

October 18, 2024

Jason McGraw
General Shale Brick, Inc
1845 W. Dartmouth Ave
Denver, CO 80110-1308

RE: Chieftain South Mine, Permit No. M-1981-148, Estimated Reclamation Costs Update

Dear Mr. McGraw:

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 \$1,315,252.00. This is an increase of \$917,422 over the \$397,830 currently held by the Division. This estimate is based on conditions observed during the September 16, 2024 inspection. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

During the review of the Chieftain South Mine, it has come to the Division's attention that the reclamation liability amount has not been updated since 2007. A bond recalculation was performed, and a significant increase in reclamation cost resulted due to typical inflation and industry price changes. Because the reclamation bond has not been adjusted in some time, the Division has updated the reclamation cost estimate for the Chieftain South Mine to ensure the financial warranty reflects the actual current cost of fulfilling the requirements of the reclamation plan per Rule 4.2.1.

If no comments are received by November 1, 2024 then it is the Divisions understanding that the operator has no objections to the bond calculated on October 18, 2024 for the amount of \$1,315,252 according to the current permit conditions. At that time a Notice for Surety Increase will be issued for the above amount as required by the Act and Rules.

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



Sincerely,

Ben Hammar

Environmental Protection Specialist
Department of Natural Resources

Ec:
Zachary Trujillo, Senior EPS, DRMS

Enc: Financial Warranty Cost Estimate

COST SUMMARY WORK

Task description: _____

Site: Chieftain South Mine

Permit Action: 2024 Bond Calculation

Permit/Job#: M1981148

PROJECT IDENTIFICATION

Task #: 010

State: Colorado

Abbreviation: None

Date: 9/20/2024

County: Jefferson

Filename: M148-010

User: BEH

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
011	Regrading	TRUCK1	1	889.04	\$756,798
012	Revegetating affected area	REVEGE	1	63.00	\$99,230
013	Topsoil Spreading	TRUCK1	1	192.68	\$164,023
014	Equipment Mobilization	MOBILIZE	1	1.44	\$4,099
<u>SUBTOTALS:</u>				1146.16	\$1,024,150

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$20,688

Performance bond: 1.05

Total = \$10,754

Job superintendent: 573.08

Total = \$45,428

Profit: 10.00

Total = \$102,415

TOTAL O & P = \$179,284

CONTRACT AMOUNT (direct + O & P) = \$1,203,434

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$500

Total = \$500

Engineering work and/or contract/bid preparation: 4.25

Total = \$51,146

Reclamation management and/or administration: 5.00

\$60,172

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$291,102

TOTAL BOND AMOUNT (direct + indirect) = \$1,315,252

TRUCK/LOADER TEAM WORKTask description: **Regrading**Site: **Chieftain South Mine**Permit Action: 2024 Bond CalculationPermit/Job#: M1981148**PROJECT IDENTIFICATION**Task #: 011State: ColoradoAbbreviation: NoneDate: 9/20/2024County: JeffersonFilename: M148-011User: BEHAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Shift basis: 1 per day

	Equipment Description
Truck Loader Team -Truck:	Cat 730
-Loader:	CAT 950H
Support Equipment -Load Area:	NA
-Dump Area:	Cat D8T - 8SU
Road Maintenance –Motor Grader:	NA
-Water Truck:	NA

Cost Breakdown:**Truck/Loader Team****Support Equipment****Maintenance Equipment**

	Truck	Loader	Load Area	Dump Area	Motor Grader	Water Truck
%Utilization-machine:	100	100	NA	100	NA	NA
Ownership cost/hour:	\$108.67	\$36.61	NA	\$173.32	NA	NA
Operating cost/hour:	\$66.26	\$35.43	NA	\$109.71	NA	NA
%Utilization-riper:	NA	0	NA	NA	NA	NA
Ripper own. cost/hour:	NA	\$0.00	NA	\$0.00	NA	NA
Ripper op. cost/hour:	NA	\$0.00	NA	\$0.00	NA	NA
Operator cost/hour:	\$24.82	\$56.64	NA	\$40.04	NA	NA
Unit Subtotals:	\$199.75	\$128.68	NA	\$323.07	NA	NA
Number of Units:	2	1	0	1	0	0
Group Subtotals:	Work: \$528.18		Support: \$323.07		Maint: \$0.00	

Total work team cost/hour: **\$851.25****MATERIAL QUANTITIES**Initial volume: 341,435

CCY

Swell factor: 1.090Loose volume: **372,164**

LCY

Source of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookMaterial Purchase Cost: \$0.00Total Cost: \$0.00**HOURLY PRODUCTION****Truck Capacity:****Truck Payload (weight) Basis:**Material weight: 2,400

Pounds/LCY

Description: Clay and gravel - DryRated Payload: 62,000

Pounds

Payload Capacity: 25.83

LCY

Truck Bed (volume) Basis:

Struck Volume:	17.10	LCY
Heaped Volume:	22.10	LCY
Average Volume:	19.60	LCY
Adjusted Volume:	22.10	LCY

Final Truck Volume Based on Number of Loader Passes: **18.06** LCY

Loading Tool Capacity

Bucket Size Class: NA

Rated Capacity:	4.300	LCY (heaped)
Bucket Fill Factor:	1.050	Moist loam or sandy clay (100% - 110%) 1.050
Adjusted Capacity:	4.515	LCY

Job Condition Corrections:

Site Altitude (ft.): 6000 feet

	Truck	Loader	Source
Altitude Adj:	1.000	1.000	(CAT HB)
Job Efficiency:	0.830	0.830	(CAT HB)
Net Correction:	0.830	0.830	

Loading Tool Cycle Time: Number of Loading Tool Passes Required to Fill Truck: 4 passes

Excavators and Front Shovels:

Machine Cycle Time vs. Job Condition Rating: NA
 Selected Value within this Basic Rating: NA

Track Loaders – Material Description: _____

Cycle Time Elements (min.):

Load: NA Maneuver: NA Dump: 0.100

Wheel and Track Loaders - Unadjusted Basic Loader Cycle Time (load, dump, maneuver): 0.500 minutes

Cycle Time Factors		Factor (min.)	Source
Material:	Mixed material 0.02	0.020	(Cat HB)
Stockpile:	Dumped by truck 0.02	0.020	(Cat HB)
Truck Ownership:	Common ownership of trucks and loaders -0.04	-0.040	(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 Loader Cycle Time:		0.460	minutes
Net Load Time per Truck:		1.480	minutes

Truck Cycle Time:

Truck Exchange Time:	0.60	Minutes	Adjusted for site altitude:	0.600	Minutes
Truck Load Time:	1.480	Minutes	Adjusted for site altitude:	1.480	Minutes
Truck Maneuver and Dump Time:	1.00	Minutes	Adjusted for site altitude:	1.000	Minutes

Truck Travel (Haul & Return) Time:
maintained 3.0

Road Condition: Firm, smooth, rolling, dirt/lt. surfaced, watered,

Haul Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	1000.00	0.00	3.00	3.00	2183	0.722

Haul Time: **0.722** minutes

Return Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	1000.00	0.00	3.00	3.00	2936	0.495

Return Time: **0.495** minutesTotal Truck Cycle Time: **4.297** minutes

Loading Tool unit

Production 520.96 LCY/Hour Adjusted for job efficiency: 432.40 LCY/Hour
Truck Unit Production 252.18 LCY/Hour Adjusted for job efficiency: 209.31 LCY/Hour

Optimal No. of Trucks: 2 Truck(s) Selected Number of Trucks: 2 Truck(s)

Adjusted hourly truck team production: 418.61 LCY/Hour
Adjusted single truck/loader team production: 418.61 LCY/Hour
Adjusted multiple truck/loader team production: **418.61** LCY/Hour

JOB TIME AND COSTFleet size: 1 Team(s) Total job time: **889.04** HoursUnit cost: \$2.034 /LCY Total job cost: **\$756,798**

REVEGETATION WORKTask description: Revegetating affected areaSite: Chieftain South MinePermit Action: 2024 Bond CalculationPermit/Job#: M1981148**PROJECT IDENTIFICATION**Task #: 012State: ColoradoAbbreviation: NoneDate: 9/20/2024County: JeffersonFilename: M148-012User: BEHAgency 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}	\$102.41
Total Tilling Cost/Acre	\$102.41

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Little Bluestem - Native	1.00	5.97	\$15.39
Sideoats Grama - Butte	1.00	3.28	\$24.16
Intermediate Wheatgrass - Oahe	4.00	8.54	\$18.58
Pubescent Wheatgrass - Greenleaf	3.50	7.23	\$16.66
Slender Wheatgrass - Native	3.00	10.95	\$21.19
Wheat, Winter - Tam 107	4.00	3.67	\$2.16
Totals Seed Mix	16.50	39.65	\$98.14

Application

Description	Cost /Acre
Drill Seeding (DRMS Survey Cost)	\$236.64
Total Seed Application Cost/Acre	\$236.64

MULCHING and MISCELLANEOUS

Materials

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Hay, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$492.78	\$985.56
Total Mulch Materials Cost/Acre				\$985.56

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$85.37
Total Mulch Application Cost/Acre	\$85.37

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:	<u>63</u>	Cost /Acre:	<u>\$1,508.12</u>
Estimated Failure Rate:	<u>20%</u>	Cost /Acre*:	<u>\$334.78</u>
*Selected Replanting Work Items:	<u>SEEDING</u>		
Initial Job Cost:	<u>\$95,011.56</u>		
Reseeding Job Cost:	<u>\$4,218.23</u>		
Total Job Cost:	<u>\$99,230</u>		
Job Hours:	63.00		

TRUCK/LOADER TEAM WORKTask description: Topsoil SpreadingSite: Chieftain South MinePermit Action: 2024 Bond CalculationPermit/Job#: M1981148**PROJECT IDENTIFICATION**Task #: 013State: ColoradoAbbreviation: NoneDate: 9/20/2024County: JeffersonFilename: M148-013User: BEHAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Shift basis: 1 per day

Equipment Description	
Truck Loader Team -Truck:	Cat 730
-Loader:	CAT 950H
Support Equipment -Load Area:	NA
-Dump Area:	Cat D8T - 8SU
Road Maintenance –Motor Grader:	NA
-Water Truck:	NA

Cost Breakdown:**Truck/Loader Team****Support Equipment****Maintenance Equipment**

	Truck	Loader	Load Area	Dump Area	Motor Grader	Water Truck
%Utilization-machine:	100	100	NA	100	NA	NA
Ownership cost/hour:	\$108.67	\$36.61	NA	\$173.32	NA	NA
Operating cost/hour:	\$66.26	\$35.43	NA	\$109.71	NA	NA
%Utilization-riper:	NA	0	NA	NA	NA	NA
Ripper own. cost/hour:	NA	\$0.00	NA	\$0.00	NA	NA
Ripper op. cost/hour:	NA	\$0.00	NA	\$0.00	NA	NA
Operator cost/hour:	\$24.82	\$56.64	NA	\$40.04	NA	NA
Unit Subtotals:	\$199.75	\$128.68	NA	\$323.07	NA	NA
Number of Units:	2	1	0	1	0	0
Group Subtotals:	Work: \$528.18		Support: \$323.07		Maint: \$0.00	

Total work team cost/hour: \$851.25**MATERIAL QUANTITIES**Initial volume: 74,000

CCY

Swell factor: 1.090Loose volume: 80,660

LCY

Source of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookMaterial Purchase Cost: \$0.00Total Cost: \$0.00**HOURLY PRODUCTION****Truck Capacity:**Truck Payload (weight) Basis:Material weight: 2,400

Pounds/LCY

Description: Clay and gravel - DryRated Payload: 62,000

Pounds

Payload Capacity: 25.83

LCY

Truck Bed (volume) Basis:

Struck Volume:	17.10	LCY
Heaped Volume:	22.10	LCY
Average Volume:	19.60	LCY
Adjusted Volume:	22.10	LCY

Final Truck Volume Based on Number of Loader Passes: **18.06** LCY

Loading Tool Capacity

Bucket Size Class: NA

Rated Capacity:	4.300	LCY (heaped)
Bucket Fill Factor:	1.050	Moist loam or sandy clay (100% - 110%) 1.050
Adjusted Capacity:	4.515	LCY

Job Condition Corrections:

Site Altitude (ft.): 6000 feet

	Truck	Loader	Source
Altitude Adj:	1.000	1.000	(CAT HB)
Job Efficiency:	0.830	0.830	(CAT HB)
Net Correction:	0.830	0.830	

Loading Tool Cycle Time: Number of Loading Tool Passes Required to Fill Truck: 4 passes

Excavators and Front Shovels:

Machine Cycle Time vs. Job Condition Rating: NA
 Selected Value within this Basic Rating: NA

Track Loaders – Material Description: _____

Cycle Time Elements (min.):

Load: NA Maneuver: NA Dump: 0.100

Wheel and Track Loaders - Unadjusted Basic Loader Cycle Time (load, dump, maneuver): 0.500 minutes

Cycle Time Factors		Factor (min.)	Source
Material:	Mixed material 0.02	0.020	(Cat HB)
Stockpile:	Dumped by truck 0.02	0.020	(Cat HB)
Truck Ownership:	Common ownership of trucks and loaders -0.04	-0.040	(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 Loader Cycle Time:		0.460	minutes
Net Load Time per Truck:		1.480	minutes

Truck Cycle Time:

Truck Exchange Time:	0.60	Minutes	Adjusted for site altitude:	0.600	Minutes
Truck Load Time:	1.480	Minutes	Adjusted for site altitude:	1.480	Minutes
Truck Maneuver and Dump Time:	1.00	Minutes	Adjusted for site altitude:	1.000	Minutes

Truck Travel (Haul & Return) Time:
maintained 3.0

Road Condition: Firm, smooth, rolling, dirt/lt. surfaced, watered,

Haul Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	1000.00	0.00	3.00	3.00	2183	0.722

Haul Time: **0.722** minutes

Return Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	1000.00	0.00	3.00	3.00	2936	0.495

Return Time: **0.495** minutesTotal Truck Cycle Time: **4.297** minutes

Loading Tool unit
 Production 520.96 LCY/Hour
 Truck Unit Production
252.18 LCY/Hour
 Adjusted for job efficiency: 432.40 LCY/Hour
 Adjusted for job efficiency: 209.31 LCY/Hour
 Optimal No. of Trucks: 2 Truck(s)
 Selected Number of Trucks: 2 Truck(s)

Adjusted hourly truck team production: 418.61 LCY/Hour
 Adjusted single truck/loader team production: 418.61 LCY/Hour
 Adjusted multiple truck/loader team production: **418.61** LCY/Hour

JOB TIME AND COSTFleet size: 1 Team(s) Total job time: **192.68** HoursUnit cost: \$2.034 /LCY Total job cost: **\$164,023**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Equipment Mobilization**Site: **Chieftain South Mine**Permit Action: **2024 Bond Calculation**Permit/Job#: **M1981148****PROJECT IDENTIFICATION**Task #: **014**State: **Colorado**Abbreviation: **None**Date: **9/20/2024**County: **Jefferson**Filename: **M148-014**User: **BEH**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:	\$10.44	\$22.18	\$23.94
Operating Cost/Hour:	\$26.48	\$54.55	\$55.65
Operator Cost/Hour:	\$22.52	\$22.52	\$22.52
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$59.44	\$122.78	\$125.64

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	\$173.32	\$122.78	1	\$296.10	\$122.78	\$250.00
Cat 730	25.19	\$108.67	\$59.44	2	\$336.22	\$118.88	\$750.00
Drill/Broadcast Seeder with Tractor	25.00	\$41.02	\$59.44	1	\$100.46	\$59.44	\$250.00
CAT 950H	20.13	\$36.61	\$59.44	1	\$96.05	\$59.44	\$250.00

Subtotals: **\$828.83** **\$360.54** **\$1,500.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 1 T. Crew	\$24.60	1	\$24.60	\$24.60

Subtotals: **\$24.60** **\$24.60**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: LAKEWOOD
 Total one-way travel distance: 5.00 miles
 Average Travel Speed: 45.00 mph

Total Non-Roadable Mob/Demob Cost * \$4,093.13
 ** two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$5.47
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.11</u>	<u>0.11</u>
Return Time (Hours):	<u>0.11</u>	<u>0.11</u>
Loading Time (Hours):	<u>0.25</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.25</u>	<u>NA</u>
Subtotals:	<u>0.72</u>	<u>0.22</u>

JOB TIME AND COST

Total job time: 1.44 Hours

Total job cost: \$4,099