

SR-02



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Greg Lewicki And Associates, PLLC

11541 Warrington Court
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SCANNED

September 20, 2012

Tom Kaldenbach
Division of Reclamation, Mining and Safety
1313 Sherman Street Room 215
Denver, CO 80203

RE: Surety bond adjustment request for Alma Placer Mine (Permit M-1985-029)

Tom:

This letter is a request for a bond adjustment according to Rule 4.14 for the Alma Placer Mine. The permittee is High Mountain Mining Co, LLC.

The bond adjustment is due to a significant amount of plants and equipment that have been removed from the site. The new gold processing plant is also addressed. Calculations are enclosed for both the gold and gravel portions of the operations based on the details enclosed.

A comparison of the bond changes is given below:

Gold Operation: Current bond: \$106,899. Proposed amount: \$126,803

Gravel Operation: Current bond: \$74,075. Proposed amount: \$58,008

Total Current bond: \$180,974. Total proposed bond: \$184,811.

Please call me if you have any questions.

Sincerely,

Greg Lewicki, P.E.
Greg Lewicki and Associates

CC: Jim Murray
CC: Bob Willits

RECEIVED

to
SEP 25 2012

to Division of Reclamation,
Mining & Safety

Greg Lewicki and Associates- Alma Placer Bond Calculations September 2012

Alma Placer Mine Bond Calculation (Gold Portion)			
		Alma Placer	
	Item	Calc	Comments
1	Demolition		
	Process Bldg Infrastructure	\$4,500	This building to remain. (See narrative)
	Footings for above	\$0	To remain
	Floor for above	\$0	To remain
	Back portion office/small process plant bldg	\$6,500	Front portion to remain. Back portion will be removed.
	Footings for above	\$470	
	Slab for above	\$3,925	
	20,000 Gal Storage tank	\$0	Removed
	Prep Plant	\$0	This building is completely removed
	Pump House	\$1,018	
	Conveyors	\$4,226	
	Processing Equipment	\$1,273	
	Pipe removal	\$3,186	
	Pipe loading	\$500	Extra Cost
	Pipe hauling	\$300	Extra Cost
	Pipe disposal	\$1,640	
	Misc. Site Material	\$6,500	Account for all misc. material on site
	Adjustment for location	-\$3,000	Adjusted for less cost
2	Dozer Work	\$26,233	
	67050 cy @ \$.391/cy		
3	Spread Topsoil	\$14,331	
	9438 cy @ \$1.51/cy		
4	Reveg. Range Area	\$20,283	
	20 acres @ \$811.35/acre		
5	Reveg. Wetlands	\$723	
	1.49 acres @ \$388.44/acre		
6	Range Area Nursery Stock	\$983	
	2.21 acres @ \$445.05/acre		
7	Mobilization/Demob	\$6,199	
	Cat D8, Cat 980, Cat 769, Cat 135H, water truck		
	Total Direct	\$99,790	
	Indirect @ 27.07%	\$27,013	
	Total Bond Cost	\$126,803	



Willits Company, Inc.

Aggregate Processing

PO Box 825

Cheyenne, WY 82003-0825

(307) 634-2300

Fax: (307) 634-2310

August 28, 2012

Mr. Tom Kaldenbach
Colorado Division of Reclamation, Mining and Safety

RE: M-1985-029

Dear Mr. Kaldenbach,

Willits Company is in receipt of your cost summary report dated 6-24-2012 and are in disagreement of your bond calculations.

Task# 502 Demolish Structures

Truck scale	There are four 12'x 3.5' footings to the Portable scale	168 sf @\$3.20	\$409.00
Portable Crusher	Sits on hydraulic jacks on its own running gear Truck tractor	3 hrs @ \$100.00/hr	\$300.00
Wash Plant	Wash plant has been removed		
Screen Plant	Screen plant has been removed		
Employee Trailers	Can be moved by pickup trucks	2 each	\$200.00
Lab trailer	Tractor and drop deck trailer	4 hrs @ 100/hr	\$400.00
Asphalt Plant	Asphalt plant was removed many years ago		
Conveyors	One portable Superior 110' hydraulic fold 2 - 60' field conveyors	3 hrs @ 100/hr 3 hrs @100/hr	\$300.00 \$300.00
Fuel Removal	One 2000 gal tank	\$.34/gal	\$680.00
Pipe	50'	50 @ \$1.65	\$82.50
Total			\$2,671.50

All of the above equipment is owned by Willits Company debt free. The auction value is approximately \$300,000.00

Plant Location: 460 South Main
Alma, CO 80420
Phone: (719) 836-0300
Fax: (719) 836-0400

1830 County Road 60
Granby, CO 80446
(970) 877-0110

10401 Polo Ranch Rd.
Cheyenne, WY 82001
(307) 634-2300
(307) 634-2310

North Harriman Rd.
Granite, WY 82059
(307) 634-2300
(307) 634-2310

Task # 503 Regrade 23.1 acres

Approximately 7 acres need to be sloped and regarded 1 Dozer 23.29 hours \$4,658.00

Summary

Task	502	Demobilize	\$2,671.5
	503	Regrade	\$4,658.00
	504	Spread Topsoil	\$15,367.29
	505	Revegetate	\$22,533.00

Subtotal \$45,229.79

Indirect Costs

Liability Insurance	2%	\$904.60
Performance Bond	1%	\$452.30
Job Superintendent	4.4%	\$1,990.11
Profit	10%	\$4,523.00

Contract Amount \$53,099.80

Legal – Engineering – Project Management

Engineering	4.25%	\$2,256.74
Reclamation Manage	5%	\$2,654.99

Total Bond Amount \$58,008.53

As a result of the above calculations, we are asking that our bond be reduced from \$74,075.00 to \$58,008.53.

Sincerely,



Robert C. Willits, President