



January 13, 2025

Harry Colborn
Badger Hole LLC
10889 Co Rd 320
Rifle, CO 81650

RE: JOKER PLACER PROJECT, FILE NO. P-2024-015, BADGER HOLE LLC, NOTICE OF INTENT TO CONDUCT EXPLORATION OPERATIONS, DEFECIENCY REVIEW NO. 3

Dear Harry Colborn:

On December 9, 2024, the Division of Reclamation, Mining and (Division) received and reviewed your responses to our December 9, 2024 deficiency letter. Please address the following items:

1. *Resolved.*
2. *Resolved.*
3. *Resolved.*
4. The Division understands that Mr. Colborn will be purchasing the L.R. Smith Investments LLC properties to the west and east of the proposed prospecting site. Until such date, proof of Right of Entry via an easement agreement has been provided with the original application. Therefore, this item is currently *Resolved*. Updated proof of Right of Entry will need to be submitted to the Division when Mr. Colborn's acquisition is confirmed.

Financial Warranty:

The Division has performed a reclamation cost estimate to reclaim the proposed 2 acres of disturbance for the Joker Placer Project. The total value of this estimate is \$8,734.00 (see attached cost estimate). The Division respectfully requests a response from Badger Hole LLC with any questions regarding the cost estimate or an acceptance of the Division's estimate.

Pursuant to Rule 5.1.3(c) of the Hard Rock/Metal Mining Rules and Regulations, all adequacy items must be addressed by **February 7, 2025**. If this date arrives and the adequacy concerns have not been addressed and/or the additional financial warranty has not been submitted and accepted by the Division, the NOI will be denied. Please note that prospecting operations may not begin until authorized by the Division and until the Plan of Operations has been approved by the Bureau of Land Management.

If you require additional information, or have questions or concerns, please feel free to contact me at 720-868-7757 or hunter.ridley@state.co.us



Sincerely,
Hunter C. Ridley

A handwritten signature in blue ink that reads "Hunter Ridley". The signature is written in a cursive style with a large, stylized 'H' and 'R'.

Environmental Protection Specialist
CC: Zach Trujillo, DRMS

COST SUMMARY WORK

Task description: _____

Site: Joker Placer Project

Permit Action: New Application

Permit/Job#: P2024015

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 11/14/2024

County: Moffat

Filename: P015-000

User: HR1

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Mob / Demob	MOBILIZE	1	6.22	\$2,474
002	Fill in 10 test holes	DOZER	1	0.46	\$51
003	Spread topsoil over 2 acres of disturbance	DOZER	1	4.88	\$543
004	Reveg test pits, equip storage, trommel areas	REVEGE	1	2.00	\$3,668
005	Reveg 400' of new paths, 6.5 ft wide	REVEGE	1	1.00	\$110
<u>SUBTOTALS:</u>				14.56	\$6,846

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$138

Performance bond: 1.05

Total = \$72

Job superintendent: 7.28

Total = \$577

Profit: 10.00

Total = \$685

TOTAL O & P = \$1,472

CONTRACT AMOUNT (direct + O & P) = \$8,318

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

\$416

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$1,888

TOTAL BOND AMOUNT (direct + indirect) = \$8,734

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mob / Demob**Site: **Joker Placer Project**Permit Action: **New Application**Permit/Job#: **P2024015****PROJECT IDENTIFICATION**Task #: **001**State: **Colorado**Abbreviation: **None**Date: **11/14/2024**County: **Moffat**Filename: **P015-001**User: **HR1**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 D5N LGP - 5P	11.47	\$39.33	\$59.44	1	\$98.77	\$59.44	\$250.00
CAT 12M	16.01	\$69.16	\$59.44	1	\$128.60	\$59.44	\$250.00

Subtotals: **\$227.37** **\$118.88** **\$500.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Drill/Broadcast Seeder with Tractor	\$79.16	1	\$79.16	\$79.16
Power Mulcher (Bowie LD-90)	\$58.47	1	\$58.47	\$58.47
Light Duty Pickup, 4x4, 1 T. Crew	\$24.60	1	\$24.60	\$24.60

Subtotals: **\$162.23** **\$162.23**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: CRAIG
 Total one-way travel distance: 25.00 miles
 Average Travel Speed: 45.00 mph

Total Non-Roadable Mob/Demob Cost * \$2,294.20
 ** two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$180.26
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.56</u>	<u>0.56</u>
Return Time (Hours):	<u>0.56</u>	<u>0.56</u>
Loading Time (Hours):	<u>1.00</u>	<u>NA</u>
Unloading Time (Hours):	<u>1.00</u>	<u>NA</u>
Subtotals:	<u>3.11</u>	<u>1.11</u>

JOB TIME AND COST

Total job time: 6.22 Hours

Total job cost: \$2,474

BULLDOZER WORKTask description: Fill in 10 test holesSite: Joker Placer Project Permit Action: New Application Permit/Job#: P2024015**PROJECT IDENTIFICATION**

Task #: 002 State: Colorado Abbreviation: None
 Date: 11/14/2024 County: Moffat Filename: P015-002
 User: HR1

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

Basic Machine: Cat D5K2 XL - 5P
 Horsepower: 96
 Blade Type: Power Angle Tilt
 Attachment: NA
 Shift Basis: 1 per day
 Data Source: (CRG)

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$41.91</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$30.74</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>\$38.59</u>	<u>NA</u>

Total unit Cost/Hour: \$111.24
 Total Fleet Cost/Hour: \$111.24

MATERIAL QUANTITIES

Initial Volume: 100
 Swell factor: 1.000
 Loose volume: 100 LCY

Source of estimated volume: Ten 10 CY test pits
 Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTION

Average push distance: 50 feet
 Unadjusted hourly production: 464.3 LCY/hr

Materials consistency description: Loose stockpile 1.2

Average push gradient: 5 %
 Average site altitude: 7,000 feet

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

		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>1.200</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:	0.903	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.4684

Adjusted unit production: 217.48 LCY/hr

Adjusted fleet production: **217.48** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.511/LCY

Total job time: **0.46** Hours

Total job cost: **\$51**

BULLDOZER WORKTask description: Spread topsoil over 2 acres of disturbanceSite: Joker Placer ProjectPermit Action: New ApplicationPermit/Job#: P2024015**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 11/14/2024County: MoffatFilename: P015-003User: HR1Agency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D5K2 XL - 5PHorsepower: 96Blade Type: Power Angle TiltAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$41.91	NA
Operating Cost/Hour:	\$30.74	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: \$111.24Total Fleet Cost/Hour: \$111.24**MATERIAL QUANTITIES**Initial Volume: 1,076Swell factor: 1.215Loose volume: 1,307 LCYSource of estimated volume: 4 inches over 2 acres, Form item #3Source of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 75 feetUnadjusted hourly production: 376.8 LCY/hrMaterials consistency description: Partly consolidated stockpile 1.1Average push gradient: 5 %Average site altitude: 7,000 feetMaterial weight: 1,600 lbs/LCYWeight description: Top Soil**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.100	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	1.000	(AVG.)

Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(FND-RF)
Push gradient:	0.903	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.7113

Adjusted unit production: 268.02 LCY/hr

Adjusted fleet production: **268.02** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.415/LCY

Total job time: **4.88** Hours

Total job cost: **\$543**

REVEGETATION WORKTask description: Reveg test pits, equip storage, trommel areasSite: Joker Placer ProjectPermit Action: New ApplicationPermit/Job#: P2024015**PROJECT IDENTIFICATION**Task #: 004State: ColoradoAbbreviation: NoneDate: 11/14/2024County: MoffatFilename: P015-004User: HR1Agency 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
	\$
Total Tilling Cost/Acre	\$0.00

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Native	4.30	13.92	\$74.36
Sandberg Bluegrass - VNS	0.56	11.89	\$8.09
Milk Vetch, Cicer - Monarch	1.30	4.33	\$12.42
Vetch, American	5.28	2.39	\$650.05
Needle and Thread	2.18	5.76	\$177.51
Western Wheatgrass - Native	6.12	15.45	\$55.11
Yarrow, Western	0.06	3.65	\$2.89
Bluebunch Wheatgrass - Goldar	4.98	16.01	\$57.07

Totals Seed Mix	24.78	73.39	\$1,037.51
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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
			\$	\$
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:	2	Cost /Acre:	\$1,310.07
Estimated Failure Rate:	40%	Cost /Acre*:	\$1,310.07
*Selected Replanting Work Items:	SEEDING		

Initial Job Cost:	\$2,620.14
Reseeding Job Cost:	\$1,048.06
Total Job Cost:	\$3,668
Job Hours:	2.00

REVEGETATION WORKTask description: Reveg 400' of new paths, 6.5 ft wideSite: Joker Placer ProjectPermit Action: New ApplicationPermit/Job#: P2024015**PROJECT IDENTIFICATION**Task #: 005State: ColoradoAbbreviation: NoneDate: 11/14/2024County: MoffatFilename: P015-005User: HR1Agency 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
	\$
Total Tilling Cost/Acre	\$0.00

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Native	4.30	13.92	\$74.36
Sandberg Bluegrass - VNS	0.56	11.89	\$8.09
Milk Vetch, Cicer - Monarch	1.30	4.33	\$12.42
Vetch, American	5.28	2.39	\$650.05
Needle and Thread	2.18	5.76	\$177.51
Western Wheatgrass - Native	6.12	15.45	\$55.11
Yarrow, Western	0.06	3.65	\$2.89
Bluebunch Wheatgrass - Goldar	4.98	16.01	\$57.07

Totals Seed Mix	24.78	73.39	\$1,037.51
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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
			\$	\$
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:	<u>0.06</u>	Cost /Acre:	<u>\$1,310.07</u>
Estimated Failure Rate:	<u>40%</u>	Cost /Acre*:	<u>\$1,310.07</u>
*Selected Replanting Work Items:	<u>SEEDING</u>		

Initial Job Cost:	<u>\$78.60</u>
Reseeding Job Cost:	<u>\$31.44</u>
Total Job Cost:	<u>\$110</u>
Job Hours:	<u>1.00</u>