



January 23, 2025

Mr. Matthew Mueller
Siloam Stone, Inc.
315 N. 7th St.
Canon City, CO 81212

RE: Pinon Mine, File No. M-1997-094, Problem Cited for Inadequate Financial Warranty

On December 5, 2024, the Bedrock Mine #1 was inspected by the Division of Reclamation, Mining and Safety (Division) and a recalculation of the required financial warranty was performed as part of the inspection. The current financial warranty held by the Division is \$8,300.00. Based on the Division's recalculation, the required financial warranty for completing reclamation at the site in accordance with the approved reclamation plan is estimated to be \$21,320.00 (see enclosed reclamation cost estimate). This is considered a problem with required corrective actions, as described below.

INSPECTION TOPIC: Financial Warranty

PROBLEM: The financial warranty is not adequate to reclaim the site in accordance with the approved reclamation plan. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) and Rule 4.2.1(1).

CORRECTIVE ACTIONS: The operator shall review the enclosed bond estimate and provide any comments or proof of reclamation completed by the corrective action deadline. Alternatively, the operator may submit a Technical Revision with the associated \$216 fee to revise the reclamation plan (e.g., reduce topsoil replacement depth) and include an updated bond estimate for all remaining reclamation at the site. In this case, the Division will reassess the required financial warranty through its review of the revision. If, by the corrective action deadline, no comments or a Technical Revision have been received, the Division will send a separate surety increase notice to the operator regarding the increase of the financial warranty. The operator will have 60 days from the date on the surety increase notice to post the additional financial warranty.

CORRECTIVE ACTION DUE DATE: February 13, 2025

Please note, for the Division to consider any comments provided by the operator in its reassessment of the reclamation cost estimate, they should include a description of specific reclamation tasks that have been completed, with these areas identified on a map(s). Any maps provided should include detailed information about the approximate location and acreage of each area where specific reclamation tasks have been completed, approximate volumes of existing overburden and/or topsoil stockpiles, locations and descriptions of the remaining reclamation work, and any other information that would be helpful in calculating the reclamation cost estimate.



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While the corrective action due date is February 13, 2025, the required items should be submitted to the Division with enough time for review to determine their adequacy in fulfilling the required action.

Please contact me with any questions or concerns about this letter by email at Jocelyn.carter@state.co.us or by phone at (720) 666-1065.

Sincerely,



Jocelyn Carter
Environmental Protection Specialist

Enclosure: Division's Reclamation Cost Estimate

Cc: Amy Eschberger, DRMS

COST SUMMARY WORK

Task description: Cost Summary

Site: Pinon Mine

Permit Action: 2024 Inspection

Permit/Job#: M1997094

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 12/19/2024

County: Pueblo

Filename: M094-000

User: JLC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Topsoil: 12-in over 2.70 acres	DOZER	1	10.65	\$2,335
002	Revegetation	REVEGE	1	12.00	\$11,670
003	Mobilization	MOBILIZE	1	3.34	\$1,932
<u>SUBTOTALS:</u>				25.99	\$15,937

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$322

Performance bond: 1.05

Total = \$167

Job superintendent: 13.09

Total = \$1,038

Profit: 10.00

Total = \$1,594

TOTAL O & P = \$3,121

CONTRACT AMOUNT (direct + O & P) = \$19,058

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

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

Total = \$500

Engineering work and/or contract/bid preparation: 4.25

Total = \$810

Reclamation management and/or administration: 5.00

\$953

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$5,383

TOTAL BOND AMOUNT (direct + indirect) = \$21,320

BULLDOZER WORKTask description: Topsoil: 12-in over 2.70 acresSite: Pinon MinePermit Action: 2024 InspectionPermit/Job#: M1997094**PROJECT IDENTIFICATION**Task #: 001State: ColoradoAbbreviation: NoneDate: 12/19/2024County: PuebloFilename: M094-001User: JLCAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D7R DS XR Series IIHorsepower: 240Blade Type: Semi-UniversalAttachment: 3-shank ripperShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$90.24</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$78.95</u>	<u>100</u>
Ripper own.		
Cost/Hour:	<u>\$9.25</u>	<u>NA</u>
Ripper op. Cost/Hour:	<u>\$0.78</u>	<u>15</u>
Operator Cost/Hour:	<u>\$40.04</u>	<u>NA</u>
Total unit Cost/Hour:	<u>\$219.26</u>	
Total Fleet Cost/Hour:	<u>\$219.26</u>	

MATERIAL QUANTITIESInitial Volume: 4,350Swell factor: 1.000Loose volume: 4,350 LCYSource of estimated volume: Division of Reclamation, Mining & Safety

Source of estimated swell

factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 150 feetUnadjusted hourly
production: 518.9 LCY/hrMaterials consistency description: Partly consolidated stockpile 1.1Average push
gradient: -5 %Average site altitude: 5,850 feetMaterial weight: 2,650 lbs/LCYWeight description: Decomposed rock - 25% Rock, 75% EarthJob Condition Correction FactorSource

Operator Skill:	0.900	(AB.AVG.)
Material consistency:	1.100	(CAT HB)
Dozing method:	1.100	(50% SL)
Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.900	(SSD-FC)
Push gradient:	1.115	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.7873

Adjusted unit
production: 408.53 LCY/hr
Adjusted fleet
production: **408.53** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.537/LCY

Total job time: **10.65** Hours
Total job cost: **\$2,335**

REVEGETATION WORKTask description: **Revegetation**Site: **Pinon Mine**Permit Action: 2024 InspectionPermit/Job#: M1997094**PROJECT IDENTIFICATION**Task #: 002State: ColoradoAbbreviation: NoneDate: 12/19/2024County: PuebloFilename: M094-002User: JLCAgency or organization name: DRMS**TILLING**

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$117.61
Weed control spraying (MEANS 31 31 16.13 3100)	\$338.80
Total Tilling Cost/Acre	\$456.41

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Blue Grama - Native	0.50	8.16	\$10.66
Sideoats Grama - Butte	3.00	9.85	\$72.47
Thickspike Wheatgrass - Critana	1.00	3.54	\$8.15
Western Wheatgrass - Barton	2.00	5.05	\$18.79
Needlegrass, Green - Lodorm	1.00	4.16	\$8.65
Prairie Junegrass	0.50	26.58	\$24.37
Totals Seed Mix	8.00	57.33	\$143.08

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
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JOB TIME AND COST

No. of Acres:	<u>6</u>	Cost /Acre:	<u>\$1,907.06</u>
Estimated Failure Rate:	<u>10%</u>	Cost /Acre*:	<u>\$379.72</u>
*Selected Replanting Work Items:	<u>SEEDING</u>		
Initial Job Cost:	<u>\$11,442.36</u>		
Reseeding Job Cost:	<u>\$227.83</u>		
Total Job Cost:	<u>\$11,670</u>		
Job Hours:	<u>12.00</u>		

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilization**Site: **Pinon Mine**Permit Action: **2024 Inspection**Permit/Job#: **M1997094****PROJECT IDENTIFICATION**Task #: **003**State: **Colorado**Abbreviation: **None**Date: **12/19/2024**County: **Pueblo**Filename: **003**User: **JLC**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 D7R DS XR Series II	35.93	\$99.49	\$122.78	1	\$222.27	\$122.78	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$41.02	\$59.44	1	\$100.46	\$59.44	\$250.00

Subtotals: **\$322.73** **\$182.22** **\$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:	<u>PUEBLO</u>	
Total one-way travel distance:	<u>35.00</u>	miles
Average Travel Speed:	<u>55.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$1,900.85</u>
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$31.31</u>
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.64</u>	<u>0.64</u>
Return Time (Hours):	<u>0.64</u>	<u>0.64</u>
Loading Time (Hours):	<u>0.20</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.20</u>	<u>NA</u>
Subtotals:	<u>1.67</u>	<u>1.27</u>

JOB TIME AND COST

Total job time:	<u>3.35</u>	Hours
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Total job cost:	<u>\$1,932</u>
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