



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](mailto: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
Date:	11/18/2025	County:	Fremont
User:	JLC		

Abbreviation: None  
 Filename: M093-000

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
<b><u>SUBTOTALS:</u></b>				<b>136.92</b>	<b>\$127,851</b>

### 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 =		<u>\$21,854</u>	
CONTRACT AMOUNT (direct + O & P) =		<u>\$149,705</u>	

#### 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 =		<u>\$40,037</u>	
<b>TOTAL BOND AMOUNT (direct + indirect) =</b>		<b><u>\$167,888</u></b>	

BULLDOZER WORKTask description: Backfill Highwall, 600 ft L by 50 ft HSite: Florence South Pit Permit Action: 2025 SO1 Permit/Job#: M1988093PROJECT IDENTIFICATION

Task #:	<u>100</u>	State:	<u>Colorado</u>	Abbreviation:	<u>None</u>
Date:	<u>11/18/2025</u>	County:	<u>Fremont</u>	Filename:	<u>M093-100</u>
User:	<u>JLC</u>				

Agency or organization name: DRMSHOURLY EQUIPMENT COST

Basic Machine:	<u>Cat D8T - 8SU</u>
Horsepower:	<u>310</u>
Blade Type:	<u>Semi-Universal</u>
Attachment:	<u>3-shank ripper</u>
Shift Basis:	<u>1 per day</u>
Data Source:	<u>(CRG)</u>

Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$179.60</u>	NA
Operating Cost/Hour:	<u>\$110.45</u>	100
Ripper own. Cost/Hour:	<u>\$15.28</u>	NA
Ripper op. Cost/Hour:	<u>\$2.74</u>	30
Operator Cost/Hour:	<u>\$38.02</u>	NA
Total unit Cost/Hour:	<u>\$346.09</u>	
Total Fleet Cost/Hour:	<u><b>\$692.17</b></u>	

MATERIAL QUANTITIES

Initial Volume:	<u>55,556</u>
Swell factor:	<u>1.250</u>
Loose volume:	<u><b>69,445</b> LCY</u>

Source of estimated volume:	<u>Division of Reclamation, Mining &amp; Safety</u>
Source of estimated swell factor:	<u>Cat Handbook</u>

HOURLY PRODUCTION

Average push distance:	<u>75 feet</u>
Unadjusted hourly production:	<u>1,017.1 LCY/hr</u>

Materials consistency description: Consolidated stockpile 1.0

Average push gradient:	<u>15 %</u>
Average site altitude:	<u>5,260 feet</u>

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

		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>1.000</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:	0.900	(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 Horsepower: 310  
Ripper Attachment: 3-Shank Ripper Shift Basis: 1 per day  
Data Source: (CRG)

#### Cost Breakdown:

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

### 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:	<u>2.56</u>	feet/pass
Average Ripping Width:	<u>7.08</u>	feet/pass
Average Ripping Length:	<u>150.00</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>0.748</u>	acres/hour

#### Job Condition Correction Factors

Unadjusted Hourly Unit Production:	<u>0.748</u>	Acres/hr
Site Altitude:	<u>5,260</u>	feet
Altitude Adj:	<u>1.00</u>	(CAT HB)
Job Efficiency:	<u>0.83</u>	(1 shift/day)
Net Correction:	<u>0.83</u>	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 WORK**Task description: Spreading Topsoil, 8.86 acres, 5" depthSite: Florence South Pit Permit Action: 2025 SO1 Permit/Job#: M1988093**PROJECT IDENTIFICATION**

Task #: 200 State: Colorado Abbreviation: None  
 Date: 11/18/2025 County: Fremont Filename: M093-200  
 User: JLC

Agency 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

<u>Cost Breakdown:</u>	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  
 Loose volume: 7,445 LCY

Source of estimated volume: Division of Reclamation, Mining & Safety  
 Source of estimated swell factor: Cat Handbook

**HOURLY PRODUCTION**Scraper Bowl (volume) Basis:

Material weight:	<u>2,650 lbs/LCY</u>	Struck Volume:	<u>24.00</u>	LCY
Material description:	<u>Decomposed rock - 25% Rock, 75% Earth</u>	Heaped Volume:	<u>34.00</u>	LCY
Rated Payload:	<u>81,600 pounds</u>	Average Volume:	<u>29.00</u>	LCY
Payload Capacity:	<u>30.79 LCY</u>	Adjusted Capacity:	<u>29.00</u>	LCY

Cycle Time:

Scraper Loading Time: 1.00 Minutes  
 Maneuver and Spread Time: 0.60 Minutes

Job 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 4.0

## Haul 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 minutes

## Return 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 COST**Fleet size: 1 Team(s) Total job time: 5.44 HoursUnit cost: \$1.463 /LCY Total job cost: \$10,895

REVEGETATION WORK

Task description: Reveg

Permit Action: 2025 SO1

Site: Pit Permit/Job#: M1988093

Fremont Paving & Redi-Mix

PROJECT IDENTIFICATION

Task #: 300 State: Colorado Abbreviation: None  
 Date: 11/18/2025 County: Fremont Filename: M093-300  
 User: JLC

Agency 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
			<b>Total Fertilizer Materials Cost/Acre</b>	<b>\$84.79</b>

**Application**

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

TILLING

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

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
<b>Totals Seed Mix</b>	17.90	76.24	<b>\$279.23</b>

**Application**

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

**MULCHING and MISCELLANEOUS****Materials**

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

**Application**

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

**NURSERY STOCK PLANTING**

<b>Common Name</b>	<b>No / Acre</b>	<b>Type and Size</b>	<b>Planting Cost</b>	<b>Fertilizer Pellet Cost</b>	<b>Cost /Acre</b>
					\$
					<b>Totals Nursery Stock Cost / Acre</b> <b>\$0.00</b>

**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:**

<b>Available Rig Capacities</b>	<b>0-25 Tons</b>	<b>26-50 Tons</b>	<b>51+ Tons</b>
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:	<b>\$1,867.41</b>	<b>\$864.74</b>	<b>\$1,750.00</b>
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**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:	<b>\$113.83</b>	<b>\$113.83</b>
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**EQUIPMENT HAUL DISTANCE and Time**

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

Total Non-Roadable Mob/Demob Cost *	\$16,368.06
* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$172.01
** one round trip, no haul rig:	

Transportation Cycle Time:

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

**JOB TIME AND COST**Total job time: 7.70 HoursTotal job cost: \$16,540