P = \$5,636

CONTRACT AMOUNT (direct + O & P) = \$34,504

#### LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$500  
Engineering work and/or contract/bid preparation: 0.00  
Reclamation management and/or administration: 6.20

Total = \$500  
Total = \$0  
Total = \$2,139

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$8,275

**TOTAL BOND AMOUNT (direct + indirect) = \$37,143**

## BULLDOZER WORK

Task description: Finish grade mined 1H:1V slopes, spread fines

Site: Red Rock Pit

Permit Action: 2021

Permit/Job#: M1978315

### PROJECT IDENTIFICATION

Task #: 01A

State: Colorado

Abbreviation: None

Date: 7/21/2021

County: Routt

Filename: 01a

User: TNL

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:	\$97.46	NA
Operating Cost/Hour:	\$97.63	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:	\$236.39	
Total Fleet Cost/Hour:	<b>\$236.39</b>	

### MATERIAL QUANTITIES

Initial Volume: 13,875

Swell factor: 1.000

Loose volume: **13,875** LCY

Source of estimated volume: Grade upper 1 foot of material in Phase 2 (8.6 ac.)

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: 0 %

Average site altitude: 6,300 feet

Material weight: 2,900 lbs/LCY

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

#### 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:	0.800	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3554

Adjusted unit  
production: 497.56 LCY/hr

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Adjusted fleet  
production: **497.56** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)

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Unit cost: \$0.475/LCY

Total job time: **27.89** Hours

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Total job cost: **\$6,592**

## BULLDOZER RIPPING WORK

Task description: Rip base area in Phase 2

Site: Red Rock Pit

Permit Action: 2021

Permit/Job#: M1978315

### PROJECT IDENTIFICATION

Task #: 02A

State: Colorado

Abbreviation: None

Date: 7/21/2021

County: Routt

Filename: 02a

User: TNL

Agency or organization name: DRMS

### HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU

Horsepower: 310

Ripper Attachment: 3-Shank Ripper

Shift Basis: 1 per day

Data Source: (CRG)

#### Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$97.46	NA
Operating Cost/Hour:	\$97.63	100
Ripper Ownership Cost/Hour:	\$15.19	NA
Ripper Operating Cost/Hour:	\$9.94	100
Operator Cost/Hour:	\$41.30	NA
Total Unit Cost/Hour:	\$261.52	
Total Fleet Cost/Hour:	<b>\$261.52</b>	

### 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: Mine/Rec. Plan Maps

### HOURLY PRODUCTION

#### Seismic:

Seismic Velocity: NA feet/second

#### Area:

Average Ripping Depth:	<u>2.56</u>	feet/pass
Average Ripping Width:	<u>7.08</u>	feet/pass
Average Ripping Length:	<u>50.00</u>	feet/pass
Average Dozer Speed:	<u>88.00</u>	feet/minute
Average Maneuver Time:	<u>0.25</u>	minutes/pass
Production per unit area:	<u>0.596</u>	acres/hour

#### Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.596 Acres/hr

Site Altitude: 6,300 feet

Altitude Adj: 1.00 (CAT HB)

Job Efficiency: 0.83 (1 shift/day)

Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.49 Acres/hr

Adjusted Hourly Fleet Production: **0.49** Acres/hr

### JOB TIME AND COST

Fleet size: 1

Grader(s)

Total job time: **6.06**

Hours

Unit cost: \$528.701

Per acre

Total job cost: **\$1,586**

## BULLDOZER WORK

Task description: Spread topsoil over base area

Site: Red Rock Pit

Permit Action: 2021

Permit/Job#: M1978315

### PROJECT IDENTIFICATION

Task #: 03A

State: Colorado

Abbreviation: None

Date: 7/21/2021

County: Routt

Filename: 03a

User: TNL

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:	\$97.46	NA
Operating Cost/Hour:	\$97.63	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:	\$236.39	
Total Fleet Cost/Hour:	<b>\$236.39</b>	

### MATERIAL QUANTITIES

Initial Volume: 1,613

Swell factor: 1.000

Loose volume: **1,613** LCY

Source of estimated volume: Approx. 3 ac. @ 4" depth

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: Loose stockpile 1.2

Average push gradient: 0 %

Average site altitude: 6,300 feet

Material weight: 1,600 lbs/LCY

Weight description: Top Soil

<u>Job Condition Correction Factor</u>		<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: \$0.196/LCY

Total job time: **1.34** Hours

Total job cost: **\$317**

## REVEGETATION WORK

Task description: Revegetate base area in Phase 2

Site: Red Rock Pit

Permit Action: 2021

Permit/Job#: M1978315

### PROJECT IDENTIFICATION

Task #: 04A

State: Colorado

Abbreviation: None

Date: 7/21/2021

County: Routt

Filename: 04a

User: TNL

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
Chisel plowing {DMG}	\$96.50
<b>Total Tilling Cost/Acre</b>	<b>\$96.50</b>

### SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Bitterbrush, Antelope	1.00	0.31	\$19.50
Indian Ricegrass - Native	2.50	8.09	\$16.25
Intermediate Wheatgrass - Oahe	3.00	6.40	\$8.40
Slender Wheatgrass - Native	3.00	10.95	\$13.88
Western Wheatgrass - Arriba	2.50	6.31	\$16.25
Sagebrush, Mountain or Big	0.25	13.20	\$4.94
Bluebunch Wheatgrass - Goldar	5.00	16.07	\$23.00
<b>Totals Seed Mix</b>	<b>17.25</b>	<b>61.34</b>	<b>\$102.21</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
Herbicide - 2,4D @ 1.0 pt/ac	2.00	ACRE	\$2.98	\$5.96
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$307.02	\$614.04
<b>Total Mulch Materials Cost/Acre</b>				<b>\$620.00</b>

### **Application**

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$71.57
Power mulcher (MEANS 32 91 13.16 0350)	\$106.29
Weed spray, truck, non-aquatic area, nox. [DMG]	\$62.72
<b>Total Mulch Application Cost/Acre</b>	<b>\$240.58</b>

## **NURSERY STOCK PLANTING**

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

## **JOB TIME AND COST**

No. of Acres:	3	Cost /Acre:	\$1,291.29
Estimated Failure Rate:	25%	Cost /Acre*:	\$1,291.29
*Selected Replanting Work Items:	TILLING,SEEDING,MULCHING		

Initial Job Cost: **\$3,873.87**  
 Reseeding Job Cost: **\$968.47**  
 Total Job Cost: **\$4,842**  
 Job Hours: **3.00**

## REVEGETATION WORK

Task description: Revegetate slopes in Phase 2

Site: Red Rock Pit

Permit Action: 2021

Permit/Job#: M1978315

### PROJECT IDENTIFICATION

Task #: 04B

State: Colorado

Abbreviation: None

Date: 7/21/2021

County: Routt

Filename: 04b

User: TNL

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
Chisel plowing {DMG}	\$96.50
<b>Total Tilling Cost/Acre</b>	<b>\$96.50</b>

### SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Bitterbrush, Antelope	2.00	0.62	\$39.00
Indian Ricegrass - Native	5.00	16.18	\$32.50
Intermediate Wheatgrass - Oahe	6.00	12.81	\$16.80
Slender Wheatgrass - Native	6.00	21.90	\$27.75
Western Wheatgrass - Arriba	5.00	12.63	\$32.50
Sagebrush, Mountain or Big	0.50	26.40	\$9.88
Bluebunch Wheatgrass - Goldar	10.00	32.14	\$46.00
<b>Totals Seed Mix</b>	<b>34.50</b>	<b>122.68</b>	<b>\$204.43</b>

**Application**

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

**MULCHING and MISCELLANEOUS****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Herbicide - 2,4D @ 1.0 pt/ac	2.00	ACRE	\$2.98	\$5.96
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$307.02	\$614.04
<b>Total Mulch Materials Cost/Acre</b>				<b>\$620.00</b>

**Application**

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$71.57
Power mulcher (MEANS 32 91 13.16 0350)	\$106.29
Weed spray, hand, non-aquatic area, nox. [DMG]	\$183.16
<b>Total Mulch Application Cost/Acre</b>	<b>\$361.02</b>

**NURSERY STOCK PLANTING**

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

**JOB TIME AND COST**

No. of Acres:	5.6	Cost /Acre:	\$1,549.17
Estimated Failure Rate:	25%	Cost /Acre*:	\$1,549.17
*Selected Replanting Work Items:	TILLING,SEEDING,MULCHING		

Initial Job Cost:	<b>\$8,675.35</b>
Reseeding Job Cost:	<b>\$2,168.84</b>
Total Job Cost:	<b>\$10,844</b>
Job Hours:	<b>5.00</b>

## EQUIPMENT MOBILIZATION/DEMOBILIZATION

Task description: Initial mobilize reclamation crew and equipment

Site: Red Rock Pit

Permit Action: 2021

Permit/Job#: M1978315

### PROJECT IDENTIFICATION

Task #: 05A

State: Colorado

Abbreviation: None

Date: 7/21/2021

County: Routt

Filename: 05a

User: TNL

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:	\$21.28	\$37.94	\$47.67
Operating Cost/Hour:	\$26.55	\$50.48	\$56.21
Operator Cost/Hour:	\$20.54	\$20.54	\$20.54
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$68.37	\$132.49	\$147.95

### 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	\$97.46	\$132.49	1	\$229.95	\$132.49	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$7.98	\$68.37	1	\$76.35	\$68.37	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$14.98	\$68.37	1	\$83.35	\$68.37	\$250.00

Subtotals: **\$389.65** **\$269.23** **\$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, 4x2, 1/2 T.	\$11.95	1	\$11.95	\$11.95

Subtotals: **\$11.95** **\$11.95**

### **EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	<u>CRAIG</u>	
Total one-way travel distance:	<u>25.00</u>	miles
Average Travel Speed:	<u>45.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	
'* two round trips with haul rig:	<u>\$3,011.39</u>
Total Roadable Mob/Demob Cost **	
** one round trip, no haul rig:	<u>\$13.28</u>

### **Transportation Cycle Time:**

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.56</u>	<u>0.56</u>
Return Time (Hours):	<u>0.56</u>	<u>0.56</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>2.11</u>	<u>1.11</u>

### **JOB TIME AND COST**

Total job time: 4.22 Hours

Total job cost: \$3,025

## EQUIPMENT MOBILIZATION/DEMOBILIZATION

Task description: Secondary mobilize reclamation crew and equipment

Site: Red Rock Pit

Permit Action: 2021

Permit/Job#: M1978315

### PROJECT IDENTIFICATION

Task #: 05B

State: Colorado

Abbreviation: None

Date: 7/21/2021

County: Routt

Filename: 05b

User: TNL

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:	\$21.28	\$37.94	\$47.67
Operating Cost/Hour:	\$26.55	\$50.48	\$56.21
Operator Cost/Hour:	\$20.54	\$20.54	\$20.54
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$68.37	\$132.49	\$147.95

### 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	\$7.98	\$68.37	1	\$76.35	\$68.37	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$14.98	\$68.37	1	\$83.35	\$68.37	\$250.00

Subtotals: **\$159.70** **\$136.74** **\$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, 4x2, 1/2 T.	\$11.95	1	\$11.95	\$11.95

Subtotals: **\$11.95** **\$11.95**

**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	<u>CRAIG</u>	
Total one-way travel distance:	<u>25.00</u>	miles
Average Travel Speed:	<u>45.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$1,648.78</u>
'* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$13.28</u>
** one round trip, no haul rig:	

**Transportation Cycle Time:**

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.56</u>	<u>0.56</u>
Return Time (Hours):	<u>0.56</u>	<u>0.56</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>2.11</u>	<u>1.11</u>

**JOB TIME AND COST**

Total job time:	<u>4.22</u>	Hours
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Total job cost:	<u>\$1,662</u>
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