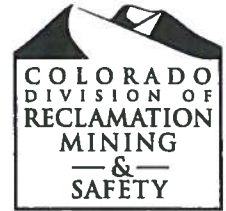


# STATE OF COLORADO

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



May 13, 2013

Phil Bourassa  
805 North Crest Dr #101  
Grand Junction, CO  
81506

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta Piñeda  
Director

**RE: High Mesa Gravel Pit, Permit No. M-2000-067, Reclamation Costs Update and Notice of Surety Increase SI-1**

Dear Mr. Bourassa:

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 **Friday, July 12, 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 \$65,790.00. This is an increase of \$48,790.00 over the \$17,000.00 currently held by the Division. This estimate is based on conditions observed during the May 1, 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, 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 Czapla", written over a blue circular stamp.

**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

Cc: Rob Ernst, BLM  
Enc: Financial Warranty Cost Estimate

## COST SUMMARY WORK

Task description: Update FW following inspection

Site: High Mesa Gravel Pit

Permit Action: 2013MayInspect

Permit/Job#: M2000067

### PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 5/13/2013

County: Delta

Filename: M067-000

User: DMC

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Reduce highwall slope to 3H:1V	DOZER	1	12.22	\$2,421.85
02a	Rip compacted pit floor	RIPPER	1	17.12	\$3,614.00
03a	Replace 1' of overburden over 18 ac. disturbance	SCRAPER1	1	50.12	\$20,999.34
04a	Replace 6" of topsoil over 18 ac. disturbance	SCRAPER1	1	25.37	\$10,629.30
05a	Re-vegetate disturbed area	REVEGE	1	27.00	\$11,022.98
06a	Mobilize reclamation crew and equipment	MOBILIZE	1	2.80	\$2,832.98
<b><u>SUBTOTALS:</u></b>				<b>134.63</b>	<b>\$51,520.45</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance: 2.02%

Total = \$1,040.71

Performance bond: 1.05%

Total = \$540.96

Job superintendent: 67.32 hrs

Total = \$4,403.07

Profit: 10.00%

Total = \$5,152.05

TOTAL O & P = \$11,136.79

CONTRACT AMOUNT (direct + O & P) = \$62,657.24

#### 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%

\$3,132.86

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$14,269.65

**TOTAL BOND AMOUNT (direct + indirect) = \$65,790.00**

BULLDOZER WORKTask description: Reduce highwall slope to 3H:1VSite: High Mesa Gravel PitPermit Action: 2013MayInspectPermit/Job#: M2000067PROJECT IDENTIFICATIONTask #: 01AState: ColoradoAbbreviation: NoneDate: 5/13/2013County: DeltaFilename: M067-01aUser: DMCAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D8T - 8UHorsepower: 310Blade Type: UniversalAttachment: NAShift Basis: 1 per dayData 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: \$198.16MATERIAL QUANTITIESInitial Volume: 6,667Swell factor: 1.060Loose volume: 7,067 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 50 feetUnadjusted hourly production: 1,627.0 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: 0 %Average site altitude: 5,500 feetMaterial weight: 2,900 lbs/LCYWeight description: Sand and gravel - DryJob 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:	0.800	(FND-RF)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3554

Adjusted unit production: 578.24 LCY/hr

Adjusted fleet production: 578.24 LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)

Unit cost: \$0.343/LCY

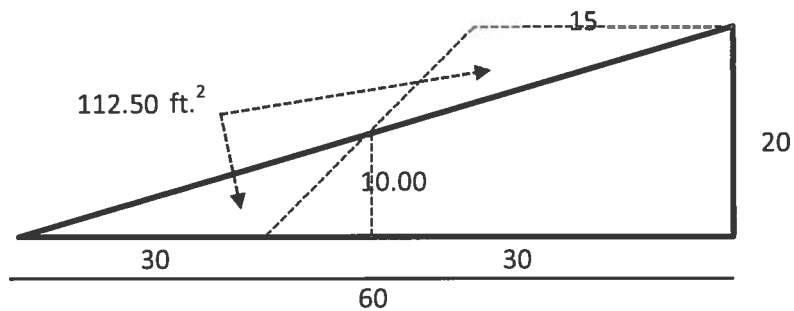
Total job time: 12.22 Hours

Total job cost: \$2,421.85

### Highwall reduction - cut and fill

Highwall Height (ft.)	20.0
Length of Highwall (ft.)	1600
----- Initial Slope	0.8 H:1V
———— Desired Slope	3 H:1V
Volume of material to be moved (ft. <sup>3</sup> )	<b>180,000</b>
Volume of material to be moved (yd. <sup>3</sup> )	<b>6,667</b>

All dimensions measured in feet  
Drawing not to scale



## BULLDOZER RIPPING WORK

Task description: Rip compacted pit floor

Site: High Mesa Gravel Pit Permit Action: 2013MayInspect Permit/Job#: M2000067

### PROJECT IDENTIFICATION

Task #: 02A State: Colorado Abbreviation: None  
Date: 5/13/2013 County: Delta Filename: M067-02a  
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:

		Utilization %
Ownership Cost/Hour:	<u>\$63.00</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$104.06</u>	<u>100</u>
Ripper Operating Cost/Hour:	<u>\$6.53</u>	<u>100</u>
Operator Cost/Hour:	<u>\$37.41</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$211.01</u>	
Total Fleet Cost/Hour:	<u>\$211.01</u>	

### MATERIAL QUANTITIES

Selected estimating method: Area

#### Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA  
Area: 10.00 acres Rip Depth (ft): 1.00 Volume: 16,133 BCY or CCY

Source of estimated quantity: Estimated from inspection

### HOURLY PRODUCTION

#### Seismic:

Seismic Velocity: NA feet/second

#### Area:

Average Ripping Depth: 2.56 mph  
Average Ripping Width: 7.08 degrees  
Average Ripping Length: 100.00 feet  
Average Dozer Speed: 88.00 feet  
Average Maneuver Time: 0.25 feet  
Production per unit area: 0.703 acres/hour

#### Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.703 Acres/hr  
Site Altitude: 5,500 feet  
Altitude Adj: 1.00 (CAT HB)  
Job Efficiency: 0.83 (1 shift/day)  
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.58 Acres/hr  
Adjusted Hourly Fleet Production: 0.58 Acres/hr

### JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: 17.13 Hours

Unit cost: \$361.414 Per acre Total job cost: \$3,614.00

**SCRAPER TEAM WORK**Task description: Replace 1' of overburden over 18 ac. disturbanceSite: High Mesa Gravel PitPermit Action: 2013MayInspectPermit/Job#: M2000067**PROJECT IDENTIFICATION**Task #: 03AState: ColoradoAbbreviation: NoneDate: 5/13/2013County: DeltaFilename: M067-03aUser: DMCAgency or organization name: DRMS**HOURLY EQUIPMENT**COSTShift basis: 1 per day

Equipment Description	
-Scraper:	Cat 627G
-Dozer:	Cat D8T - 8U
Support Equipment -Load Area:	NA
-Dump Area:	NA
Road Maintenance -Motor Grader:	NA
-Water Truck:	NA

<b><u>Cost Breakdown:</u></b>	<b>Scraper Work Team</b>		<b>Support Equipment</b>		<b>Maintenance Equipment</b>	
	Scraper	Dozer	Load Area	Dump Area	Motor Grader	Water Truck
%Utilization-machine:	100	50	NA	NA	NA	NA
Ownership cost/hour:	\$63.31	\$56.69	NA	NA	NA	NA
Operating cost/hour:	\$179.56	\$52.03	NA	NA	NA	NA
Ripper op. cost/hour:	NA	\$0.00	NA	NA	NA	NA
Operator cost/hour:	\$30.02	\$37.41	NA	NA	NA	NA
Unit Subtotals:	\$272.89	\$146.13	NA	NA	NA	NA
Number of Units:	1	1	0	0	0	0
Group Subtotals:	Work: \$419.02		Support:	\$0.00	Maint:	\$0.00

Total work team cost/hour: **\$419.02****MATERIAL QUANTITIES**Initial volume: 29,040

CCY

Swell factor: 1.000Loose volume: **29,040**

LCY

Source of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION****Scraper Bowl (volume) Basis:**

Material weight:	<u>2,700 lbs/LCY</u>	Struck Volume:	<u>15.70</u>	LCY
Material description:	<u>Sand and clay - Loose</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>19.56 LCY</u>	Adjusted Capacity:	<b><u>18.85</u></b>	LCY

Cycle Time:

Scraper Loading Time: 0.50 Minutes  
 Maneuver and Spread Time: 0.60 Minutes

Job Condition Correction:

Site Altitude: 5500 feet

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

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	300.00	0.00	5.00	5.00	2218	0.30

Haul Time: 0.30 minutesReturn Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	300.00	0.00	5.00	5.00	2814	0.24

Return Time: 0.24 minutesTotal Scraper team cycle time: 1.64 minutesAdjusted for job conditions: 572.40 LCY/HourSelected Number of Scrapers: 1 Scraper(s)Adjusted single scraper team (unit) hourly production: 572.40 LCY/HourAdjusted multiple scraper team (fleet) hourly production: 572.40 LCY/HourUnadjusted unit production/hour: 689.63 LCY/Hour

Optimal Number of Scrapers per push dozer: \_\_\_\_\_

**JOB TIME AND COST**Fleet size: 1 Team(s)Total job time: 50.73 HoursUnit cost: \$0.732 /LCYTotal job cost: \$21,258.59



**SCRAPER TEAM WORK**Task description: Replace 6" of topsoil over 18 ac. disturbanceSite: High Mesa Gravel PitPermit Action: 2013MayInspectPermit/Job#: M2000067**PROJECT IDENTIFICATION**Task #: 04AState: ColoradoAbbreviation: NoneDate: 5/13/2013County: DeltaFilename: M067-04aUser: DMCAgency or organization name: DRMS**HOURLY EQUIPMENT**COSTShift basis: 1 per day

Equipment Description	
-Scraper:	Cat 627G
-Dozer:	Cat D8T - 8U
Support Equipment -Load Area:	NA
-Dump Area:	NA
Road Maintenance -Motor Grader:	NA
-Water Truck:	NA

<b>Cost Breakdown:</b>	Scraper Work Team		Support Equipment		Maintenance Equipment	
	Scraper	Dozer	Load Area	Dump Area	Motor Grader	Water Truck
%Utilization-machine:	100	50	NA	NA	NA	NA
Ownership cost/hour:	\$63.31	\$56.69	NA	NA	NA	NA
Operating cost/hour:	\$179.56	\$52.03	NA	NA	NA	NA
Ripper op. cost/hour:	NA	\$0.00	NA	NA	NA	NA
Operator cost/hour:	\$30.02	\$37.41	NA	NA	NA	NA
Unit Subtotals:	\$272.89	\$146.13	NA	NA	NA	NA
Number of Units:	1	1	0	0	0	0
Group Subtotals:	Work:	\$419.02	Support:	\$0.00	Maint:	\$0.00

Total work team cost/hour: **\$419.02****MATERIAL QUANTITIES**Initial volume: 14,520

CCY

Swell factor: 1.000Loose volume: 14,520

LCY

Source of estimated volume: Division of Reclamation, Mining & SafetySource 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: 0.50 MinutesManeuver and Spread Time: 0.60 MinutesJob Condition Correction:

Site Altitude: 5500 feet

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

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	300.00	0.00	5.00	5.00	2218	0.26

Haul Time: 0.26 minutesReturn Route:

Seg #	Haul Distance (Ft)	Grade (%)	Roll. Res (%)	Total Res (%)	Velocity (fpm)	Travel Time (min)
1	300.00	0.00	5.00	5.00	2814	0.24

Return Time: 0.24 minutesTotal Scraper team cycle time: 1.60 minutesAdjusted for job conditions: 586.71 LCY/HourSelected Number of Scrapers: 1 Scraper(s)Adjusted single scraper team (unit) hourly production: 586.71 LCY/HourAdjusted multiple scraper team (fleet) hourly production: 586.71 LCY/HourUnadjusted unit production/hour: 706.88 LCY/Hour

Optimal Number of Scrapers per push dozer: \_\_\_\_\_

**JOB TIME AND COST**Fleet size: 1 Team(s)Total job time: 24.75 HoursUnit cost: \$0.714 /LCYTotal job cost: \$10,370.05

**REVEGETATION WORK**Task description: Re-vegetate disturbed areaSite: High Mesa Gravel PitPermit Action: 2013MayInspectPermit/Job#: M2000067**PROJECT IDENTIFICATION**Task #: 05AState: ColoradoAbbreviation: NoneDate: 5/13/2013County: DeltaFilename: M067-05aUser: DMCAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
<b>Total Fertilizer Materials Cost/Acre</b>				<b>\$0.00</b>

**Application**

Description	Cost /Acre
	\$
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$0.00</b>

**TILLING**

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$98.01
Weed control spraying (MEANS 31 31 16.13 3100)	\$145.20
<b>Total Tilling Cost/Acre</b>	<b>\$243.21</b>

**SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Crested Wheatgrass - Hy-Crest	3.00	13.77	\$7.17
Yellow Sweet Clover - Madrid	0.70	4.18	\$1.79
Galleta	3.60	13.14	\$90.72
Sagebrush, Louisiana or Prairie	0.10	10.08	\$13.74
Saltbush, Gardner	0.50	1.27	\$8.18
Globemallow, Scarlet (or copper)	0.20	2.26	\$28.09
Siberian Wheatgrass	3.30	8.33	\$8.81
<b>Totals Seed Mix</b>	<b>11.40</b>	<b>53.04</b>	<b>\$158.50</b>

**Application**

Description	Cost /Acre
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Drill seeding (DRMS Cost Data)	\$88.20
<b>Total Seed Application Cost/Acre</b>	<b>\$88.20</b>

**MULCHING and MISCELLANEOUS****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
<b>Total Mulch Materials Cost/Acre</b>				<b>\$0.00</b>

**Application**

Description	Cost /Acre
	\$
<b>Total Mulch Application Cost/Acre</b>	<b>\$0.00</b>

**NURSERY STOCK PLANTING**

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
<b>Totals Nursery Stock Cost / Acre</b>					<b>\$0.00</b>

**JOB TIME AND COST**

No. of Acres:	18	Cost /Acre:	\$489.91
Estimated Failure Rate:	25%	Cost /Acre*:	\$489.91
*Selected Replanting Work Items:	TILLING, SEEDING		
Initial Job Cost:	\$8,818.38		
Reseeding Job Cost:	\$2,204.60		
Total Job Cost:	\$11,022.98		
Job Hours:	27.00		

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: Mobilize reclamation crew and equipmentSite: High Mesa Gravel PitPermit Action: 2013MayInspectPermit/Job#: M2000067**PROJECT IDENTIFICATION**Task #: 06AState: ColoradoAbbreviation: NoneDate: 5/13/2013County: DeltaFilename: M067-06aUser: DMCAgency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**Shift basis: 1 per dayCost Data Source: CRG DataTruck 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:**

<b>Available Rig Capacities</b>	<b>0-25 Tons</b>	<b>26-50 Tons</b>	<b>51+ Tons</b>
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	1	\$188.45	\$125.45	\$250.00
Cat 627G	41.80	\$63.31	\$117.55	1	\$180.86	\$117.55	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$250.00

Subtotals: **\$497.57** **\$331.67** **\$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:	9.00	miles
Average Travel Speed:	45.00	mph

Total Non-Roadable Mob/Demob Cost *	\$2,826.84
'* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$6.14
'** one round trip, no haul rig:	

**Transportation Cycle Time:**

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.20	0.20
Return Time (Hours):	0.20	0.20
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.40	0.40

**JOB TIME AND COST**

Total job time:	2.80	Hours
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Total job cost:	\$2,832.98
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