

STATE OF COLORADO

DIVISION OF RECLAMATION, MINING AND SAFETY

Department of Natural Resources

1313 Sherman St., Room 215

Denver, Colorado 80203

Phone: (303) 866-3567

FAX: (303) 832-8106



John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

April 18, 2012

Marilyn E. Diamond & Misty R. Vazquez
26520 CR 301
Buena Vista, CO 81211

Re: Pit#1, Permit No. M-2000-099, Notice of Surety Increase, SI-01.

Dear Ms. Diamond and Vazquez,

The Division of Reclamation, Mining, and Safety (Division) has conducted a normal review of the reclamation liability for the above referenced site in conjunction with the April 10, 2012 inspection. Staff notes the reclamation liability has not been updated since the original permit was issued in 2000. Division staff should have updated the estimate in 2006 but for some reason it was not. Therefore, instead of incremental inflationary increases the estimated increase is larger than normal. Given the personal circumstances of the operator staff has elected to update the bond based on accepted tasks and quantities. A more comprehensive review may be conducted during the next inspection cycle to reflect any highwalls or additional grading that may be required. A review of equipment use notes a D-9 dozer rather than a D-7 was the most economical in operational time and costs. While the costs increased the D-9 kept the increase down. Seed costs have increased dramatically since 2007 so those increases are reflected as well.

In an effort to ensure the financial warranty remains adequate to reclaim this site per the requirements of the approved reclamation plan, the Division has updated the reclamation cost estimate (copy enclosed). Based on the current conditions noted above, the estimated reclamation liability is now \$18,835.00. This is an increase of \$4,835.00 from the current amount of \$14,000.00 held. Clearly, the site is under-bonded. **Therefore, pursuant to Section 34-32.5-117(4) of the Colorado Land Reclamation Act, adequate financial warranty must be submitted to DRMS within 60 days of the mailing date of this notice. The due date for submission and acceptance is June 18th, 2012.**

If you need additional information please contact me at the Division of Reclamation, Mining and Safety, Grand Junction Field Office, 101 S. 3rd St., Suite 301, Grand Junction, Colorado 81501, by telephone at 970.241.1117, or by e-mail at russ.means@state.co.us .

Sincerely,

G. Russell Means
Environmental Protection Specialist II

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Sincerely,

G. Russell Means
Environmental Protection Specialist II

COST SUMMARY WORK

Task description: 2012 cost summary

Site: Pit Number One

Permit Action: 2012 update

Permit/Job#: M2000099

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 4/18/2012

County: Chaffee

Filename: M099-000

User: GRM

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	replace topsoil	DOZER	1	12.44	\$3,226.37
002	rip pit floor	RIPPER	1	9.86	\$2,630.00
003	revegetate 9.6 acres	REVEGE	1	24.00	\$8,375.20
004	mobilization of equipment to site	MOBILIZE	1	2.50	\$1,239.72
<u>SUBTOTALS:</u>				48.8	\$ \$15,471.29

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02
Performance bond: 1.05
Job superintendent: 0.00
Profit: 10.00

Total = \$312.52

Total = \$162.45

Total = \$0.00

Total = \$1,547.13

TOTAL O & P = \$2,022.10

CONTRACT AMOUNT (direct + O & P) = \$17,493.39

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 0.00

Total = 0.00

Engineering work and/or contract/bid preparation: 0.00

Total = \$0.00

Reclamation management and/or administration: 5.00

\$874.67

CONTINGENCY: 3.00

Total = \$464.14

TOTAL INDIRECT COST = \$3,360.91

TOTAL BOND AMOUNT (direct + indirect) = \$18,835.00

BULLDOZER WORKTask description: Replace topsoilSite: Pit Number OnePermit Action: 2012 updatePermit/Job#: M2000099PROJECT IDENTIFICATIONTask #: 001State: ColoradoAbbreviation: NoneDate: 4/18/2012County: ChaffeeFilename: M099-001User: GRMAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D9T - 9SUHorsepower: 405Blade Type: Semi-UniversalAttachment: 3-shank ripperShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

		<u>Utilization %</u>
Ownership Cost/Hour:	\$80.19	NA
Operating Cost/Hour:	\$140.68	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.49	NA

Total unit Cost/Hour: \$259.35Total Fleet Cost/Hour: \$259.35MATERIAL QUANTITIESInitial Volume: 7,360Swell factor: 1.215Loose volume: 8,942 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 150 feetUnadjusted hourly production: 910.5 LCY/hrMaterials consistency description: Dry, non-cohesive 0.8Average push gradient: -10 %Average site altitude: 7,820 feetMaterial weight: 1,600 lbs/LCYWeight description: Top Soil

Job Condition Correction Factor

		Source
Operator Skill:	0.750	(AVG.)
Material consistency:	0.800	(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:	1.225	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.7895

Adjusted unit production: 718.84 LCY/hr

Adjusted fleet production: 718.84 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.361/LCY

Total job time: 12.44 Hours

Total job cost: \$3,226.37

BULLDOZER RIPPING WORK

Task description: Rip pit floor

Site: Pit Number One

Permit Action: 2012 update

Permit/Job#: M2000099

PROJECT IDENTIFICATION

Task #: 002

State: Colorado

Abbreviation: None

Date: 4/18/2012

County: Chaffee

Filename: M099-002

User: GRM

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D9T - 9SU
Ripper Attachment: 3-Shank Ripper

Horsepower: 405
Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$80.19	NA
Operating Cost/Hour:	\$140.68	100
Ripper Operating Cost/Hour:	\$7.17	100
Operator Cost/Hour:	\$38.49	NA
Total Unit Cost/Hour:	\$266.52	
Total Fleet Cost/Hour:	\$266.52	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 7.00 acres Rip Depth (ft): 1.00 Volume: 11,293 BCY or CCY

Source of estimated quantity: Current disturbance area, less sloping

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth: 1.00 mph
Average Ripping Width: 7.67 degrees
Average Ripping Length: 250.00 feet
Average Dozer Speed: 88.00 feet
Average Maneuver Time: 0.25 feet
Production per unit area: 0.855 acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.855 Acres/hr
Site Altitude: 7,820 feet
Altitude Adj: 1.00 (CAT HB)
Job Efficiency: 0.83 (1 shift/day)
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.71 Acres/hr
Adjusted Hourly Fleet Production: 0.71 Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: 9.87 Hours

Unit cost: \$375.785 Per acre Total job cost: \$2,630.00

REVEGETATION WORKTask description: Revegetate 9.6 acresSite: Pit Number OnePermit Action: 2012 updatePermit/Job#: M2000099**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 4/18/2012County: ChaffeeFilename: M099-003User: GRMAgency or organization name: DRMS**FERTILIZING-Not required****TILLING**

Description	Cost /Acre
Chisel plowing {DMG}	\$86.71
Total Tilling Cost/Acre	\$86.71

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Crested Wheatgrass - Ephraim	3.00	13.77	\$6.54
Mountain Brome - Bromar	1.00	1.61	\$3.33
Smooth Brome - Lincoln	1.50	4.99	\$1.95
Western Wheatgrass - Arriba	2.00	5.05	\$7.20
Totals Seed Mix	7.50	25.42	\$19.02

Application

Description	Cost /Acre
Broadcast seeding [DMG]	\$255.76
Total Seed Application Cost/Acre	\$255.76

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Straw, delivered {MEANS 31 25 14.16 1200}	1.00	TON	\$164.00	\$164.00
Total Mulch Materials Cost/Acre				\$164.00

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$65.89
Power mulcher (MEANS 32 91 13.16 0250)	\$79.71
Total Mulch Application Cost/Acre	\$145.60

NURSERY STOCK PLANTING: not required**JOB TIME AND COST**

No. of Acres:	9.6	Cost /Acre:	\$671.09
Estimated Failure Rate:	30%	Cost /Acre*:	\$671.09
*Selected Replanting Work Items:	TILLING,SEEDING,MULCHING		
Initial Job Cost:	\$6,442.46		
Reseeding Job Cost:	\$1,932.74		
Total Job Cost:	\$8,375.20		
Job Hours:	24.00		

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mobilization of equipment to siteSite: Pit Number OnePermit Action: 2012 updatePermit/Job#: M2000099**PROJECT IDENTIFICATION**Task #: 004State: ColoradoAbbreviation: NoneDate: 4/18/2012County: ChaffeeFilename: M099-004User: GRMAgency 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:	\$16.63	\$18.37	\$22.33
Operating Cost/Hour:	\$44.38	\$46.13	\$50.07
Operator Cost/Hour:	\$27.66	\$27.66	\$27.66
Helper Cost/Hour:	\$0.00	\$25.39	\$25.39
Total Unit Cost/Hour:	\$88.67	\$117.55	\$125.45

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	\$80.19	\$125.45	1	\$205.64	\$125.45	\$250.00
Power Mulcher (Reinco M90)	6.00	\$7.03	\$88.67	1	\$95.70	\$88.67	\$0.00

Subtotals: **\$301.34** **\$214.12** **\$250.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Flatbed Truck, 4x2, 30K GVW	\$32.68	1	\$32.68	\$32.68

Subtotals: **\$32.68** **\$32.68**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	BUENA VISTA	
Total one-way travel distance:	5.00	miles
Average Travel Speed:	40.00	mph

Total Non-Roadable Mob/Demob Cost *	\$1,231.55
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$8.17
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.13	0.13
Return Time (Hours):	0.13	0.13
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.25	0.25

JOB TIME AND COST

Total job time: 2.50 Hours

Total job cost: \$1,239.72