

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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John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Piñeda
Director

July 11, 2013

Mr. Jim Helmericks
Glacier Gravel Products
995 Hwy 3
Durango, CO 81301

Re: J & J Pit, Permit No. M-1985-001, Financial Warranty Increase, Revision No. SI-1

Dear Mr. Helmericks:

On July 11, 2013 the Division of Reclamation, Mining and Safety increased the current Financial Warranty for this permit to \$8,457.58, in accordance with Rule 4.2.1 of the Rules and Regulations. This is an increase of \$3,457.58.

The Division ordered amendment of the current Financial Warranty, or submittal of a new Financial Warranty reflecting the increase, within 60 days from the date of this letter. If you wish to submit a different type of Financial Warranty, please contact me such that I may send you the applicable form.

If you have any questions, please contact me at (970) 259-5861.

Sincerely,

Kate A. Pickford
Environmental Protection Specialist

COST SUMMARY WORK

Task description: 2013 Inspection

Site: J & J Pit

Permit Action: 2013 Inspection

Permit/Job#: M1985001

PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 7/3/2013

County: La Plata

Filename: M001-000

User: KAP

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Reduce Highwall from 0.5H:1V to 2H:1V	DOZER	1	17.36	\$3,440.19
002	Finish Grade (level) Pit Floor, approximately 3.5 acres	DOZER	1	5.18	\$1,027.04
003	Revegetate Pit Slopes, Approx. 1.5 acres	REVEGE	1	2.00	\$1,706.10
004	Mobilize/Demobilize	MOBILIZE	1	2.40	\$714.41
<u>SUBTOTALS:</u>				26.94	\$6,887.74

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 0.00%

Total = \$0.00

Performance bond: 0.00%

Total = \$0.00

Job superintendent: 13.47 hrs

Total = \$881.07

Profit: 10.00%

Total = \$688.77

TOTAL O & P = \$1,569.84

CONTRACT AMOUNT (direct + O & P) = \$8,457.58

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: 0.00%

\$0.00

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$1,569.84

TOTAL BOND AMOUNT (direct + indirect) = \$8,457.58

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mobilize/DemobilizeSite: J & J PitPermit Action: 2013 InspectionPermit/Job#: M1985001**PROJECT IDENTIFICATION**Task #: 004State: ColoradoAbbreviation: NoneDate: 7/3/2013County: La PlataFilename: M001-004User: KAPAgency or organization name: DRMS**EQUIPMENT TRANSPORT RIG COST**Shift basis: 1 per day
Cost 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:**

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 - 8SU	47.71	\$56.69	\$117.55	1	\$174.24	\$117.55	\$0.00
Drill/Broadcast Seeder with Tractor	25.00	\$39.59	\$88.67	1	\$128.26	\$88.67	\$0.00

Subtotals: **\$302.50** **\$206.22** **\$0.00****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.	\$38.36	1	\$38.36	\$38.36

Subtotals: **\$38.36** **\$38.36**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	DURANGO	
Total one-way travel distance:	3.00	miles
Average Travel Speed:	30.00	mph

Total Non-Roadable Mob/Demob Cost *	\$706.74
* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$7.67
** 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
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Total job cost:	\$714.41
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REVEGETATION WORKTask description: Revegetate Pit Slopes, Approx. 1.5 acresSite: J & J PitPermit Action: 2013 InspectionPermit/Job#: M1985001PROJECT IDENTIFICATIONTask #: 003State: ColoradoAbbreviation: NoneDate: 7/3/2013County: La PlataFilename: M001-003User: KAPAgency or organization name: DRMSFERTILIZINGMaterials

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
Total Tilling Cost/Acre	\$88.58

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Indian Ricegrass - Paloma	7.00	22.66	\$60.97
Intermediate Wheatgrass - Oahe	10.00	21.35	\$21.60
Western Wheatgrass - Arriba	8.00	20.20	\$29.44
Needle and Thread	6.00	15.84	\$281.94
Totals Seed Mix	31.00	80.05	\$393.95

Application

Description	Cost /Acre
Broadcast seeding [DMG]	\$261.28

Total Seed Application Cost/Acre	\$261.28
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MULCHING and MISCELLANEOUS**Materials**

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

Application

Description	Cost /Acre
	\$
Total Mulch Application Cost/Acre	\$0.00

NURSERY STOCK PLANTING

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
Pine, Pinyon	50	Tubling, 3 cu. in. container (MEANS)	\$0.96	\$0.00	\$48.00
Totals Nursery Stock Cost / Acre					\$48.00

JOB TIME AND COST

No. of Acres: 1.5 Cost /Acre: \$909.92
 Estimated Failure Rate: 25% Cost /Acre*: \$909.92
 *Selected Replanting Work Items: FERTILIZING,TILLING,SEEDING,NU
RSERY,MULCHING

Initial Job Cost: \$1,364.88
 Reseeding Job Cost: \$341.22
 Total Job Cost: \$1,706.10
 Job Hours: 2.00

BULLDOZER WORKTask description: Reduce Highwall from 0.5H:1V to 2H:1VSite: J & J PitPermit Action: 2013 InspectionPermit/Job#: M1985001PROJECT IDENTIFICATIONTask #: 001State: ColoradoAbbreviation: NoneDate: 7/3/2013County: La PlataFilename: M001-001User: KAPAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$56.69	NA
Operating Cost/Hour:	\$104.03	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$37.41	NA

Total unit Cost/Hour: \$198.13Total Fleet Cost/Hour: \$198.13MATERIAL QUANTITIESInitial Volume: 13,541Swell factor: 1.124Loose volume: 15,215 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 50 feetUnadjusted hourly production: 1,400.0 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: -30 %Average site altitude: 6,700 feetMaterial weight: 2,900 lbs/LCYWeight description: Sand and gravel - DryJob Condition Correction Factor

		Source
Operator Skill:	0.750	(AVG.)
Material consistency:	0.900	(CAT HB))
Dozing method:	1.100	(50% SL)

Visibility:	1.000	(AVG.)
Job efficiency:	0.830	(1 SHIFT/DAY)
Spoil pile:	0.800	(SSD-AC)
Push gradient:	1.601	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.793	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.6259

Adjusted unit production: 876.26 LCY/hr

Adjusted fleet production: 876.26 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)
 Unit cost: \$0.226/LCY

Total job time: 17.36 Hours
 Total job cost: \$3,440.19

BULLDOZER WORKTask description: Finish Grade (level) Pit Floor, approximately 3.5 acresSite: J & J PitPermit Action: 2013 InspectionPermit/Job#: M1985001PROJECT IDENTIFICATIONTask #: 002State: ColoradoAbbreviation: NoneDate: 7/3/2013County: La PlataFilename: M001-002User: KAPAgency or organization name: DRMSHOURLY EQUIPMENT COSTBasic Machine: Cat D8T - 8SUHorsepower: 310Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$56.69	NA
Operating Cost/Hour:	\$104.03	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$37.41	NA

Total unit Cost/Hour: \$198.13Total Fleet Cost/Hour: \$198.13MATERIAL QUANTITIESInitial Volume: 2,823Swell factor: 1.000Loose volume: 2,823 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat HandbookHOURLY PRODUCTIONAverage push distance: 50 feetUnadjusted hourly production: 1,400.0 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: 0 %Average site altitude: 6,700 feetMaterial weight: 2,650 lbs/LCYWeight description: Decomposed rock - 25% Rock, 75% EarthJob Condition Correction Factor

		Source
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	(SSD-AC)
Push gradient:	1.000	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.868	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.3890

Adjusted unit production: 544.60 LCY/hr

Adjusted fleet production: **544.6** LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$0.364/LCY

Total job time: **5.18** Hours

Total job cost: **\$1,027.04**