



January 13, 2025

George Glasier
Pinon Ridge Mining LLC
P O Box 825
31161 Highway 90
Nucla, CO 81424

Re: Carnation Mine - File No. M-1977-416
 Pinon Ridge Mining LLC
 Surety Increase (SI-3)
 Surety Increase

Dear George Glasier:

On January 13, 2025 the Division of Reclamation, Mining and Safety increased the current Financial Warranty for this permit to \$54,849.00, in accordance with Rule 4.2.1 of the Rules and Regulations. This is an increase of \$14,604.00.

Regular Surety Increase based on inspection and inflationary updates.

Please see the November 13, 2024 inspection report for details regarding why this surety increase is required.

On January 13, 2025, the Division ordered amendment of the current Financial Warranty or submittal of a new Financial Warranty reflecting the increase, within 60 days.

Please make arrangements with Sara M. Stevenson-Benn at the Division's Denver office for submittal of the financial warranty. Any other questions regarding completion, execution and/or submittal of financial warranty forms should also be directed to Sara M. Stevenson-Benn by telephone at (303) 866-3567, or by email at Sara.stevenson-benn@state.co.us.

The Permittee for this site may be scheduled for a Formal Board Hearing for possible revocation of the permit if the amount of any increased Financial Warranty has not been provided by March 14, 2025.

Bond Held:	\$40,245.00
Prior Liability:	\$40,245.00



Change in Liability:	\$14,604.00
Revised Liability:	\$54,849.00
Prior Permit Acreage:	9.80
Change in Permit Acreage:	0.00
Revised Permit Acreage:	9.80
Prior Affected Acreage:	9.80
Change in Affected Acreage:	0.00
Revised Affected Acreage:	9.80

If you have any questions, please contact me by telephone at (303) 919-2997, or by email at Lucas.west@state.co.us.

Sincerely,



Lucas J. West
Environmental Protection Specialist

COST SUMMARY WORK

Task description: Cost Summary

Site: Carnation Mine

Permit Action: 2024 Update

Permit/Job#: M1977416

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 11/26/2024

County: San Miguel

Filename: M416-000

User: LJW

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Portal closure (backfilling)	MINESEAL	1	24.00	\$30,625
002	Grading pad and shoulder of dump	DOZER	1	2.09	\$1,010
003	Ripping compaction on mine roads and dumps	RIPPER	1	2.87	\$1,394
004	Revegetate 3.1 acre disturbance	REVEGE	1	24.00	\$7,748
005	Haul reclamation equipment to and from site	MOBILIZE	1	6.00	\$3,355
<u>SUBTOTALS:</u>				58.96	\$44,132

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$891

Performance bond: 1.05

Total = \$463

Job superintendent: 29.48

Total = \$2,337

Profit: 10.00

Total = \$4,413

TOTAL O & P = \$8,105

CONTRACT AMOUNT (direct + O & P) = \$52,237

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

\$2,612

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$10,717

TOTAL BOND AMOUNT (direct + indirect) = \$54,849

SAFEGUARDING UNDERGROUND OPENINGS

Task description: **Portal closure (backfilling)**

Site: **Carnation Mine** Permit Action: 2024 Update Permit/Job#: M1977416

PROJECT IDENTIFICATION

Task #: 001 State: Colorado Abbreviation: None
Date: 11/26/2024 County: San Miguel Filename: M416-001
User: LJW

Agency or organization name: DRMS

UNIT COSTS

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Portal, place debris in adit	10x10	Adit closure - backfilling (per cu. yd.)	100.00	CY	\$43.75	\$4,375.00
Portal, 30 ft earthen backfill	10x10	Adit closure - backfilling (per cu. yd.)	600.00	CY	\$43.75	\$26,250.00

Job Hours: 24.00 **Total Cost:** \$30,625.00

BULLDOZER WORKTask description: **Grading pad and shoulder of dump**Site: **Carnation Mine**Permit Action: **2024 Update**Permit/Job#: **M1977416****PROJECT IDENTIFICATION**Task #: **002**State: **Colorado**Abbreviation: **None**Date: **11/26/2024**County: **San Miguel**Filename: **M416-002**User: **LJW**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D9T - 9SU**Horsepower: **405**Blade Type: **Semi-Universal**Attachment: **3-shank ripper**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$253.16	NA
Operating Cost/Hour:	\$164.35	100
Ripper own. Cost/Hour:	\$18.79	NA
Ripper op. Cost/Hour:	\$9.48	100
Operator Cost/Hour:	\$38.59	NA
Total unit Cost/Hour:	\$484.37	
Total Fleet Cost/Hour:	\$484.37	

MATERIAL QUANTITIESInitial Volume: **1,000**Swell factor: **1.000**Loose volume: **1,000 LCY**Source of estimated volume: **Division of Reclamation, Mining & Safety**Source of estimated swell
factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **100 feet**Unadjusted hourly
production: **1,243.2 LCY/hr**Materials consistency description: **Partly consolidated stockpile 1.1**Average push
gradient: **-5 %**Average site altitude: **5,800 feet**Material weight: **2,550 lbs/LCY**Weight description: **Sandstone****Job Condition Correction Factor**Operator Skill: **0.750**Source
(AVG.)

Material consistency:	1.100	(CAT HB)
Dozing method:	1.000	(GEN.)
Visibility:	0.800	(POOR)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.700	(FND-MF)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3857

Adjusted unit
production: 479.50 LCY/hr

Adjusted fleet
production: **479.5** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$1.010/LCY

Total job time: **2.09** Hours

Total job cost: **\$1,010**

BULLDOZER RIPPING WORK

Task description: Ripping compaction on mine roads and dumps

Site: Carnation Mine

Permit Action: 2024 Update

Permit/Job#: M1977416

PROJECT IDENTIFICATION

Task #: 003

State: Colorado

Abbreviation: None

Date: 11/26/2024

County: San Miguel

Filename: M416-003

User: LJW

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D9T - 9SU

Horsepower: 405

Ripper Attachment: 3-Shank Ripper

Shift Basis: 1 per day

Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$253.16	NA
Operating Cost/Hour:	\$164.35	100
Ripper Ownership Cost/Hour:	\$18.79	NA
Ripper Operating Cost/Hour:	\$9.48	100
Operator Cost/Hour:	\$38.59	NA
Total Unit Cost/Hour:	\$484.37	
Total Fleet Cost/Hour:	\$484.37	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA

Bank Volume: NA

BCY NA

Area: 2.00 acres

Rip Depth (ft): 1.50

Volume: 4,840

BCY or CCY

Source of estimated quantity: EPP

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth:	<u>2.63</u>	feet/pass
Average Ripping Width:	<u>7.67</u>	feet/pass
Average Ripping Length:	<u>200.00</u>	feet/pass
Average Dozer Speed:	<u>88.00</u>	feet/minute
Average Maneuver Time:	<u>0.25</u>	minutes/pass
Production per unit area:	<u>0.838</u>	acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.838 Acres/hr

Site Altitude: 5,800 feet

Altitude Adj: 1.00 (CAT HB)

Job Efficiency: 0.83 (1 shift/day)

Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.70 Acres/hr

Adjusted Hourly Fleet Production: 0.70 Acres/hr

JOB TIME AND COST

Fleet size: 1

Grader(s)

Total job time: 2.88 Hours

Unit cost: \$696.756

Per acre

Total job cost: \$1,394

REVEGETATION WORKTask description: Revegetate 3.1 acre disturbanceSite: Carnation MinePermit Action: 2024 UpdatePermit/Job#: M1977416PROJECT IDENTIFICATIONTask #: 004State: ColoradoAbbreviation: NoneDate: 11/26/2024County: San MiguelFilename: M416-004User: LJWAgency 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
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
Indian Ricegrass - Nespar	3.00	9.71	\$51.66
Sand Dropseed	0.20	23.88	\$2.60
Crested Wheatgrass - Nordan	6.00	27.55	\$31.88
Western Wheatgrass - Arriba	6.00	15.15	\$54.20
Flax, Lewis Blue	0.50	3.32	\$21.15
Saltbush, Four Wing	4.00	5.51	\$79.49
Totals Seed Mix	19.70	85.11	\$240.99

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
Hay, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$492.78	\$985.56
Herbicide - 2,4D @ 1.0 pt/ac	3.10	ACRE	\$4.13	\$12.79
Total Mulch Materials Cost/Acre				\$998.35

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$85.37
Weed spray, hand, non-aquatic areas, ann. [DMG]	\$136.48
Total Mulch Application Cost/Acre	\$221.85

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: 3.1 Cost /Acre: \$1,851.36
 Estimated Failure Rate: 35% Cost /Acre*: \$1,851.36
 *Selected Replanting Work Items: TILLING,SEEDING,MULCHING

Initial Job Cost: \$5,739.22
 Reseeding Job Cost: \$2,008.73
 Total Job Cost: \$7,748
 Job Hours: 24.00

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Haul reclamation equipment to and from siteSite: Carnation MinePermit Action: 2024 UpdatePermit/Job#: M1977416**PROJECT IDENTIFICATION**Task #: 005State: ColoradoAbbreviation: NoneDate: 11/26/2024County: San MiguelFilename: M416-005User: LJWAgency 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:	\$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 D9T - 9SU	66.13	\$271.95	\$125.64	1	\$397.59	\$125.64	\$0.00
Drill/Broadcast Seeder with Tractor	25.00	\$41.02	\$59.44	1	\$100.46	\$59.44	\$0.00
Power Mulcher (Bowie LD-90)	6.00	\$27.21	\$59.44	1	\$86.65	\$59.44	\$250.00

Subtotals: **\$584.70** **\$244.52** **\$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.	\$13.77	1	\$13.77	\$13.77

Subtotals: **\$13.77** **\$13.77**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: NATURITA
 Total one-way travel distance: 40.00 miles
 Average Travel Speed: 40.00 mph

Total Non-Roadable Mob/Demob Cost * \$3,327.84
 ** two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$27.54
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>1.00</u>	<u>1.00</u>
Return Time (Hours):	<u>1.00</u>	<u>1.00</u>
Loading Time (Hours):	<u>0.50</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.50</u>	<u>NA</u>
Subtotals:	<u>3.00</u>	<u>2.00</u>

JOB TIME AND COST

Total job time: 6.00 Hours

Total job cost: \$3,355