



STATE OF  
COLORADO

Simmons - DNR, Leigh <leigh.simmons@state.co.us>

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## C1983059, Terror Creek Loadout, SI-2

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**Simmons - DNR, Leigh** <leigh.simmons@state.co.us>

Thu, Sep 9, 2021 at 12:57 PM

To: Doug Smith <Doug.Smith@oxbow.com>

Doug,

Attached is a notification of proposed Surety Increase no. 2 (SI-2) for Terror Creek Loadout. This new permitting action was triggered by the MT-8 Findings and Reclamation Cost Estimate which was sent to you on Tuesday.

Please feel free to call or email me if you have any questions.

**Leigh Simmons**  
Environmental Protection Specialist



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

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**SI2Notification.pdf**

73K



Doug Smith  
Oxbow Mining, LLC.  
PO Box 535  
Somerset, CO 81434

September 9, 2021

**Re: Terror Creek Loadout (C-1983-059)  
Proposed Surety Increase (SI-2), and Opportunity for Informal Conference**

Dear Mr. Smith,

The Colorado Division of Reclamation, Mining and Safety (Division) is proposing a bond adjustment/surety increase (SI-2) for the Terror Creek Loadout (DRMS Permit No. C-1983-059). During the Division's Mid-Term Review No. 8 (MT-8), dated 9/7//2021, the site-wide Reclamation Cost Estimate (RCE) for the Terror Creek Loadout permit was updated. Based on updated unit costs for materials, equipment and labor, the new estimated direct cost for all reclamation tasks is \$160,872. Indirect costs (consisting of overhead and profit costs and the legal, engineering, and project management costs), are calculated based on standard factors and added to the direct costs, for an estimated total reclamation cost of \$215,014.

Prior to the MT-8 recalculation of the RCE the required surety was \$203,796.

The Division is proposing to increase the required surety by \$11,218, to \$215,014, in order to cover the increase in the estimated total reclamation cost. The proposed increase will not require any changes to the current bonding arrangement.

In accordance with Rule 3.02.2(4)(a), the Division hereby notifies Oxbow Mining, LLC. (OMLLC) of this proposed increase in the required surety, and further provides OMLLC with an opportunity for an informal conference regarding the adjustment. If OMLLC wishes to participate in an informal conference, the Division asks that a written request be submitted by September 17, 2021. If a request for an informal conference is not submitted by this date, the Division will assume that OMLLC declines to participate in an informal conference and the decision to adjust the required surety will be formally proposed.

Feel free to contact me by phone or email for clarification.

Sincerely,

Leigh Simmons  
Environmental Protection Specialist

