

# 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



April 30, 2012

Gayle Lyman  
Elam Construction, Inc.  
556 Struthers Avenue  
Grand Junction, CO  
81501

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta E. Piñeda  
Director

***RE: Bunn Ranch Pit, Permit No. M-1980-131, Reclamation Costs Update***

Dear Mr. Lyman:

Thank you for your telephone call on this day. As you pointed out, the Job superintendent hours shown on the Reclamation Cost Summary form that was attached to the Notice of Surety Increase letter (SI2) dated April 20, 2012, were incorrect. The Job superintendent hours should have been estimated as fifty percent of the total task hours. I have made the necessary correction to the Reclamation Cost Estimate for this site.

The revised calculations estimate the cost to reclaim the site to be \$158,355.00. This is an increase of \$110,035.00 over the \$48,320.00 currently held by the Division.

Please submit the additional amount prior to Wednesday, June 20, 2012.

Please make arrangements with Barbara Coria at the Division of Reclamation, Mining and Safety Denver Office, phone no. 303.866.3567, ext. 8148 for submittal of the financial warranty. Any questions regarding completion, execution and/or submittal of financial warranty forms should also be directed to Barbara Coria.

If you require additional information, have questions or concerns, please contact me at the DRMS Grand Junction Field Office.

Elam Construction, Inc.

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April 30, 2012

Sincerely,

A handwritten signature in black ink, appearing to read "Dustin Czapla", written over the printed name.

**Dustin Czapla**

Environmental Protection Specialist

Department of Natural Resources

Division of Reclamation, Mining and Safety

101 South 3<sup>rd</sup>, Suite 301

Grand Junction, CO 81501

Phone: (970) 243-6299

Fax: (970) 241-1516

Cc:

Enc: Financial Warranty Cost Estimate Summary Page

## COST SUMMARY WORK

Task description: Reclamation cost review

Site: Bunn Ranch Pit Permit Action: 2012 Mar 28 Permit/Job#: M1980131  
Inspection

### PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None  
Date: 4/19/2012 County: Moffat Filename: M131-000  
User: DMC

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Remove office building	DEMOLISH	1	8.00	\$13,886.73
02a	Lower water level by 10 feet in pit 1	PUMPING	1	114.68	\$5,543.00
02b	DewaterPit 2	PUMPING	1	42.42	\$2,050.00
02c	DewaterPit 3	PUMPING	1	70.88	\$3,426.00
02d	Lower water level by 10 feet in pit 4	PUMPING	1	25.17	\$1,217.00
02e	Lower water level by 10 feet in pit 5	PUMPING	1	25.17	\$1,217.00
02f	Dewater Pit 6	PUMPING	1	256.31	\$12,387.00
03a	Reduce all slopes to 3H:1V or flatter	DOZER	2	60.80	\$24,304.81
04a	Rip compacted stockpile and operation areas	RIPPER	2	13.70	\$5,840.00
05a	Transport topsoil from stockpiles	LOADER	2	46.65	\$13,131.00
05b	Distribute topsoil	DOZER	2	16.79	\$6,714.10
06a	Revegetate affected areas	REVEGE	1	20.00	\$19,897.00
07a	Mobilize reclamation crew and equipment	MOBILIZE	1	2.11	\$4,920.72
<b>SUBTOTALS:</b>				<b>702.68</b>	<b>\$114,534.36</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$2,313.59
Performance bond:	1.05	Total =	\$1,202.61
Job superintendent:	351.34	Total =	\$20,834.46
Profit:	10.00	Total =	\$11,453.44
		TOTAL O & P =	\$35,804.10
		CONTRACT AMOUNT (direct + O & P) =	\$150,338.46

#### 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		\$7,516.92
CONTINGENCY:		Total =	\$0.00

TOTAL INDIRECT COST = \$43,821.02

**TOTAL BOND AMOUNT (direct + indirect) = \$158,355**