

# 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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July 1, 2013

Danielle Wieber  
Colorado Lien Company  
P.O. Box 440  
Rapid City, SD  
57709

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta Piñeda  
Director

**RE: Newett Quarry, Permit No. M-1978-093, Reclamation Costs Update and Notice of Surety Increase SI-2**

Dear Ms. Wieber:

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, August 30, 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 \$131,728.00. This is an increase of \$60,078.00 over the \$71,650.00 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 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,



**Dustin Czapla**

Environmental Protection Specialist  
Division of Reclamation, Mining and Safety  
101 South 3<sup>rd</sup>, Suite 301  
Grand Junction, CO 81501  
Phone: (970) 243-6299  
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Enc: Financial Warranty Cost Estimate

## COST SUMMARY WORK

Task description: FW Review following May 22, 2013 inspection

Site: Newett Quarry Permit Action: 2013-05-22  
Inspection Permit/Job#: M1978093

### PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None  
Date: 6/18/2013 County: Chaffee Filename: M093-000  
User: DMC

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Backfill excavated quarry	DOZER	2	143.55	\$56,891.31
02a	Scarify stockpile and road area	RIPPER	2	12.84	\$5,421.00
03a	Revegetate disturbed areas	REVEGE	1	30.00	\$38,148.50
04a	Mobilize reclamation crew and equipment	MOBILIZE	1	2.88	\$4,596.98
<b><u>SUBTOTALS:</u></b>				<b>189.27</b>	<b>\$105,057.79</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance:	2.02%	Total =	\$2,122.17
Performance bond:	1.05%	Total =	\$1,103.11
Job superintendent:	94.64 hrs	Total =	\$6,190.08
Profit:	10.00%	Total =	\$10,505.78
		TOTAL O & P =	\$19,921.14
		CONTRACT AMOUNT (direct + O & P) =	\$124,978.93

#### 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%		\$6,248.95
CONTINGENCY: 0.00		Total =	\$0.00

TOTAL INDIRECT COST = \$26,670.09

**TOTAL BOND AMOUNT (direct + indirect) = \$131,727.88**

**BULLDOZER WORK**Task description: **Backfill excavated quarry**Site: **Newett Quarry**Permit Action: **2013-05-22 Inspection**Permit/Job#: **M1978093****PROJECT IDENTIFICATION**Task #: **01A**State: **Colorado**Abbreviation: **None**Date: **6/18/2013**County: **Chaffee**Filename: **M093-01a**User: **DMC**Agency 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: **\$198.16**Total Fleet Cost/Hour: **\$396.32****MATERIAL QUANTITIES**Initial Volume: **94,199**Swell factor: **1.000**Loose volume: **94,199 LCY**Source of estimated volume: **Division of Reclamation, Mining & Safety**Source of estimated swell factor: **Cat Handbook****HOURLY PRODUCTION**Average push distance: **100 feet**Unadjusted hourly production: **931.6 LCY/hr**Materials consistency description: **Loose stockpile 1.2**Average push gradient: **15 %**Average site altitude: **9,500 feet**Material weight: **2,600 lbs/LCY**Weight description: **Limestone - Broken****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:	0.666	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.885	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3522

Adjusted unit production: 328.11 LCY/hr

Adjusted fleet production: 656.22 LCY/hr

### **JOB TIME AND COST**

Fleet size: 2 Dozer(s)

Unit cost: \$0.604/LCY

Total job time: 143.55 Hours

Total job cost: \$56,891.31

## BULLDOZER RIPPING WORK

Task description: Scarify stockpile and road area

Site: Newett Quarry

Permit Action: 2013-05-22 Inspection

Permit/Job#: M1978093

### PROJECT IDENTIFICATION

Task #: 02A

State: Colorado

Abbreviation: None

Date: 6/18/2013

County: Chaffee

Filename: M093-02a

User: DMC

Agency or organization name: DRMS

### HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8U  
Ripper Attachment: 3-Shank Ripper

Horsepower: 310  
Shift Basis: 1 per day  
Data Source: (CRG)

#### Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$63.00	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: 15.00 acres Rip Depth (ft): 2.00 Volume: 48,400 BCY or CCY

Source of estimated quantity: Reclamation plan

### 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: 9,500 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: 1.17 Acres/hr

### JOB TIME AND COST

Fleet size: 2 Grader(s) Total job time: 12.85 Hours

Unit cost: \$361.414 Per acre Total job cost: \$5,421.00

**REVEGETATION WORK**Task description: Revegetate disturbed areasSite: Newett QuarryPermit Action: 2013-05-22 InspectionPermit/Job#: M1978093**PROJECT IDENTIFICATION**Task #: 03AState: ColoradoAbbreviation: NoneDate: 6/18/2013County: ChaffeeFilename: M093-03aUser: 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>

**TILLING**

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

**SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Native	3.20	10.36	\$21.57
Mahogany, Mountain	4.00	5.42	\$185.24
Western Wheatgrass - Native	4.00	10.10	\$12.16
Sagebrush, Mountain or Big	1.50	79.20	\$50.57
Rabbitbrush, Douglas	2.50	37.30	\$62.58
<b>Totals Seed Mix</b>	<b>15.20</b>	<b>142.38</b>	<b>\$332.11</b>

**Application**

Description	Cost /Acre
Broadcast seeding [DMG]	\$261.28
<b>Total Seed Application Cost/Acre</b>	<b>\$261.28</b>

**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
<b>Total Mulch Materials Cost/Acre</b>				<b>\$530.00</b>

**Application**

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$65.89
Power mulcher (MEANS 32 91 13.16 0250)	\$86.68
<b>Total Mulch Application Cost/Acre</b>	<b>\$152.57</b>

**NURSERY STOCK PLANTING**

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
Pine, Ponderosa	10	Bare root seedling, 11-16 inch ht. (MEANS)	\$1.62	\$0.00	\$16.20
<b>Totals Nursery Stock Cost / Acre</b>					<b>\$16.20</b>

**JOB TIME AND COST**

No. of Acres:	20	Cost /Acre:	\$1,525.94
Estimated Failure Rate:	25%	Cost /Acre*:	\$1,525.94
*Selected Replanting Work Items:	TILLING, SEEDING, NURSERY, MULCHING		
Initial Job Cost:	\$30,518.80		
Reseeding Job Cost:	\$7,629.70		
Total Job Cost:	\$38,148.50		
Job Hours:	30.00		

**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Mobilize reclamation crew and equipment**Site: **Newett Quarry**Permit Action: **2013-05-22 Inspection**Permit/Job#: **M1978093****PROJECT IDENTIFICATION**Task #: **04A**  
Date: **6/18/2013**  
User: **DMC**State: **Colorado**  
County: **Chaffee**Abbreviation: **None**  
Filename: **M093-04a**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	\$500.00
CAT 972H	28.00	\$35.56	\$117.55	1	\$153.11	\$117.55	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$250.00
Power Mulcher (Reinco M90)	6.00	\$7.03	\$88.67	1	\$95.70	\$88.67	\$250.00

Subtotals: **\$753.98** **\$545.79** **\$1,250.00****ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Light Duty Pickup, 4x4, 1 T. Crew	\$25.51	1	\$25.51	\$25.51

Subtotals: **\$25.51** **\$25.51**

**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region:	<u>BUENA VISTA</u>	
Total one-way travel distance:	<u>10.00</u>	miles
Average Travel Speed:	<u>45.00</u>	mph

Total Non-Roadable Mob/Demob Cost *	<u>\$4,585.64</u>
** two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	<u>\$11.34</u>
** one round trip, no haul rig:	

**Transportation Cycle Time:**

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.22	0.22
Return Time (Hours):	0.22	0.22
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.44	0.44

**JOB TIME AND COST**

Total job time: 2.89 Hours

Total job cost: \$4,596.98