

October 24, 2024

Jodi Schreiber
PFM Consulting LLC
1774 N. Cougar Drive
Pueblo West, CO 81007

RE: McClave Ranch Pit, File No. M-2024-038, 112 Construction Materials Reclamation Permit Application, Adequacy Review #2

Ms. Schreiber:

The Division of Reclamation, Mining and Safety (Division) has completed its adequacy review #2 of your 112 Construction Materials Reclamation Permit Application submitted for the McClave Ranch Pit located in Bent County. All comment and review periods for the application began on July 29, 2024, when the application was called complete for filing purposes. A decision date extension was submitted and approved on October 23, 2024. The extended decision date for the application is currently set for November 11, 2024.

The Division's review consisted of comparing the application content with the requirements of the Mineral Rules and Regulations of the Colorado Mined Land Reclamation Board for the Extraction of Construction Materials. The Division has identified adequacy items in the application requiring clarification or additional information. These items are identified below under their respective exhibit heading and are numbered sequentially.

112c Application Form:

- 1) Please provide a revised page 1 and 2 of the 112c application form with the new proposed permit area of 111.3 acres, the updated location information, and the updated primary mine entrance location.

Exhibit A – Legal Description (Rule 6.4.1):

- 2) The legal description of the proposed mine provided in the revised Exhibit A states T25S. However, the revised Exhibit A/B map has T22S. Please make the necessary correction and ensure the legal description provided on page 2 of the application narrative matches the revised Exhibit A/B.

Exhibit C – Pre-Mining and Mining Plan Map(s) of Affected Lands (Rule 6.4.3):

For the Existing Conditions (Pre-Mining) Map:

- 3) Please provide a revised map that shows the owner of the power line located along the southern edge of CR JJ (previously identified as Southeast Colorado Power Association).



For the Mining Plan Map:

- 4) The revised Exhibit D map shows a series of 11 mine phases that are planned for the operation, with only the 10-acre Phase 1 mine area planned to be mined at this time. This contradicts the maximum proposed disturbance of 20 acres. Please revise this map to show the proposed 20 acres of disturbance, ensuring this acreage includes the proposed access road area (estimated to cover 0.26 acre based on the GPS coordinates provided).
- 5) Please label the permit boundary in the map legend.

Exhibit D – Mining Plan (Rule 6.4.4):

- 6) The proposed maximum disturbance at any time is 20 acres, including disturbances in mine phases 1 and 2. Therefore, please commit to submitting a Technical Revision to increase the maximum allowed disturbance and update the bond estimate accordingly prior to moving into another phase (or disturbing more than 20 acres).
- 7) The revised maps show the proposed access road to be constructed off County Road JJ to the east of the existing two-track dirt access road the Division observed during its 9/24/2024 site inspection. Please confirm the existing road located to the west of the proposed access road (outside of the proposed permit area) will not be modified or used by the operation in any way.
- 8) The applicant states the proposed new access road, approximately 50 feet wide and graveled, will remain for reclamation per the landowner's request. Please provide a signed letter from the landowner stating their desire for the road to remain.
- 9) The applicant states the proposed access road will be approximately 50 feet in width, but the approximate length was not provided. The Division understands the access road will extend as additional mine phases are initiated. However, the Division needs the approximate acreage for the road for the proposed 20 acres of disturbance (mine phases 1 and 2) so this acreage can be subtracted from the acreage requiring retopsoiling and revegetation for reclamation. If this information is not provided, the Division's bond estimate will include reclaiming the full 20 acres proposed (see enclosed bond estimate).

Exhibit E – Reclamation Plan (Rule 6.4.5):

- 10) The exhibit states that 3 inches of topsoil will be placed on affected surfaces. Please note that the Division has included costs for replacing 6 inches of topsoil in the enclosed bond estimate. This is based on the Division's experience with mined land reclamation in this region which typically requires a minimum of 6 inches of topsoil replacement to provide for the greatest probability of success in plant establishment and vegetation development in accordance with Rule 3.1.10(4).
- 11) As stated in item #9, the Division needs the approximate acreage for the road for the proposed 20 acres of disturbance (mine phases 1 and 2) so this acreage can be subtracted from the acreage requiring retopsoiling and revegetation for reclamation.

- 12) In response to the Division's item #31 in the preliminary adequacy review, the applicant refers to an attached weed management plan. The Division was not able to find this plan with the materials submitted. Please provide a weed management plan for the site.

Exhibit F – Reclamation Plan Map (Rule 6.4.6):

- 13) Please provide a revised reclamation plan map that includes a feature in the legend that identifies the permit boundary.

Exhibit H – Wildlife Information (Rule 6.4.8):

- 14) In response to the Division's item #39 in the preliminary adequacy review, the applicant refers to an attached weed management plan. The Division was not able to find this plan with the materials submitted. Please provide a weed management plan for the site.

Exhibit K – Climate (Rule 6.4.11):

- 15) Please include the average wind speeds for the area in the revised Exhibit K. This information was provided in a very small graphic included with the cover sheet submitted but needs to be provided in the applicable exhibit (in a legible format).

Exhibit Q – Proof of Mailing of Notices to Board of County Commissioners and Soil Conservation District (Rule 6.4.17):

- 16) In response to the Division's preliminary adequacy review item #56 regarding demonstration that notice of the application was sent to the local Soil Conservation District (SCD), the applicant stated, "This is confirmation of such." However, the Division requires proof that notice of the application was provided to the appropriate SCD, per Rule 6.4.17. Please provide this demonstration. It may be in the form of an emailed response from the SCD acknowledging receipt of the notice, proof of hand delivery, or a certified mail return receipt.

Exhibit S – Permanent Man-made Structures (Rule 6.4.19):

- 17) Please provide a notarized structure agreement with Lamar Light and Power. If this is unattainable, a notarized attempt for this agreement must be provided and then an appropriate engineering evaluation showing the structure shall not be damaged by mining activities must be submitted.

Additional Items:

- 18) The proposed 111.3 acre permit boundary is offset from the existing fence along its western and southern boundaries (based on the GPS coordinates provided), and no boundary markers were observed along the northern and eastern boundaries during the Division's 9/24/2024 site inspection. Therefore, please describe how the boundaries of the permit area will be marked in a manner that is clearly visible and adequate to delineate such boundaries, per Rule 3.1.12(2).

- 19) Please review the Division's enclosed bond estimate for the proposed operation and provide any comments by the deadline below.
- 20) In its response to the Division's preliminary adequacy review item # 58, the applicant stated "Please see the enclosed proof of filing with the Bent County Clerk and Recorder". However, the Division was unable to find this proof with the materials submitted. Please provide an affidavit or receipt indicating the date the (most up to date) revised application materials were placed with the local County Clerk and Recorder, per Rule 6.4.18.

This concludes the Division's adequacy review #2 of your application. Please ensure the Division sufficient time to complete its review process by responding to these adequacy items no later than one week prior to the decision date, by **November 4, 2024**. If additional time is needed to respond, you must submit an extension request to our office prior to the decision date.

If you have any questions, you may contact me by telephone at 720-793-3031, or by email at ursula.armstrong@state.co.us.

Sincerely,



Ursula Armstrong
Environmental Protection Specialist

Encl(s): Division's bond estimate

Cc: Ron Peterson, Premium Pellets LLC
Amy Eschberger, DRMS

COST SUMMARY WORK

Task description: Cost summary

Site: McClave Ranch Pit

Permit Action: New 112c App

Permit/Job#: M2024038

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 8/7/2024

County: Bent

Filename: M038-000

User: UEA

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Grade 200' highwall	DOZER	1	3.54	\$1,140
002	Rip 20 acres	RIPPER	1	29.31	\$10,087
003	Re-topsoil 20 acres	SCRAPER1	1	16.83	\$33,545
004	Reveg 20 acres	REVEGE	1	10.00	\$54,792
005	Mob/Demob	MOBILIZE	1	6.51	\$15,710
<u>SUBTOTALS:</u>				66.19	\$115,274

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$2,329

Performance bond: 1.05

Total = \$1,210

Job superintendent: 33.09

Total = \$2,623

Profit: 10.00

Total = \$11,527

TOTAL O & P = \$17,689

CONTRACT AMOUNT (direct + O & P) = \$132,963

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

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

Total = \$500

Engineering work and/or contract/bid preparation: 4.25

Total = \$5,651

Reclamation management and/or administration: 5.00

\$6,648

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$30,488

TOTAL BOND AMOUNT (direct + indirect) = \$145,762

BULLDOZER WORKTask description: **Grade 200' highwall**Site: **McClave Ranch Pit** Permit Action: **New 112c App** Permit/Job#: **M2024038****PROJECT IDENTIFICATION**

Task #: **001** State: **Colorado** Abbreviation: **None**
 Date: **8/7/2024** County: **Bent** Filename: **M038-001**
 User: **UEA**

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:	\$173.32	NA
Operating Cost/Hour:	\$109.71	100
Ripper own. Cost/Hour:	\$0.00	NA
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.59	NA

Total unit Cost/Hour: **\$321.62**
 Total Fleet Cost/Hour: **\$321.62**

MATERIAL QUANTITIES

Initial Volume: **1,111**
 Swell factor: **1.125**
 Loose volume: **1,250 LCY**

Source of estimated volume: **200' max length x 10' height 0:1 to 3:1**
 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: **Consolidated stockpile 1.0**

Average push gradient: **15 %**
 Average site altitude: **3,898 feet**

Material weight: **2,650 lbs/LCY**Weight description: **Decomposed rock - 25% Rock, 75% Earth****Job Condition Correction Factor**

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

Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.700	(FND-MF)
Push gradient:	0.666	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.2519

Adjusted unit production: 352.66 LCY/hr

Adjusted fleet production: **352.66** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.912/LCY

Total job time: **3.54** Hours

Total job cost: **\$1,140**

BULLDOZER RIPPING WORK

Task description: Rip 20 acres

Site: McClave Ranch Pit Permit Action: New 112c App Permit/Job#: M2024038

PROJECT IDENTIFICATION

Task #: 002 State: Colorado Abbreviation: None
Date: 8/7/2024 County: Bent Filename: M038-002
User: UEA

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:	<u>\$173.32</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$109.71</u>	<u>100</u>
Ripper Ownership Cost/Hour:	<u>\$14.53</u>	<u>NA</u>
Ripper Operating Cost/Hour:	<u>\$7.95</u>	<u>100</u>
Operator Cost/Hour:	<u>\$38.59</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$344.10</u>	
Total Fleet Cost/Hour:	<u>\$344.10</u>	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 20.00 acres Rip Depth (ft): 2.00 Volume: 64,533 BCY or CCY

Source of estimated quantity: 20 acres phase 1

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth:	<u>2.56</u>	<u>feet/pass</u>
Average Ripping Width:	<u>7.08</u>	<u>feet/pass</u>
Average Ripping Length:	<u>500.00</u>	<u>feet/pass</u>
Average Dozer Speed:	<u>88.00</u>	<u>feet/minute</u>
Average Maneuver Time:	<u>0.25</u>	<u>minutes/pass</u>
Production per unit area:	<u>0.822</u>	<u>acres/hour</u>

Job Condition Correction Factors

Unadjusted Hourly Unit Production:	<u>0.822</u>	<u>Acres/hr</u>
Site Altitude:	<u>3,898</u>	<u>feet</u>
Altitude Adj:	<u>1.00</u>	<u>(CAT HB)</u>
Job Efficiency:	<u>0.83</u>	<u>(1 shift/day)</u>
Net Correction:	<u>0.83</u>	<u>multiplier</u>

Adjusted Hourly Unit Production: 0.68 Acres/hr
Adjusted Hourly Fleet Production: **0.68** Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: **29.31** Hours

Unit cost: \$504.345 Per acre Total job cost: **\$10,087**

SCRAPER TEAM WORKTask description: **Re-topsoil 20 acres**Site: **McClave Ranch Pit**Permit Action: New 112c AppPermit/Job#: M2024038**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 8/7/2024County: BentFilename: M038-003User: UEAAgency or organization name: DRMS**HOURLY EQUIPMENT**COSTShift basis: 1 per day

Equipment Description	
-Scraper:	Cat 637G
-Dozer:	NA
Support Equipment -Load Area:	NA
-Dump Area:	Cat D8T - 8SU
Road Maintenance -Motor Grader:	CAT 16M
-Water Truck:	Water Tanker, 3,500 Gal.

Cost Breakdown:**Scraper Work Team****Support Equipment****Maintenance Equipment**

	Scraper	Dozer	Load Area	Dump Area	Motor Grader	Water Truck
%Utilization-machine:	100	NA	NA	50	50	50
Ownership cost/hour:	\$329.66	NA	NA	\$173.32	\$179.39	\$17.11
Operating cost/hour:	\$347.48	NA	NA	\$54.86	\$59.82	\$18.40
%Utilization-ripper:	NA	NA	NA	NA	50	NA
Ripper own. cost/hour:	NA	NA	NA	\$0.00	\$5.75	\$0.00
Ripper op. cost/hour:	NA	NA	NA	\$0.00	\$2.09	\$0.00
Operator cost/hour:	\$30.90	NA	NA	\$38.59	\$27.76	\$0.00
Unit Subtotals:	\$708.04	NA	NA	\$266.76	\$274.81	\$35.51
Number of Units:	2	0	0	1	1	1
Group Subtotals:	Work: \$1,416.08		Support: \$266.76		Maint: \$310.32	

Total work team cost/hour: **\$1,993.16****MATERIAL QUANTITIES**Initial volume: 16,133

CCY

Swell factor: 1.215Loose volume: **19,602**

LCY

Source of estimated volume: 20 acres @ 6 in depthSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION****Scraper Bowl (volume) Basis:**

Material weight:	<u>1,600 lbs/LCY</u>	Struck Volume:	<u>24.00</u>	LCY
Material description:	<u>Top Soil</u>	Heaped Volume:	<u>34.00</u>	LCY
Rated Payload:	<u>81,600 pounds</u>	Average Volume:	<u>29.00</u>	LCY
Payload Capacity:	<u>51.00 LCY</u>	Adjusted Capacity:	<u>29.00</u>	LCY

Cycle Time:Scraper Loading Time: 0.80 MinutesManeuver and Spread Time: 0.60 MinutesJob Condition Correction:

Site Altitude: 3898 feet

	Scraper	Push Dozer	Source
Altitude Adj:	1.000	NA	(CAT HB)
Job Efficiency:	0.830	NA	(CAT HB)
Net Correction:	0.830	NA	

Travel Time:Road Condition: Firm, smooth, rolling, dirt/lt. surfaced, watered, maintained 3.0Haul Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	1000.00	2.00	3.00	5.00	1867	0.63

Haul Time: 0.63 minutesReturn Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	1000.00	-2.00	3.00	1.00	2963	0.45

Return Time: 0.45 minutesTotal Scraper team cycle time: 2.48 minutesAdjusted for job conditions: 582.34 LCY/HourSelected Number of Scrapers: 2 Scraper(s)Adjusted single scraper team (unit) hourly production: 1,164.68 LCY/HourAdjusted multiple scraper team (fleet) hourly production: 1,164.68 LCY/HourUnadjusted unit production/hour: 701.61 LCY/Hour

Optimal Number of Scrapers per push dozer: _____

JOB TIME AND COSTFleet size: 1 Team(s)Total job time: 16.83 HoursUnit cost: \$1.711 /LCYTotal job cost: \$33,545

REVEGETATION WORKTask description: Reveg 20 acresSite: McClave Ranch PitPermit Action: New 112c AppPermit/Job#: M2024038**PROJECT IDENTIFICATION**Task #: 004State: ColoradoAbbreviation: NoneDate: 8/7/2024County: BentFilename: M038-004User: UEAAgency 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
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$117.61
Total Tilling Cost/Acre	\$117.61

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Sand Lovegrass - Bend	0.15	5.17	\$2.61
Indian Ricegrass - Native	0.50	1.62	\$8.65
Sand Dropseed	0.15	17.91	\$1.95
Little Bluestem - Native	0.40	2.39	\$6.16
Sideoats Grama - Vaughn	0.50	1.64	\$12.30
Western Wheatgrass - Arriba	2.00	5.05	\$18.07
Needlegrass, Green - Lodorm	0.50	2.08	\$4.32
Totals Seed Mix	4.20	35.85	\$54.05

Application

Description	Cost /Acre
Broadcast seeding [DMG]	\$272.56
Total Seed Application Cost/Acre	\$272.56

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Straw, delivered {MEANS 31 25 14.16 1200}	4.00	TON	\$492.78	\$1,971.12
Total Mulch Materials Cost/Acre				\$1,971.12

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$85.37
Power mulcher (MEANS 32 91 13.16 0350)	\$157.25
Total Mulch Application Cost/Acre	\$242.63

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: 20 Cost /Acre: \$2,657.97
 Estimated Failure Rate: 25% Cost /Acre*: \$326.61
 *Selected Replanting Work Items: SEEDING

Initial Job Cost: **\$53,159.40**
 Reseeding Job Cost: **\$1,633.05**
 Total Job Cost: **\$54,792**
 Job Hours: **10.00**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mob/Demob**Site: **McClave Ranch Pit**Permit Action: **New 112c App**Permit/Job#: **M2024038****PROJECT IDENTIFICATION**Task #: **005**State: **Colorado**Abbreviation: **None**Date: **8/7/2024**County: **Bent**Filename: **M038-005**User: **UEA**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 D8T - 8SU	53.08	\$187.85	\$125.64	1	\$313.49	\$125.64	\$250.00
Cat 637G	57.28	\$329.66	\$125.64	2	\$910.60	\$251.28	\$500.00
CAT 16M	28.73	\$185.14	\$122.78	1	\$307.92	\$122.78	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$41.02	\$59.44	1	\$100.46	\$59.44	\$250.00
Power Mulcher (Bowie LD-90)	6.00	\$27.21	\$59.44	1	\$86.65	\$59.44	\$250.00

Subtotals: **\$2,015.22** **\$741.36** **\$1,750.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Water Tanker, 3,500 Gal.	\$53.90	1	\$53.90	\$53.90
Light Duty Pickup, 4x4, 3/4 T.	\$13.77	1	\$13.77	\$13.77

Subtotals: **\$67.67** **\$67.67**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: LAMAR, CO
 Total one-way travel distance: 17.00 miles
 Average Travel Speed: 45.00 mph

Total Non-Roadable Mob/Demob Cost * \$15,658.85
 ** two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$51.13
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.38	0.38
Return Time (Hours):	0.38	0.38
Loading Time (Hours):	1.25	NA
Unloading Time (Hours):	1.25	NA
Subtotals:	3.26	0.76

JOB TIME AND COST

Total job time: 6.51 Hours

Total job cost: \$15,710