



STATE OF
COLORADO

Simmons - DNR, Leigh <leigh.simmons@state.co.us>

C1980007, West Elk Mine, MR-489, Reclamation Cost Estimate

Simmons - DNR, Leigh <leigh.simmons@state.co.us>

Mon, Sep 8, 2025 at 3:06 PM

To: "Munz, Robert" <RobertMunz@coreresources.com>, "Stafford, Natalie" <NatalieStafford@coreresources.com>

Bob, Natalie,

Attached is the Division's Reclamation Cost Estimate for MR-489.

I assumed that there would be no additional cost for the gas characterization hole that will be converted to a MVB and has been previously bonded for.

The only task in the estimate is to plug and seal the three new holes, since the pad has already been bonded for. I followed a similar template that has been used for other MVBs. I used 1500' as the depth to plug, since I understand that is the approximate vertical depth to the B-seam at this location.

Please let me know if you'd like me to elaborate on any of the other assumptions made, or if you have any comments on the estimate.

If you concur, this will add \$88,805 to the required surety, taking the total to \$14,561,943. Since the Division currently holds \$15M no additional bond will be needed.

Leigh Simmons
Environmental Protection Specialist



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

P [720.220.1180](https://drms.colorado.gov/720.220.1180)

Physical address: 1313 Sherman Street, Room 215, Denver, CO 80203

Mailing address: Colorado Division of Reclamation, Mining and Safety, Room 215, 1001 E 62nd Avenue, Denver, CO 80216

leigh.simmons@state.co.us | <https://drms.colorado.gov>

RCE MR-489.pdf
255K

COST SUMMARY WORK

Task description: _____

Site: West Elk Mine

Permit Action: MR-489

Permit/Job#: C1980007

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 9/8/2025

County: Delta

Filename: C007-000

User: LDS

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	3 B-seam MVBs,B26-5A, B and C: plug and seal	BOREHOLE	1	36.00	\$72,117
<u>SUBTOTALS:</u>				36	\$72,117

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$1,457

Performance bond: 1.05

Total = \$757

Job superintendent: 18.00

Total = \$1,352

Profit: 10.00

Total = \$7,212

TOTAL O & P = \$10,778

CONTRACT AMOUNT (direct + O & P) = \$82,895

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0

Total = \$0

Engineering work and/or contract/bid preparation: 4.00

Total = \$3,316

Reclamation management and/or administration: 3.13

\$2,595

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$16,688

TOTAL BOND AMOUNT (direct + indirect) = \$88,805

BOREHOLE SEALING WORK

Task description: 3 B-seam MVBs,B26-5A, B and C: plug and seal

Site: West Elk Mine

Permit Action: MR-489

Permit/Job#: C1980007

PROJECT IDENTIFICATION

Task #: 001
Date: 9/8/2025
User: LDS

State: Colorado
County: Gunnison

Abbreviation: None
Filename: C007-001

Agency or organization name: DRMS

UNIT COSTS

Borehole Description	Sealing/Item Method	Diameter	Length	Quantity	Unit	Unit Cost	Total Cost
Bottom Plug	PVC plug - 10 in. diameter borehole	10"	0	3.00	EA	\$122.34	\$367.03
Fill Hole with Cement	Portland cement grout (Bag, material cost only...94 lb. bag)	10"	4500	2,134.00	bag	\$22.50	\$48,015.00
Cut Casing at Surface	Exposed casing removal - Calculate Circumference in Linear Feet	14"	11	11.00	LF	\$2.97	\$32.67
Borehole Marker	Borehole location/identification marker (EA, material cost only)	NA	NA	3.00	EA	\$46.00	\$138.00
Drill Rig Time	SCHRAMM T450WS	NA	NA	36.00	EA	\$600.08	\$21,602.88
Water Truck Time	Water Tanker, 2,500 Gal.	NA	NA	36.00	EA	\$54.49	\$1,961.64

Job Hours: 36.00

Total Cost: \$72,117.00