

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



June 6, 2013

Denise Gonzales
Hard Rock Paving and Redi-Mix, Inc.
P.O. Box 37
Salida, CO
81201

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Piñeda
Director

RE: Buena Vista Pit, Permit No. M-1977-196, Reclamation Costs Update and Notice of Surety Increase (SI-1)

Dear Ms. Gonzales:

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 **Wednesday, August 07, 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 \$50,000.00. This is an increase of \$3,800.00 over the \$46,200.00 currently held by the Division. This estimate is based on conditions observed during the May 22, 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 additional 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". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dustin Czapla
Environmental Protection Specialist
Department of Natural Resources
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: Update FW based on inspection observations

Site: Buena Vista Pit

Permit Action: 2013-05-22

Inspection

Permit/Job#: M1977196

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 6/6/2013

County: Chaffee

Filename: M196-000

User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Remove /demo onsite structures	DEMOLISH	1	8.00	\$14,095.48
02a	Reduce highwalls/backfill asphalt slab/finish grade site	DOZER	1	6.79	\$1,344.98
03a	Rip compacted areas	RIPPER	1	4.04	\$853.00
04a	Replace topsoil over disturbed area	DOZER	1	15.12	\$2,995.24
05a	Revegetate disturbed area	REVEGE	1	15.00	\$18,489.23
06a	Mobilize reclamation crew and equipment	MOBILIZE	1	2.11	\$1,664.63
<u>SUBTOTALS:</u>				51.06	\$39,442.56

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02%

Total = \$796.74

Performance bond: 1.05%

Total = \$414.15

Job superintendent: 25.53 hrs

Total = \$1,669.92

Profit: 10.00%

Total = \$3,944.26

TOTAL O & P = \$6,825.07

CONTRACT AMOUNT (direct + O & P) = \$46,267.63

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%

\$2,313.38

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$9,638.45

TOTAL BOND AMOUNT (direct + indirect) = \$50,000.00

DEMOLITION WORK

Task description: Remove /demo onsite structures

Site: Buena Vista Pit

Permit Action: 2013-05-22 Inspection

Permit/Job#: M1977196

PROJECT IDENTIFICATION

Task #: 01A

State: Colorado

Abbreviation: None

Date: 6/6/2013

County: Chaffee

Filename: M196-01a

User: DMC

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 95.40 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Scalehouse	8' x 8' x 8'	Bldg. (SN) demo./on-site disposal in excavated pit - Max. 200 ft. push	512.00	CF	\$0.18	\$90.62
Scale and pad	90' x 12' x 2'	Disposal in excavated pit - max 200' push	2,160.00	CF	\$0.18	\$382.32
Asphalt pad	150' x 130' x 6"	Pavement, bituminous, demolition only - 4 in. to 6 in. thick	2,167.00	SY	\$6.60	\$14,302.20

Job Hours: 8.00

Subtotal
(unadjusted): \$14,775.14

Total Cost
(adjusted for location): \$14,095.48

BULLDOZER WORKTask description: Reduce highwalls/backfill asphalt slab/finish grade siteSite: Buena Vista PitPermit Action: 2013-05-22 InspectionPermit/Job#: M1977196**PROJECT IDENTIFICATION**Task #: 02AState: ColoradoAbbreviation: NoneDate: 6/6/2013County: ChaffeeFilename: M196-02aUser: DMCAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic 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: \$198.16**MATERIAL QUANTITIES**Initial Volume: 2,000Swell factor: 1.124Loose volume: 2,247 LCYSource of estimated volume: Based on inspectionSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 100 feetUnadjusted hourly production: 931.6 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: 0 %Average site altitude: 8,070 feetMaterial weight: 2,900 lbs/LCYWeight description: Sand and gravel - Dry**Job 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: 331.09 LCY/hr

Adjusted fleet production: 331.09 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.599/LCY

Total job time: 6.79 Hours

Total job cost: \$1,344.98

BULLDOZER RIPPING WORK

Task description: Rip compacted areas

Site: Buena Vista Pit Permit Action: 2013-05-22 Inspection Permit/Job#: M1977196

PROJECT IDENTIFICATION

Task #: 03A State: Colorado Abbreviation: None
Date: 6/6/2013 County: Chaffee Filename: M196-03a
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: 2.00 acres Rip Depth (ft): 2.00 Volume: 6,453 BCY or CCY

Source of estimated quantity: Inspection observations

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth:	<u>2.56</u>	<u>mph</u>
Average Ripping Width:	<u>7.08</u>	<u>degrees</u>
Average Ripping Length:	<u>50.00</u>	<u>feet</u>
Average Dozer Speed:	<u>88.00</u>	<u>feet</u>
Average Maneuver Time:	<u>0.25</u>	<u>feet</u>
Production per unit area:	<u>0.596</u>	<u>acres/hour</u>

Job Condition Correction Factors

Unadjusted Hourly Unit Production:	<u>0.596</u>	<u>Acres/hr</u>
Site Altitude:	<u>8,070</u>	<u>feet</u>
Altitude Adj:	<u>1.00</u>	<u>(CAT HB)</u>
Job Efficiency:	<u>0.83</u>	<u>(1 shift/day)</u>
Net Correction:	<u>0.83</u>	<u>multiplier</u>
Adjusted Hourly Unit Production:	<u>0.49</u>	<u>Acres/hr</u>
Adjusted Hourly Fleet Production:	<u>0.49</u>	<u>Acres/hr</u>

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: 4.04 Hours
Unit cost: \$426.588 Per acre Total job cost: \$853.00

BULLDOZER WORKTask description: Replace topsoil over disturbed areaSite: Buena Vista PitPermit Action: 2013-05-22 InspectionPermit/Job#: M1977196**PROJECT IDENTIFICATION**Task #: 04AState: ColoradoAbbreviation: NoneDate: 6/6/2013County: ChaffeeFilename: M196-04aUser: DMCAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic 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: \$198.16**MATERIAL QUANTITIES**Initial Volume: 12,100Swell factor: 1.000Loose volume: 12,100 LCYSource of estimated volume: Inspection observations (15 ac. @ 6")Source of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 100 feetUnadjusted hourly production: 931.6 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: 0 %Average site altitude: 8,070 feetMaterial weight: 1,600 lbs/LCYWeight description: Top Soil**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:	1.438	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.8593

Adjusted unit production: 800.52 LCY/hr
Adjusted fleet production: **800.52 LCY/hr**

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.248/LCY

Total job time: **15.12 Hours**
Total job cost: **\$2,995.24**

REVEGETATION WORKTask description: Revegetate disturbed areaSite: Buena Vista PitPermit Action: 2013-05-22 InspectionPermit/Job#: M1977196**PROJECT IDENTIFICATION**Task #: 05AState: ColoradoAbbreviation: NoneDate: 6/6/2013County: ChaffeeFilename: M196-05aUser: DMCAgency or organization name: DRMS**FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Ammonium nitrate, 33-0-0	40.00	pound	\$0.36	\$14.36
Triple superphosphate, 0-46-0	40.00	pound	\$0.50	\$19.84
Total Fertilizer Materials Cost/Acre				\$34.20

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 - Hachita	1.00	16.32	\$10.65
Indian Ricegrass - Nespar	6.00	19.42	\$42.48
Pubescent Wheatgrass - Luna	8.00	16.53	\$17.92
Western Wheatgrass - Barton	8.00	20.20	\$29.44
Totals Seed Mix	23.00	72.47	\$100.49

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
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$265.00	\$530.00
Total Mulch Materials Cost/Acre				\$530.00

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$65.89
Total Mulch Application Cost/Acre	\$65.89

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:	15	Cost /Acre:	\$1,105.27
Estimated Failure Rate:	25%	Cost /Acre*:	\$509.38
*Selected Replanting Work Items:	FERTILIZING, TILLING, SEEDING		
Initial Job Cost:	\$16,579.05		
Reseeding Job Cost:	\$1,910.18		
Total Job Cost:	\$18,489.23		
Job Hours:	15.00		

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilize reclamation crew and equipment**Site: **Buena Vista Pit**Permit Action: **2013-05-22 Inspection**Permit/Job#: **M1977196****PROJECT IDENTIFICATION**Task #: **06A**State: **Colorado**Abbreviation: **None**Date: **6/6/2013**County: **Chaffee**Filename: **M196-06a**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	1	\$188.45	\$125.45	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$250.00

Subtotals: **\$316.71** **\$214.12** **\$500.00****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:	BUENA VISTA	
Total one-way travel distance:	1.00	miles
Average Travel Speed:	35.00	mph

Total Non-Roadable Mob/Demob Cost *	\$1,663.75
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$0.88
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.03	0.03
Return Time (Hours):	0.03	0.03
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.06	0.06

JOB TIME AND COST

Total job time:	2.11	Hours
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Total job cost:	\$1,664.63
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