

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
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April 2, 2013

Ivan Geer
Grand Junction Pipe and Supply Co.
P.O. Box 1849
Grand Junction, CO
81502

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Piñeda
Director

RE: Delta Paving Gravel Pit, Permit No. M-1998-105, Reclamation Costs Update and Notice of Surety Increase SI-3

Dear Mr. Geer:

In an effort to ensure the Financial Warranty for the above referenced site adequately reflects the actual current costs of fulfilling the requirements of the approved reclamation plan, the Colorado Division of Reclamation, Mining and Safety (Division) has updated the reclamation cost estimate (copy enclosed). ***Therefore, pursuant to Section 34-32.5-117(4) of the Colorado Land Reclamation Act, adequate Financial Warranty must be submitted to the Division within 60 days of the mailing date of this letter.*** The additional amount needs to be accepted prior to **Monday, June 03, 2013**. Please review the enclosed figures as soon as possible and contact our office if any calculation errors are noted.

Staff calculations estimate the cost to reclaim the above referenced site to be \$69,581.00. This is an increase of \$20,776.00 over the \$48,805.00 currently held by the Division. This estimate is based on conditions observed during the March 20, 2013 inspection.

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, or have questions or concerns, please contact me at the DRMS Grand Junction Field Office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dustin Czaplak", written over a circular blue stamp.

Dustin Czaplak
Environmental Protection Specialist
Division of Reclamation, Mining and Safety
101 South 3rd, Suite 301
Grand Junction, CO 81501
Phone: (970) 243-6299
Fax: (970) 241-1516

Enc: Financial Warranty Cost Estimate

COST SUMMARY WORK

Task description: Review reclamation costs following inspection.

Site: Delta Paving Gravel Pit

Permit Action: 2013-03-20

Inspection

Permit/Job#: M1998105

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 4/2/2013

County: Delta

Filename: M105-000

User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

| Task | Description | Form Used | Fleet Size | Task Hours | Cost |
|--------------------------|---|-----------|------------|--------------|--------------------|
| 01a | Rip stockpile area | RIPPER | 2 | 12.75 | \$5,383.00 |
| 02a | Finish grade stockpile area | DOZER | 2 | 22.81 | \$9,039.73 |
| 03a | Replace topsoil over stockpile area | SCRAPER1 | 1 | 16.93 | \$10,949.74 |
| 04a | Vegetate stockpile area | REVEGE | 1 | 27.00 | \$24,765.89 |
| 05a | Mobilize reclamation crew and equipment | MOBILIZE | 1 | 2.40 | \$3,513.00 |
| <u>SUBTOTALS:</u> | | | | 81.89 | \$53,651.36 |

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02%

Total = \$1,083.76

Performance bond: 1.05%

Total = \$563.34

Job superintendent: 78.40 hrs

Total = \$5,128.14

Profit: 10.00%

Total = \$5,365.14

TOTAL O & P = \$12,140.38

CONTRACT AMOUNT (direct + O & P) = \$65,791.74

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%

\$3,289.59

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$15,929.97

TOTAL BOND AMOUNT (direct + indirect) = \$69,581

BULLDOZER RIPPING WORK

Task description: Rip stockpile area

Site: Delta Paving Gravel Pit Permit Action: 2013-03-20 Inspection Permit/Job#: M1998105

PROJECT IDENTIFICATION

Task #: 01A State: Colorado Abbreviation: None
Date: 4/2/2013 County: Delta Filename: M105-01a
User: DMC

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8U Horsepower: 310
Ripper Attachment: 3-Shank Ripper Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

| | | | |
|-----------------------------|----------|---------------|-----|
| Ownership Cost/Hour: | \$63.00 | Utilization % | NA |
| Operating Cost/Hour: | \$104.06 | | 100 |
| Ripper Operating Cost/Hour: | \$6.53 | | 100 |
| Operator Cost/Hour: | \$37.41 | | NA |
| Total Unit Cost/Hour: | \$211.01 | | |
| Total Fleet Cost/Hour: | \$422.03 | | |

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 16.70 acres Rip Depth (ft): 2.00 Volume: 53,885 BCY or CCY

Source of estimated quantity: Annual report / verified during site visit

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth: 2.56 mph
Average Ripping Width: 7.08 degrees
Average Ripping Length: 250.00 feet
Average Dozer Speed: 88.00 feet
Average Maneuver Time: 0.25 feet
Production per unit area: 0.789 acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.789 Acres/hr
Site Altitude: 5,000 feet
Altitude Adj: 1.00 (CAT HB)
Job Efficiency: 0.83 (1 shift/day)
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.65 Acres/hr
Adjusted Hourly Fleet Production: 1.31 Acres/hr

JOB TIME AND COST

Fleet size: 2 Grader(s) Total job time: 12.75 Hours

Unit cost: \$322.311 Per acre Total job cost: \$5,383.00

BULLDOZER WORKTask description: Finish grade stockpile areaSite: Delta Paving Gravel PitPermit Action: 2013-03-20 InspectionPermit/Job#: M1998105**PROJECT IDENTIFICATION**Task #: 02A
Date: 4/2/2013
User: DMCState: Colorado
County: DeltaAbbreviation: None
Filename: M105-02aAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D8T - 8U
Horsepower: 310
Blade Type: Universal
Attachment: NA
Shift Basis: 1 per day
Data Source: (CRG)**Cost Breakdown:**

| | | <u>Utilization %</u> |
|-----------------------|----------|----------------------|
| Ownership Cost/Hour: | \$56.69 | NA |
| Operating Cost/Hour: | \$104.06 | 100 |
| Ripper op. Cost/Hour: | \$0.00 | 0 |
| Operator Cost/Hour: | \$37.41 | NA |

Total unit Cost/Hour: \$198.16Total Fleet Cost/Hour: \$396.32**MATERIAL QUANTITIES**Initial Volume: 13,471
Swell factor: 1.000
Loose volume: 13,471 LCYSource of estimated volume: Upper 6" over 16.7 ac.Source of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 200 feet
Unadjusted hourly production: 515.8 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: 0 %
Average site altitude: 5,000 feetMaterial weight: 2,400 lbs/LCYWeight description: Clay and gravel - Dry**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: | 0.800 | (FND-RF) |
| Push gradient: | 1.000 | (CAT HB) |
| Altitude: | 1.000 | (CAT HB) |
| Material Weight: | 0.958 | (CAT HB) |
| Blade type: | 1.000 | (PAT) |

Net correction: 0.5725

Adjusted unit production: 295.30 LCY/hr
Adjusted fleet production: 590.6 LCY/hr

JOB TIME AND COST

Fleet size: 2 Dozer(s)
Unit cost: \$0.671/LCY

Total job time: 22.81 Hours
Total job cost: \$9,039.73

SCRAPER TEAM WORKTask description: Replace topsoil over stockpile areaSite: Delta Paving Gravel PitPermit Action: 2013-03-20 InspectionPermit/Job#: M1998105**PROJECT IDENTIFICATION**Task #: 03A
Date: 4/2/2013
User: DMCState: Colorado
County: DeltaAbbreviation: None
Filename: M105-03aAgency or organization name: DRMS**HOURLY EQUIPMENT**COSTShift basis: 1 per day

| | Equipment Description |
|---------------------------------|-----------------------|
| -Scraper: | Cat 627G |
| -Dozer: | NA |
| Support Equipment -Load Area: | CAT 966H |
| -Dump Area: | NA |
| Road Maintenance -Motor Grader: | NA |
| -Water Truck: | NA |

Cost Breakdown:

| | Scraper Work Team | | Support Equipment | | Maintenance Equipment | |
|-----------------------|-------------------|-------|-------------------|-----------|-----------------------|-------------|
| | Scraper | Dozer | Load Area | Dump Area | Motor Grader | Water Truck |
| %Utilization-machine: | 100 | NA | 50 | NA | NA | NA |
| Ownership cost/hour: | \$63.31 | NA | \$34.06 | NA | NA | NA |
| Operating cost/hour: | \$179.56 | NA | \$30.98 | NA | NA | NA |
| Ripper op. cost/hour: | NA | NA | \$0.00 | NA | NA | NA |
| Operator cost/hour: | \$30.02 | NA | \$35.82 | NA | NA | NA |
| Unit Subtotals: | \$272.89 | NA | \$100.86 | NA | NA | NA |
| Number of Units: | 2 | 0 | 1 | 0 | 0 | 0 |
| Group Subtotals: | Work: \$545.78 | | Support: \$100.86 | | Maint: | \$0.00 |

Total work team cost/hour: **\$646.64****MATERIAL QUANTITIES**Initial volume: 13,471 CCY Swell factor: 1.000
Loose volume: 13,471 LCYSource of estimated volume: Division of Reclamation, Mining & Safety
Source of estimated swell factor: Cat Handbook**HOURLY PRODUCTION****Scraper Bowl (volume) Basis:**

| | | | | |
|-----------------------|----------------------|--------------------|--------------|-----|
| Material weight: | <u>1,600 lbs/LCY</u> | Struck Volume: | <u>15.70</u> | LCY |
| Material description: | <u>Top Soil</u> | Heaped Volume: | <u>22.00</u> | LCY |
| Rated Payload: | <u>52,800 pounds</u> | Average Volume: | <u>18.85</u> | LCY |
| Payload Capacity: | <u>33.00 LCY</u> | Adjusted Capacity: | <u>18.85</u> | LCY |

Cycle Time:Scraper Loading Time: 0.70 MinutesManeuver and Spread Time: 0.60 MinutesJob Condition Correction:

Site Altitude: 5000 feet

| | Scraper | Push Dozer | Source |
|-----------------|---------|------------|----------|
| Altitude Adj: | 1.000 | NA | (CAT HB) |
| Job Efficiency: | 0.830 | NA | (CAT HB) |
| Net Correction: | 0.830 | NA | |

Travel Time:Road Condition: Rutted dirt, little maintenance, no water, 2" tire penetration 5.0Haul Route:

| Seg # | Haul Distance (Ft) | Grade (%) | Roll. Res (%) | Total Res (%) | Velocity (fpm) | Travel Time (min) |
|-------|--------------------|-----------|---------------|---------------|----------------|-------------------|
| 1 | 1000.00 | 0.00 | 5.00 | 5.00 | 2218 | 0.57 |

Haul Time: 0.57 minutesReturn Route:

| Seg # | Haul Distance (Ft) | Grade (%) | Roll. Res (%) | Total Res (%) | Velocity (fpm) | Travel Time (min) |
|-------|--------------------|-----------|---------------|---------------|----------------|-------------------|
| 1 | 1000.00 | 0.00 | 5.00 | 5.00 | 2814 | 0.49 |

Return Time: 0.49 minutesTotal Scraper team cycle time: 2.36 minutesAdjusted for job conditions: 397.77 LCY/HourSelected Number of Scrapers: 2 Scraper(s)Adjusted single scraper team (unit) hourly production: 795.53 LCY/HourAdjusted multiple scraper team (fleet) hourly production: 795.53 LCY/HourUnadjusted unit production/hour: 479.24 LCY/Hour

Optimal Number of Scrapers per push dozer: _____

JOB TIME AND COSTFleet size: 1 Team(s)Total job time: 16.93 HoursUnit cost: \$0.813 /LCYTotal job cost: \$10,949.74

REVEGETATION WORKTask description: Vegetate stockpile areaSite: Delta Paving Gravel PitPermit Action: 2013-03-20 InspectionPermit/Job#: M1998105**PROJECT IDENTIFICATION**Task #: 04AState: ColoradoAbbreviation: NoneDate: 4/2/2013County: DeltaFilename: M105-04aUser: DMCAgency 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 | \$0.33 | \$65.40 |
| Total Fertilizer Materials Cost/Acre | | | | \$65.40 |

Application

| Description | Cost /Acre |
|---|----------------|
| Tractor towed spreader (MEANS 32 01 90.13 0120) | \$52.71 |
| Total Fertilizer Application Cost/Acre | \$52.71 |

TILLING

| Description | Cost /Acre |
|--|-----------------|
| Chisel plowing {DMG} | \$88.58 |
| Weed control spraying (MEANS 31 31 16.13 3100) | \$145.20 |
| Total Tilling Cost/Acre | \$233.78 |

SEEDING

| Seed Mix | Rate - PLS LBS / Acre | Seeds per SQ. FT | Cost /Acre |
|---------------------------|--------------------------------|------------------------|----------------|
| Blue Grama - Native | 0.50 | 8.16 | \$5.18 |
| Indian Ricegrass - Native | 1.60 | 5.18 | \$10.78 |
| Sand Dropseed | 0.10 | 11.94 | \$0.70 |
| Galleta | 2.00 | 7.30 | \$50.40 |
| Sainfoin - Remont | 2.00 | 0.87 | \$5.62 |
| Totals Seed Mix | 6.20 | 33.45 | \$72.68 |

Application

| Description | Cost /Acre |
|---|----------------|
| Drill seeding (DRMS Cost Data) | \$88.20 |
| Total Seed Application Cost/Acre | \$88.20 |

MULCHING and MISCELLANEOUS**Materials**

| Description | Units / Acre | Unit | Cost / Unit | Cost /Acre |
|---|-----------------|------|-------------|-----------------|
| Herbicide - Curtail @ 4.0 pt/ac | 1.00 | ACRE | \$16.24 | \$16.24 |
| Straw, delivered {MEANS 31 25 14.16 1200} | 2.00 | TON | \$265.00 | \$530.00 |
| Total Mulch Materials Cost/Acre | | | | \$546.24 |

Application

| Description | Cost /Acre |
|---|-----------------|
| Crimping, with tractor {DMG survey data} | \$65.89 |
| Weed spray, truck, non-aquatic area, nox. [DMG] | \$61.49 |
| Total Mulch Application Cost/Acre | \$127.38 |

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: | 16.7 | Cost /Acre: | \$1,186.39 |
| Estimated Failure Rate: | 25% | Cost /Acre*: | \$1,186.39 |
| *Selected Replanting Work Items: | FERTILIZING, TILLING, SEEDING, MULCHING | | |
| Initial Job Cost: | \$19,812.71 | | |
| Reseeding Job Cost: | \$4,953.18 | | |
| Total Job Cost: | \$24,765.89 | | |
| Job Hours: | 27.00 | | |

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilize reclamation crew and equipment**Site: **Delta Paving Gravel Pit**Permit Action: **2013-03-20 Inspection**Permit/Job#: **M1998105****PROJECT IDENTIFICATION**Task #: **05A**State: **Colorado**Abbreviation: **None**Date: **4/2/2013**County: **Delta**Filename: **M105-05a**User: **DMC**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 - 8U | 53.70 | \$63.00 | \$125.45 | 2 | \$376.91 | \$250.90 | \$250.00 |
| Cat 627G | 41.80 | \$63.31 | \$117.55 | 2 | \$361.72 | \$235.10 | \$250.00 |
| CAT 966H | 25.80 | \$34.06 | \$88.67 | 1 | \$122.73 | \$88.67 | \$250.00 |

Subtotals: **\$861.36** **\$574.67** **\$750.00****ROADABLE EQUIPMENT:**

| Machine Description | Total Cost/hr/ unit | Fleet Size | Haul Trip Cost/hr/ fleet | Return Trip Cost/hr/ fleet |
|--------------------------------|----------------------------|-------------------|-------------------------------------|---------------------------------------|
| Light Duty Pickup, 4x4, 3/4 T. | \$15.34 | 1 | \$15.34 | \$15.34 |

Subtotals: **\$15.34** **\$15.34**

EQUIPMENT HAUL DISTANCE and Time

| | | |
|--|-------|-------|
| Nearest Major City or Town within project area region: | DELTA | |
| Total one-way travel distance: | 4.00 | miles |
| Average Travel Speed: | 40.00 | mph |

| | |
|-------------------------------------|------------|
| Total Non-Roadable Mob/Demob Cost * | \$3,509.93 |
| ** two round trips with haul rig: | |
| Total Roadable Mob/Demob Cost ** | \$3.07 |
| ** 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: | \$3,513.00 |
|-----------------|------------|