

Cazier, Tim

From: Cazier, Tim
Sent: Wednesday, May 23, 2012 5:25 PM
To: 'Colorado Quarries Inc (nkrauth@qwestoffice.net)'
Cc: 'Carter, Stephanie S'; Kaldenbach, Tom
Subject: DRAFT Mica White Bond Estimate
Attachments: DRAFT TskT01_Mobilization_23MAY12.pdf; DRAFT TskC01_InDirect_Cost_23MAY12.pdf; DRAFT TskM01_Truck_23MAY12.pdf; DRAFT TskM02_Dozer_23MAY12.pdf; DRAFT TskM03_Dozer_23MAY12.pdf; DRAFT TskM04_Reveg_23MAY12.pdf; DRAFT TskM05_Reveg_23MAY12.pdf; DRAFT TskS01_Dozer_23MAY12.pdf; DRAFT TskS02_Dozer_23MAY12.pdf; DRAFT TskS03_Reveg_23MAY12.pdf

Hi Nicole,

I talked to Bill this morning and told him I would try to send a draft version of the bond estimate for the Mica White Conversion. Please be advised this is a DRAFT estimate and conservative. I'm working with Stephanie Carter (BLM) on what the reclamation requirements are for the north slopes. There is considerable variability in the cost associated with that reclamation effort.

The attached pdf files provide the reclamation cost details. Please review them for assumptions and let me know if something is way off.

Finally, as Stephanie and I have talked about what's in the conversion application and what we understood from talking to Aaron on site, there is potentially an issue with BLM right-of-entry. This has to do with the additional ~10 acres of disturbed area at the mine site. As such, there may be an additional adequacy issue. I told Stephanie that I needed to let Colorado Quarries know whether or not this was a potential problem by Friday (5/25/12). She is out of the office tomorrow, so I probably won't know anything until Friday. This may require another extension to the decision date (currently this Friday). Stephanie believes it may take as long as a month to work out the right-of-entry. The DRMS is fine with extending another month. We are nowhere near the 365 day limit.

Please call me if you have any questions about the bond estimate or the right-of-entry issue.

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COST SUMMARY WORK

Task description: Cost Summary

Site: Mica White Permit Action: DRMS CN01 Bond Permit/Job#: M1992058
Estimate

PROJECT IDENTIFICATION

Task #: C01 State: Colorado Abbreviation: None
Date: 5/22/2012 County: Fremont Filename: M058-C01
User: TC1

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
M01	Place Black Schist for S. Benches; N&NE 2.5:1 Reclaim Slopes	TRUCK1	1	152.04	\$89,528.43
M02	Grade & Rip South Benches ONLY & Pit Floor	DOZER	1	7.44	\$1,585.89
M03	Grade North & NE Pit Slopes with to 2.5:1	DOZER	1	69.79	\$14,869.77
M04	Revege South Benches ONLY & Pit Floor	REVEGE	1	0.00	\$5,547.10
M05	Revege N & NE 2.5:1 Reclaimed Pit Faces	REVEGE	1	0.00	\$14,951.97
S01	Grade 75,000 tons of waste process sand	DOZER	1	68.13	\$14,517.48
S02	Grade 1ft Brown Schist Cover Over Stockpile Site	DOZER	1	16.61	\$3,319.25
S03	Revege Stockpile Site	REVEGE	1	0.00	\$4,555.10
T01	MOB/DEMOB	MOBILIZE	1	5.32	\$7,611.40
<u>SUBTOTALS:</u>				319.33	\$ \$156,486.39

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$3,161.03
Performance bond:	1.05	Total =	\$1,643.11
Job superintendent:	0.00	Total =	\$0.00
Profit:	10.00	Total =	\$15,648.64

TOTAL O & P = \$20,452.78

CONTRACT AMOUNT (direct + O & P) = \$176,939.17

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		\$8,846.96

CONTINGENCY: 0.00 Total = \$0.00

TOTAL INDIRECT COST = \$29,299.74

TOTAL BOND AMOUNT (direct + indirect) = \$185,786.13