

March 4, 2024

Greg Morrill
12207 Road 29.4
Dolores, CO 81323



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: Bancroft Placer Mine, Permit # M-2020-025, Reclamation Costs Update

Dear Operator:

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) for this site. Division calculations estimate the cost to reclaim the site to be \$23,249.00. This is an increase of \$15,749.00 over the \$7,500.00 currently held by the Division.

Within 15 days, please review the attached estimate and notify me if any calculation errors are noted.

If you require additional information, or have questions or concerns, please contact me.

Sincerely,

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

Dustin Czapla
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
Phone: (303) 866-3567, ext. 8188



COST SUMMARY WORK

Task description: 2024-02-21 Update

Site: Bancroft Placer Mine

Permit Action: 2024-02-21

Permit/Job#: M2020025

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 2/21/2024

County: Montrose

Filename: M025-000

User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Replace overburden/site grading	DOZER	1	31.42	\$7,918
02a	Vegetate disturbed area	REVEGE	1	2.00	\$7,301
03a	Mobilize reclamation crew/equipment	MOBILIZE	1	4.00	\$3,287
<u>SUBTOTALS:</u>				37.42	\$18,506

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$374

Performance bond: 1.05

Total = \$194

Job superintendent: 18.71

Total = \$1,218

Profit: 10.00

Total = \$1,851

TOTAL O & P = \$3,636

CONTRACT AMOUNT (direct + O & P) = \$22,142

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0

Total = \$0

Engineering work and/or contract/bid preparation: 0.00

Total = \$0

Reclamation management and/or administration: 5.00

\$1,107

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$4,743

TOTAL BOND AMOUNT (direct + indirect) = \$23,249

BULLDOZER WORKTask description: **Push over burden/site grading**Site: **Bancroft Placer Mine**Permit Action: 2024-02-21Permit/Job#: M2020025**PROJECT IDENTIFICATION**Task #: 01AState: ColoradoAbbreviation: NoneDate: 2/21/2024County: MontroseFilename: M025-01aUser: DMCAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D6T LGPHorsepower: 200Blade Type: StraightAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$127.53</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$83.13</u>	<u>100</u>
Ripper own. Cost/Hour:	<u>\$0.00</u>	<u>NA</u>
Ripper op. Cost/Hour:	<u>\$0.00</u>	<u>0</u>
Operator Cost/Hour:	<u>\$41.30</u>	<u>NA</u>

Total unit Cost/Hour: \$251.96Total Fleet Cost/Hour: **\$251.96****MATERIAL QUANTITIES**Initial Volume: 4,033Swell factor: 1.125Loose volume: **4,537 LCY**Source of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 75 feetUnadjusted hourly production: 357.1 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: 0 %Average site altitude: 4,820 feetMaterial weight: 2,550 lbs/LCYWeight description: Earth - Dry packed**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>0.900</u>	<u>(CAT HB))</u>
Dozing method:	<u>1.000</u>	<u>(GEN.)</u>
Visibility:	<u>1.000</u>	<u>(AVG.)</u>

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:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4043

Adjusted unit production: 144.38 LCY/hr

Adjusted fleet production: **144.38** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$1.745/LCY

Total job time: **31.42** Hours

Total job cost: **\$7,918**

REVEGETATION WORKTask description: Vegetate disturbed areaSite: Bancroft Placer MinePermit Action: 2024-02-21Permit/Job#: M2020025**PROJECT IDENTIFICATION**Task #: 02A
Date: 2/21/2024
User: DMCState: Colorado
County: MontroseAbbreviation: None
Filename: M025-02aAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
			Total Fertilizer Materials Cost/Acre	\$0.00

Application

Description	Cost /Acre
	\$
Total Fertilizer Application Cost/Acre	\$0.00

TILLING

Description	Cost /Acre
Chisel plowing {DMG}	\$100.40
Weed control spraying (MEANS 31 31 16.13 3100)	\$338.80
Total Tilling Cost/Acre	\$439.20

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Grama - Native	1.80	29.38	\$24.71
Indian Ricegrass - Native	1.20	3.88	\$7.80
Little Bluestem - Native	0.70	4.18	\$9.50
Sideoats Grama - Butte	1.80	5.91	\$16.20
Galleta	0.40	1.46	\$8.94
Needle and Thread	2.20	5.81	\$92.07
Western Wheatgrass - Native	9.60	24.24	\$57.60
Needlegrass, Green - Lodorm	1.00	4.16	\$11.78

Totals Seed Mix	18.70	79.02	\$228.59
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Application

Description	Cost /Acre
Tractor spreader (MEANS 32 92 19.14 0100)	\$586.75
Total Seed Application Cost/Acre	\$586.75

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$429.79	\$859.57
Total Mulch Materials Cost/Acre				\$859.57

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$74.46
Power mulcher (MEANS 32 91 13.16 0350)	\$147.67
Total Mulch Application Cost/Acre	\$222.13

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: 2.5 Cost /Acre: \$2,336.24
 Estimated Failure Rate: 25% Cost /Acre*: \$2,336.24
 *Selected Replanting Work Items: TILLING,SEEDING,MULCHING

Initial Job Cost: **\$5,840.60**
 Reseeding Job Cost: **\$1,460.15**
 Total Job Cost: **\$7,301**
 Job Hours: **2.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilize reclamation crew/equipment**Site: **Bancroft Placer Mine**Permit Action: 2024-02-21Permit/Job#: M2020025**PROJECT IDENTIFICATION**Task #: 03AState: ColoradoAbbreviation: NoneDate: 2/21/2024County: MontroseFilename: M025-03aUser: DMCAgency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**Shift basis: 1 per dayCost Data Source: CRG DataTruck 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:	\$20.26	\$36.04	\$47.05
Operating Cost/Hour:	\$39.51	\$76.08	\$82.85
Operator Cost/Hour:	\$22.52	\$22.52	\$22.52
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$82.29	\$158.17	\$175.95

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 D6T LGP	26.87	\$127.53	\$158.17	1	\$285.70	\$158.17	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$6.73	\$82.29	1	\$89.02	\$82.29	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$25.94	\$82.29	1	\$108.23	\$82.29	\$250.00

Subtotals: **\$482.95** **\$322.75** **\$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, 3/4 T.	\$15.83	1	\$15.83	\$15.83

Subtotals: **\$15.83** **\$15.83**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	NATURITA	
Total one-way travel distance:	25.00	miles
Average Travel Speed:	50.00	mph

Total Non-Roadable Mob/Demob Cost *	\$3,271.60
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$15.83
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.50	0.50
Return Time (Hours):	0.50	0.50
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	2.00	1.00

JOB TIME AND COST

Total job time: 4.00 Hours

Total job cost: \$3,287