



November 20, 2025

Tony Majka
Oldcastle SW Group, Inc.
2273 River Road
Grand Junction, CO 81505

John Ary
Fremont Paving & Redi-Mix, Inc.
839 Mackenzie Ave.
Canon City, CO 81212

RE: Florence South Pit, Permit No. M-1988-093. Application for Succession of Operator (SO-1); Adequacy Review

Dear Mr. Majka and Mr. Ary,

On September 19, 2025, the Division of Reclamation, Mining, and Safety (Division/DRMS) filed the Request for Transfer of Mineral Permit and Succession of Operators application packet (SO-1) for Florence South Pit, Permit No. M-1988-093, located in Fremont County. A review of the SO-1 application and the following items require additional information/clarification. Please provide a response to the items with a cover letter and any additional documentation that may be required.

1. An inspection of the site was completed on October 29, 2025, and the reclamation cost estimate (RCE) was calculated based on the observed disturbances. The current financial warranty amount held by the Division is \$58,950.00. According to the Division's RCE calculation, this amount is not adequate to reclaim the disturbances. The required financial warranty is calculated to be \$167,888.00; this is an increase of \$108,938.00. The Division's RCE is attached to this letter for your review; provide the Division with any comments by December 4, 2025. At that time, if no response has been received, the Division will issue a Surety Increase (SI) and you will have 60 days from the date of the SI issuance to submit a new financial warranty.

This concludes the adequacy review of the SO-1 application. Please be advised that the SO-1 application may be denied if the financial warranty is not received within 60-days of the Division's issuance of the SI.

If you have any questions, please contact me by telephone at (720) 666-1065, or by email at Jocelyn.carter@state.co.us.



November 20, 2025
Florence South Pit
Permit No. M-1988-093
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Sincerely,



Jocelyn L. Carter
Environmental Protection Specialist
Division of Reclamation, Mining, and Safety

Enclosures: Division's Reclamation Cost Estimate

Ec: Amy Eschberger, DRMS
Sara Weimer, EHS, Oldcastle SW Group, Inc.

COST SUMMARY WORK

Task description: Cost Summary

Site: Florence South Pit

Permit Action: 2025 SO1

Permit/Job#: M1988093

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 11/18/2025

County: Fremont

Filename: M093-000

User: JLC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
100	Backfill Highwall, 600 ft L by 50 ft H	DOZER	2	105.40	\$72,954
101	Finish Grading 8.86 Acres	RIPPER	2	7.13	\$5,028
200	Spreading Topsoil, 8.86 acres, 5" depth	SCRAPER1	1	5.44	\$10,895
300	Reveg	REVEGE	1	11.25	\$22,434
400	Mob/Demob	MOBILIZE	1	7.70	\$16,540
<u>SUBTOTALS:</u>				136.92	\$127,851

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$2,583

Performance bond: 1.05

Total = \$1,342

Job superintendent: 68.46

Total = \$5,143

Profit: 10.00

Total = \$12,785

TOTAL O & P = \$21,854

CONTRACT AMOUNT (direct + O & P) = \$149,705

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

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

Total = \$500

Engineering work and/or contract/bid preparation: 4.25

Total = \$6,362

Reclamation management and/or administration: 5.00

\$7,485

CONTINGENCY: 3.00

Total = \$3,836

TOTAL INDIRECT COST = \$40,037

TOTAL BOND AMOUNT (direct + indirect) = \$167,888

BULLDOZER WORKTask description: **Backfill Highway, 600 ft L by 50 ft H**Site: **Florence South Pit**Permit Action: **2025 SO1**Permit/Job#: **M1988093****PROJECT IDENTIFICATION**Task #: **100**State: **Colorado**Abbreviation: **None**Date: **11/18/2025**County: **Fremont**Filename: **M093-100**User: **JLC**Agency or organization name: **DRMS****HOURLY EQUIPMENT COST**Basic Machine: **Cat D8T - 8SU**Horsepower: **310**Blade Type: **Semi-Universal**Attachment: **3-shank ripper**Shift Basis: **1 per day**Data Source: **(CRG)****Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$179.60	NA
Operating Cost/Hour:	\$110.45	100
Ripper own. Cost/Hour:	\$15.28	NA
Ripper op. Cost/Hour:	\$2.74	30
Operator Cost/Hour:	\$38.02	NA

Total unit Cost/Hour: **\$346.09**Total Fleet Cost/Hour: **\$692.17****MATERIAL QUANTITIES**Initial Volume: **55,556**Swell factor: **1.250**Loose volume: **69,445 LCY**Source of estimated volume: **Division of Reclamation, Mining & Safety**Source of estimated swell factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **75 feet**Unadjusted hourly production: **1,017.1 LCY/hr**Materials consistency description: **Consolidated stockpile 1.0**Average push gradient: **15 %**Average site altitude: **5,260 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:	0.900	(SSD-FC)
Push gradient:	0.666	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3239

Adjusted unit production: 329.44 LCY/hr

Adjusted fleet production: **658.88** LCY/hr

JOB TIME AND COST

Fleet size: 2 Dozer(s)

Unit cost: \$1.051/LCY

Total job time: **105.40** Hours

Total job cost: **\$72,954**

BULLDOZER RIPPING WORK

Task description: Finish Grading 8.86 Acres

Site: Florence South Pit

Permit Action: 2025 SO1

Permit/Job#: M1988093

PROJECT IDENTIFICATION

Task #: 101

State: Colorado

Abbreviation: None

Date: 11/18/2025

County: Fremont

Filename: M093-101

User: JLC

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU
Ripper Attachment: 3-Shank Ripper

Horsepower: 310

Shift Basis: 1 per day

Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$179.60	NA
Operating Cost/Hour:	\$110.45	100
Ripper Ownership Cost/Hour:	\$15.28	NA
Ripper Operating Cost/Hour:	\$9.14	100
Operator Cost/Hour:	\$38.02	NA
Total Unit Cost/Hour:	\$352.49	
Total Fleet Cost/Hour:	\$704.97	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 8.86 acres Rip Depth (ft): 0.50 Volume: 7,147 BCY or CCY

Source of estimated quantity: Original Reclamation Plan

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth: 2.56 feet/pass
Average Ripping Width: 7.08 feet/pass
Average Ripping Length: 150.00 feet/pass
Average Dozer Speed: 88.00 feet/minute
Average Maneuver Time: 0.25 minutes/pass
Production per unit area: 0.748 acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.748 Acres/hr
Site Altitude: 5,260 feet
Altitude Adj: 1.00 (CAT HB)
Job Efficiency: 0.83 (1 shift/day)
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.62 Acres/hr
Adjusted Hourly Fleet Production: 1.24 Acres/hr

JOB TIME AND COST

Fleet size: 2 Grader(s) Total job time: 7.13 Hours

Unit cost: \$567.449 Per acre Total job cost: \$5,028

SCRAPER TEAM WORKTask description: **Spreading Topsoil, 8.86 acres, 5" depth**Site: **Florence South Pit**Permit Action: 2025 SO1Permit/Job#: M1988093**PROJECT IDENTIFICATION**Task #: 200State: ColoradoAbbreviation: NoneDate: 11/18/2025County: FremontFilename: M093-200User: JLCAgency or organization name: DRMS**HOURLY EQUIPMENT**COSTShift basis: 1 per day

Equipment Description	
-Scraper:	Cat 637G w/push-pull
-Dozer:	Cat D8T - 8SU
Support Equipment -Load Area:	NA
-Dump Area:	NA
Road Maintenance -Motor Grader:	NA
-Water Truck:	NA

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

	Scraper	Dozer	Load Area	Dump Area	Motor Grader	Water Truck
%Utilization-machine:	100	100	NA	NA	NA	NA
Ownership cost/hour:	\$285.51	\$179.60	NA	NA	NA	NA
Operating cost/hour:	\$313.00	\$110.45	NA	NA	NA	NA
%Utilization-ripper:	NA	0	NA	NA	NA	NA
Ripper own. cost/hour:	NA	\$15.28	NA	NA	NA	NA
Ripper op. cost/hour:	NA	\$0.00	NA	NA	NA	NA
Operator cost/hour:	\$59.78	\$38.02	NA	NA	NA	NA
Unit Subtotals:	\$658.29	\$343.35	NA	NA	NA	NA
Number of Units:	2	2	0	0	0	0
Group Subtotals:	Work: \$2,003.28		Support:	\$0.00	Maint:	\$0.00

Total work team cost/hour: **\$2,003.28****MATERIAL QUANTITIES**Initial volume: 5,956

CCY

Swell factor: 1.250Loose volume: 7,445

LCY

Source of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION****Scraper Bowl (volume) Basis:**

Material weight: 2,650 lbs/LCY
 Material description: Decomposed rock - 25% Rock, 75% Earth
 Rated Payload: 81,600 pounds
 Payload Capacity: 30.79 LCY

Struck Volume: 24.00 LCY
 Heaped Volume: 34.00 LCY
 Average Volume: 29.00 LCY
 Adjusted Capacity: 29.00 LCY

Cycle Time:Scraper Loading Time: 1.00 MinutesManeuver and Spread Time: 0.60 MinutesJob Condition Correction:

Site Altitude: 5260 feet

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

Travel Time:Road Condition: Rutted dirt, little maintenance, no water, 1" tire penetration 4.0Haul Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	300.00	-10.00	4.00	-6.00	2192	0.20

Haul Time: 0.20 minutesReturn Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	300.00	10.00	4.00	14.00	1073	0.31

Return Time: 0.31 minutesTotal Scraper team cycle time: 2.11 minutesAdjusted for job conditions: 1,368.91 LCY/HourSelected Number of Scrapers: 2 Scraper(s)Adjusted single scraper team (unit) hourly production: 1,368.91 LCY/HourAdjusted multiple scraper team (fleet) hourly production: 1,368.91 LCY/HourUnadjusted unit production/hour: 1,649.29 LCY/Hour

Optimal Number of Scrapers per push dozer: _____

JOB TIME AND COSTFleet size: 1 Team(s)Total job time: 5.44 HoursUnit cost: \$1.463 /LCYTotal job cost: \$10,895

REVEGETATION WORKTask description: RevegSite: Fremont Paving & Redi-Mix
PitPermit Action: 2025 SO1Permit/Job#: M1988093**PROJECT IDENTIFICATION**Task #: 300
Date: 11/18/2025
User: JLCState: Colorado
County: FremontAbbreviation: None
Filename: M093-300Agency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Sodium nitrate, 16-0-0	40.00	pound	\$1.39	\$55.68
Superphosphate, 0-20-0 with 12% S	40.00	pound	\$0.73	\$29.11
			Total Fertilizer Materials Cost/Acre	\$84.79

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$46.17
Total Fertilizer Application Cost/Acre	\$46.17

TILLING

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$114.13
Total Tilling Cost/Acre	\$114.13

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Switchgrass - Blackwell	1.40	12.50	\$18.95
Blue Grama - Native	1.00	16.32	\$21.83
Indian Ricegrass - Native	5.00	16.18	\$88.53
Sideoats Grama - Vaughn	3.50	11.49	\$88.12
Yellow Sweet Clover - Madrid	0.60	3.58	\$2.78
Western Wheatgrass - Native	6.40	16.16	\$59.01
Totals Seed Mix	17.90	76.24	\$279.23

Application

Description	Cost /Acre
Broadcast seeding [DMG]	\$279.08
Total Seed Application Cost/Acre	\$279.08

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Hay, delivered	2.00	TON	\$504.56	\$1,009.12
Total Mulch Materials Cost/Acre				\$1,009.12

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$239.35
Total Mulch Application Cost/Acre	\$239.35

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: 8.86 Cost /Acre: \$2,051.87
 Estimated Failure Rate: 25% Cost /Acre*: \$1,920.91
 *Selected Replanting Work Items: TILLING,SEEDING,MULCHING

Initial Job Cost: **\$18,179.57**
 Reseeding Job Cost: **\$4,254.82**
 Total Job Cost: **\$22,434**
 Job Hours: **11.25**

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mob/Demob**Site: **Florence South Pit**Permit Action: **2025 SO1**Permit/Job#: **M1988093****PROJECT IDENTIFICATION**Task #: **400**State: **Colorado**Abbreviation: **None**Date: **11/18/2025**County: **Fremont**Filename: **M093-400**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:	\$21.47	\$38.32	\$48.96
Operating Cost/Hour:	\$31.47	\$60.11	\$65.86
Operator Cost/Hour:	\$22.52	\$22.52	\$22.52
Helper Cost/Hour:	\$0.00	\$22.25	\$22.25
Total Unit Cost/Hour:	\$75.46	\$143.20	\$159.59

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	53.08	\$194.88	\$159.59	2	\$708.94	\$319.18	\$500.00
Cat 637G w/push-pull	59.59	\$285.51	\$159.59	2	\$890.20	\$319.18	\$500.00
Drill/Broadcast Seeder with Tractor	25.00	\$5.99	\$75.46	2	\$162.90	\$150.92	\$500.00
Power Mulcher (Bowie LD-90)	6.00	\$29.91	\$75.46	1	\$105.37	\$75.46	\$250.00

Subtotals: **\$1,867.41** **\$864.74** **\$1,750.00****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	\$113.83	1	\$113.83	\$113.83

Subtotals: **\$113.83** **\$113.83**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	<u>PUEBLO</u>	
Total one-way travel distance:	<u>34.00</u>	miles
Average Travel Speed:	<u>45.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$16,368.06</u>
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 ** two round trips with haul rig:

Total Roadable Mob/Demob Cost **	<u>\$172.01</u>
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 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.76</u>	<u>0.76</u>
Return Time (Hours):	<u>0.76</u>	<u>0.76</u>
Loading Time (Hours):	<u>1.17</u>	<u>NA</u>
Unloading Time (Hours):	<u>1.17</u>	<u>NA</u>
Subtotals:	<u>3.85</u>	<u>1.51</u>

JOB TIME AND COST

Total job time:	<u>7.70</u>	Hours
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Total job cost:	<u>\$16,540</u>
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