

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 27, 2012

Bob Sutherland
West End Gravel Company
P.O. Box 889
Nucla, Colorado, 81424

Re: Weimer Pit #1 Pit, Permit No. M-2001-002, Surety Reduction Request, SR-01, Approval.

Dear Mr. Sutherland,

On March 22, 2012 the Division of Reclamation, Mining, and Safety (Division) received Sutherland Brothers, Inc. request for a surety reduction of the financial warranty (SR-01) for the above referenced pit. The request was deemed incomplete per Rule 4.17.1(2) which requires the names, addresses, and phone numbers of all owners of record to the affected lands. That information was supplied on April 2, 2012.

On March 19, 2012 an inspection observed earthwork was being completed along the northwest corner of the west highwall. Sutherlands committed to completion of the entire west side highwall area by the end of March prior to a request for a surety reduction. The Division did a follow up inspection on March 28, 2012 and noted that only the area observed under work on the 19th has been completed and none of the second half has been started. The work was insufficient to reduce the overall liability on the site to below the estimated bond of \$72,900 under increase notice SI-01. Therefore the surety reduction request was deemed premature and had to be considered incomplete until the Division receives photo-documentation that the work, as committed to, was completed. On April 16, 2012 West End Gravel supplied photos of the completed work. A follow up inspection on April 24th further documented the work done. So the surety reduction request was considered complete on April 16th, 2012.

Staff has done a reclamation liability estimate based on the April 24th inspection. The estimate drops the overall liability down of SI-01 to \$54,110.00 from \$72,900.00. This is an \$18,790.00 reduction from the increase noted in SI-01. However, it is still slightly above the current bond held of \$51,615.00 by \$2,495.00. This creates a somewhat confusing situation. Staff in order to keep the issue as clean as possible is approving SR-01. This action withdrawals SI-01. However, a second notice of increase for the additional \$2,495.00, SI-02 will be issued with the required 60 days for submission

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,

A handwritten signature in blue ink, reading "G. Russell Means". The signature is written in a cursive style with a large, stylized "G" and a prominent "M".

G. Russell Means
Environmental Protection Specialist II

COST SUMMARY WORK

Task description: Liability update

Site: Weimer One Gravel

Permit Action: SR-01

Permit/Job#: M2001002

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 4/26/2012

County: Montrose

Filename: M002-000

User: GRM

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
002	reduce north highwall cut-fill	DOZER	1	12.34	\$2,465.41
003	rip compacted pit floor	RIPPER	1	23.27	\$4,959.00
005	reveg of 15.88 acres	REVEGE	1	32.00	\$26,666.01
006	reveg slopes 3.49 acres	REVEGE	1	16.00	\$7,711.36
007	grade topsoil on slopes	DOZER	1	1.23	\$245.97
008	mobilization to site	MOBILIZE	1	2.40	\$1,992.24
<u>SUBTOTALS:</u>				87.24	\$ \$44,039.99

INDIRECT COSTS

OVERHEAD AND PROFIT:

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

Total = \$889.61

Total = \$462.42

Total = \$0.00

Total = \$4,404.00

TOTAL O & P = \$5,756.03

CONTRACT AMOUNT (direct + O & P) = \$49,796.02

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 500.00

Total = 500.00

Engineering work and/or contract/bid preparation: 0.00

Total = \$0.00

Reclamation management and/or administration: 5.00

\$2,489.80

CONTINGENCY: 3.00

Total = \$1,321.20

TOTAL INDIRECT COST = \$10,067.03

TOTAL BOND AMOUNT (direct + indirect) = \$54,110.00

BULLDOZER WORKTask description: Reduce north highwall cut-fillSite: Weimer One GravelPermit Action: SR-01Permit/Job#: M2001002**PROJECT IDENTIFICATION**Task #: 002State: ColoradoAbbreviation: NoneDate: 4/26/2012County: MontroseFilename: M002-002User: GRMAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$58.56	NA
Operating Cost/Hour:	\$102.81	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.49	NA

Total unit Cost/Hour: \$199.86Total Fleet Cost/Hour: \$199.86**MATERIAL QUANTITIES**Initial Volume: 9,167Swell factor: 1.250Loose volume: 11,459 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 50 feetUnadjusted hourly production: 1,400.0 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: -25 %Average site altitude: 5,860 feetMaterial weight: 2,650 lbs/LCYWeight description: Decomposed rock - 25% Rock, 75% Earth

Job Condition Correction Factor

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(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:	1.516	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.6635

Adjusted unit production: 928.90 LCY/hr

Adjusted fleet production: 928.9 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.215/LCY

Total job time: 12.34 Hours

Total job cost: \$2,465.41

BULLDOZER RIPPING WORK

Task description: Rip compacted pit floor

Site: Weimer One Gravel

Permit Action: SR-01

Permit/Job#: M2001002

PROJECT IDENTIFICATION

Task #: 003

State: Colorado

Abbreviation: None

Date: 4/26/2012

County: Montrose

Filename: M002-003

User: GRM

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:	\$65.28	NA
Operating Cost/Hour:	\$102.81	100
Ripper Operating Cost/Hour:	\$6.49	100
Operator Cost/Hour:	\$38.49	NA
Total Unit Cost/Hour:	\$213.07	
Total Fleet Cost/Hour:	\$213.07	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA

Bank Volume: NA

BCY

NA

Area: 15.88 acres

Rip Depth (ft): 1.00

Volume: 25,620

BCY or CCY

Source of estimated quantity: Reclamation map / current conditions

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth:	<u>2.56</u>	mph
Average Ripping Width:	<u>7.08</u>	degrees
Average Ripping Length:	<u>500.00</u>	feet
Average Dozer Speed:	<u>88.00</u>	feet
Average Maneuver Time:	<u>0.25</u>	feet
Production per unit area:	<u>0.822</u>	acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.822 Acres/hr

Site Altitude: 5,860 feet

Altitude Adj: 1.00 (CAT HB)

Job Efficiency: 0.83 (1 shift/day)

Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.68 Acres/hr

Adjusted Hourly Fleet Production: 0.68 Acres/hr

JOB TIME AND COST

Fleet size: 1

Grader(s)

Total job time: 23.28 Hours

Unit cost: \$312.295 Per acre

Total job cost: \$4,959.00

REVEGETATION WORKTask description: Reveg of 15.88 acresSite: Weimer One GravelPermit Action: SR-01Permit/Job#: M2001002**PROJECT IDENTIFICATION**Task #: 005State: ColoradoAbbreviation: NoneDate: 4/26/2012County: MontroseFilename: M002-005User: GRMAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
10-34-0, 18-46-0, 5-10-5	200.00	pound	\$0.32	\$64.00
			Total Fertilizer Materials Cost/Acre	\$64.00

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$50.09
Total Fertilizer Application Cost/Acre	\$50.09

TILLING

Description	Cost /Acre
Subsoiling, light {(DMG)}	\$167.79
Total Tilling Cost/Acre	\$167.79

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Nespar	2.50	8.09	\$17.33
Bluebunch Wheatgrass - Secar	2.80	9.00	\$18.76
Bottlebrush Squirreltail	5.10	22.48	\$124.08
Western Wheatgrass - Arriba	4.00	10.10	\$14.40
Flax, Lewis Blue	0.50	3.32	\$8.09
Saltbush, Four Wing	0.50	0.69	\$5.25
Totals Seed Mix	15.40	53.68	\$187.90

Application

Description	Cost /Acre
Drill seeding {DMG}	\$90.11
Total Seed Application Cost/Acre	\$90.11

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Herbicide - Rodeo @ 8.0 pt/ac	1.00	ACRE	\$25.80	\$25.80
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$164.00	\$328.00
Total Mulch Materials Cost/Acre				\$353.80

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$65.89
Power mulcher (MEANS 32 91 13.16 0250)	\$79.71
Weed spray, truck, non-aquatic area, nox. [DMG]	\$60.19
Total Mulch Application Cost/Acre	\$205.79

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:	15.88	Cost /Acre:	\$1,119.48
Estimated Failure Rate:	50%	Cost /Acre*:	\$1,119.48
*Selected Replanting Work Items:	FERTILIZING, TILLING, SEEDING, MULCHING		
Initial Job Cost:	\$17,777.34		
Reseeding Job Cost:	\$8,888.67		
Total Job Cost:	\$26,666.01		
Job Hours:	32.00		

REVEGETATION WORKTask description: Reveg slopes 3.49 acresSite: Weimer One GravelPermit Action: SR-01Permit/Job#: M2001002**PROJECT IDENTIFICATION**Task #: 006State: ColoradoAbbreviation: NoneDate: 4/26/2012County: MontroseFilename: M002-006User: GRMAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
10-34-0, 18-46-0, 5-10-5	200.00	pound	\$0.32	\$64.00
			Total Fertilizer Materials Cost/Acre	\$64.00

Application

Description	Cost /Acre
Tractor towed spreader (MEANS 32 01 90.13 0120)	\$50.09
	Total Fertilizer Application Cost/Acre
	\$50.09

TILLING

Description	Cost /Acre
Subsoiling, light {(DMG}	\$167.79
	Total Tilling Cost/Acre
	\$167.79

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Nespar	5.00	16.18	\$34.65
Bluebunch Wheatgrass - Secar	5.60	18.00	\$37.52
Bottlebrush Squirreltail	10.20	44.96	\$248.17
Western Wheatgrass - Arriba	8.00	20.20	\$28.80
Flax, Lewis Blue	1.00	6.63	\$16.17
Saltbush, Four Wing	1.00	1.38	\$10.50
Totals Seed Mix	30.80	107.35	\$375.81

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
Herbicide - Rodeo @ 8.0 pt/ac	1.00	ACRE	\$25.80	\$25.80
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$164.00	\$328.00
Total Mulch Materials Cost/Acre				\$353.80

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$65.89
Power mulcher (MEANS 32 91 13.16 0250)	\$79.71
Weed spray, truck, non-aquatic area, nox. [DMG]	\$60.19
Total Mulch Application Cost/Acre	\$205.79

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:	3.49	Cost /Acre:	\$1,473.04
Estimated Failure Rate:	50%	Cost /Acre*:	\$1,473.04
*Selected Replanting Work Items:	FERTILIZING,TILLING,SEEDING,MU LCHING		
Initial Job Cost:	\$5,140.91		
Reseeding Job Cost:	\$2,570.45		
Total Job Cost:	\$7,711.36		
Job Hours:	16.00		

BULLDOZER WORKTask description: Grade topsoil on slopesSite: Weimer One GravelPermit Action: SR-01Permit/Job#: M2001002**PROJECT IDENTIFICATION**Task #: 007State: ColoradoAbbreviation: NoneDate: 1/4/2012County: MontroseFilename: M002-007User: GRMAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$58.56	NA
Operating Cost/Hour:	\$102.81	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$38.49	NA

Total unit Cost/Hour: \$199.86Total Fleet Cost/Hour: \$199.86**MATERIAL QUANTITIES**Initial Volume: 1,584Swell factor: 1.000Loose volume: 1,584 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 50 feetUnadjusted hourly production: 1,400.0 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: -25 %Average site altitude: 5,860 feetMaterial weight: 2,550 lbs/LCYWeight description: Earth - Dry packed**Job Condition Correction Factor**

		<u>Source</u>
Operator Skill:	0.750	(AVG.)
Material consistency:	1.200	(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:	1.516	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.902	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.9193

Adjusted unit production: 1,287.02 LCY/hr

Adjusted fleet production: 1287.02 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
 Unit cost: \$0.155/LCY

Total job time: 1.23 Hours
 Total job cost: \$245.97

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilization to site**Site: **Weimer One Gravel**Permit Action: **SR-01**Permit/Job#: **M2001002****PROJECT IDENTIFICATION**Task #: **008**State: **Colorado**Abbreviation: **None**Date: **4/26/2012**County: **Montrose**Filename: **M002-008**User: **GRM**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:	\$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 D8T - 8SU	53.08	\$65.28	\$125.45	1	\$190.73	\$125.45	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$250.00
Power Mulcher (Reinco M90)	6.00	\$7.03	\$88.67	1	\$95.70	\$88.67	\$0.00

Subtotals: **\$414.69** **\$302.79** **\$500.00****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	\$62.73	1	\$62.73	\$62.73
Light Duty Pickup, 4x4, 3/4 T.	\$34.08	1	\$34.08	\$34.08

Subtotals: **\$96.81** **\$96.81**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	NUCLA	
Total one-way travel distance:	3.00	miles
Average Travel Speed:	30.00	mph

Total Non-Roadable Mob/Demob Cost *	\$1,972.88
'* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$19.36
'** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.10	0.10
Return Time (Hours):	0.10	0.10
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.20	0.20

JOB TIME AND COST

Total job time:	2.40	Hours
-----------------	------	-------

Total job cost:	\$1,992.24
-----------------	------------