

May 24, 2024

Alan Chiles
Rimrock Exploration and Development, Inc.
3010 Bookcliff Avenue
Grand Junction, CO 81504



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

1313 Sherman Street, Room 215
Denver, CO 80203

RE: PA Drilling, File No. P-2024-006, Prospecting NOI Application Financial Warranty Request

Mr. Chiles:

The Division of Reclamation, Mining and Safety (Division) has reviewed your NOI application that was submitted on May 2, 2024.

The amount of financial warranty set by the Division for this operation is \$14,195.00. This is an increase of **\$12,195** over the \$2,000 currently held by the Division.

The additional financial warranty, in the amount of \$12,195.00, must be submitted to the Division prior to entry upon the lands for the purpose of prospecting. Please note that the Division may terminate the NOI application file if the Financial Warranty is not received within sixty days.

Please make arrangements with Sara Stevenson-Benn at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 or sara.stevenson-benn@state.co.us for submittal of the financial warranty. Any questions regarding completion, execution and/or submittal of financial and/or performance warranty forms should also be directed to Mrs. Stevenson-Benn.

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: (970) 433-8393
dustin.czapla@state.co.us

Ec: Vincent Beresford, BLM



COST SUMMARY WORK

Task description: Reclamation Cost Estimate

Site: PA Drilling

Permit Action: 2024-05-24

Permit/Job#: P2024006

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 5/24/2024

County: Montrose

Filename: P006-000

User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Seal boreholes	BOREHOLE	1	40.00	\$661
01b	Backfill 40 Boreholes	MINESEAL	1	40.00	\$9,090
02a	Earthwork	LOADER	1	9.71	\$950
03a	Noxious Weed Control	REVEGE	1	0.00	\$339
04a	Mobilization	MOBILIZE	1	3.80	\$916
<u>SUBTOTALS:</u>				93.51	\$11,956

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$242

Performance bond: 1.05

Total = \$126

Job superintendent: 0.00

Total = \$0

Profit: 10.00

Total = \$1,196

TOTAL O & P = \$1,563

CONTRACT AMOUNT (direct + O & P) = \$13,519

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

\$676

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$2,239

TOTAL BOND AMOUNT (direct + indirect) = \$14,195

BOREHOLE SEALING WORK

Task description: Seal boreholes

Site: PA Drilling

Permit Action: 2024-05-24

Permit/Job#: P2024006

PROJECT IDENTIFICATION

Task #: 01A

State: Colorado

Abbreviation: None

Date: 5/24/2024

County: Montrose

Filename: P006-01a

User: DMC

Agency or organization name: DRMS

UNIT COSTS

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
Boreholes (40 x 3')	Portland cement grout - 4 in. (labor, equip, materials)	5	250	120.00	LF	\$5.51	\$661.32

Job Hours: 40.00

Total Cost: \$661.00

SAFEGUARDING UNDERGROUND OPENINGS

Task description: **Backfill 40 Boreholes**

Site: **PA Drilling** Permit Action: 2024-05-24 Permit/Job#: P2024006

PROJECT IDENTIFICATION

Task #: 01B State: Colorado Abbreviation: None
Date: 5/24/2024 County: Montrose Filename: P006-01b
User: DMC

Agency or organization name: DRMS

UNIT COSTS

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Boreholes	5" x 250' (40)	Shaft closure - backfilling, by hand	101.00	CY	\$90.00	\$9,090.00

Job Hours: **40.00**

Total Cost: **\$9,090.00**

WHEEL LOADER – LOAD AND CARRY WORKTask description: **Earthwork**Site: **PA Drilling** Permit Action: **2024-05-24** Permit/Job#: **P2024006****PROJECT IDENTIFICATION**

Task #: **02A** State: **Colorado** Abbreviation: **None**
 Date: **5/24/2024** County: **Montrose** Filename: **P006-02a**
 User: **DMC**

Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**

Basic Machine: **CAT 246C** Horsepower: **73**
 Attachment 1: **ROPS Cab** Shift Basis: **1 per day**
 Data Source: **(CRG)**

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$30.84	NA
Operating Cost/Hour:	\$26.25	100
Operator Cost/Hour:	\$40.71	NA
Total Unit Cost/Hour:	\$97.80	
Total Fleet Cost/Hour:	\$97.80	

MATERIAL QUANTITIES

Initial volume: **600** CCY Swell factor: **1.000**
 Loose volume: **600** LCY

Source of estimated volume: **Division of Reclamation, Mining & Safety**
 Source of estimated swell factor: **Cat Handbook**

HOURLY PRODUCTIONLoader Cycle Time: Unadjusted Basic Cycle Time (load, dump, maneuver): **0.425** minutes

Cycle Time Factors		Factor (min.)	Source
Material:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Stockpile:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Truck Ownership:	No adjustment - factor not applicable 0.00	0.000	(Cat HB)
Operation:	Constant operation -0.04	-0.040	(Cat HB)
Dump Target:	Nominal target 0.00	0.000	(Cat HB)
Net Cycle Time Adjustment:		-0.040	minutes
Adjusted Basic Cycle Time:		0.385	minutes

Rolling Resistance – Road Conditions

Haul: **Rutted dirt, little maintenance, no water, 1" tire penetration 4.0**
 Return: **Rutted dirt, little maintenance, no water, 1" tire penetration 4.0**

Haul and Return Time

	Length (feet)	Grade Res. (%)	Rolling Res. (%)	Total Res. (%)	Travel Time (minutes)	Source
Haul Route:	25	0.00	4.00	4.00	0.0159	(Cat HB)
Return Route:	25	0.00	4.00	4.00	0.0159	(Cat HB)

Total Travel Time: 0.0317 minutes
 Total Cycle Time: 0.4167 minutes

Load Bucket Capacity

Rated Capacity: 0.53 LCY (heaped)
 Bucket Fill Factor: 0.975 Loose material - uniform aggregates to 1/8" (95-100%) 0.975
 Adjusted Capacity: 0.52 LCY

Job Condition Correction Factors

Site Altitude: 6000 feet

		Source
Altitude Adj:	<u>1.00</u>	(CAT HB)
Job Efficiency:	<u>0.83</u>	(1 shift/day)
Net Correction:	<u>0.83</u>	multiplier

Unadjusted Hourly Unit Production: 74.40 LCY/Hour
 Adjusted Hourly Unit Production: 61.75 LCY/Hour
 Adjusted Hourly Fleet Production: 61.75 LCY/Hour

JOB TIME AND COST

Fleet size: 1 Loader(s) Total job time: 9.72 Hours
 Unit cost: \$1.584 /LCY Total job cost: \$950

REVEGETATION WORKTask description: Noxious Weed ControlSite: PA DrillingPermit Action: 2024-05-24Permit/Job#: P2024006PROJECT IDENTIFICATIONTask #: 03AState: ColoradoAbbreviation: NoneDate: 5/24/2024County: MontroseFilename: P006-03aUser: DMCAgency or organization name: DRMSFERTILIZING**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
Weed control spraying (MEANS 31 31 16.13 3100)	\$338.80
Total Tilling Cost/Acre	\$338.80

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
			\$
Totals Seed Mix	0.00	0.00	\$0.00

Application

Description	Cost /Acre
	\$

Total Seed Application Cost/Acre	\$0.00
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MULCHING and MISCELLANEOUS**Materials**

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

Application

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

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:	1	Cost /Acre:	\$338.80
Estimated Failure Rate:	0%	Cost /Acre*:	\$338.80
*Selected Replanting Work Items:	TILLING		
Initial Job Cost:	\$338.80		
Reseeding Job Cost:	\$0.00		
Total Job Cost:	\$339		
Job Hours:	0.00		

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilization**Site: **PA Drilling**Permit Action: **2024-05-24**Permit/Job#: **P2024006****PROJECT IDENTIFICATION**Task #: **04A**State: **Colorado**Abbreviation: **None**Date: **5/24/2024**County: **Montrose**Filename: **P006-04a**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:**

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 246C	3.58	\$30.84	\$82.29	1	\$113.13	\$82.29	\$250.00
Subtotals:					\$113.13	\$82.29	\$250.00

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:	NUCLA	
Total one-way travel distance:	18.00	miles
Average Travel Speed:	40.00	mph

Total Non-Roadable Mob/Demob Cost *	\$902.14
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* two round trips with haul rig:

Total Roadable Mob/Demob Cost **	\$14.25
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** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.45	0.45
Return Time (Hours):	0.45	0.45
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.90	0.90

JOB TIME AND COST

Total job time:	3.80	Hours
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Total job cost:	\$916
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