

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



John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta E. Pineda
Director

September 19, 2012

Mr. Chris Garrison
103 Brook Rd.
Evergreen, CO 80439

Re:

**Goldigger I & II, NOI File No. P-2009-007
Modification MD-02, Approval**

Dear Mr. Garrison:

The Division of Reclamation, Mining and Safety received your Modification MD-02 of your Notice of Intent to Conduct Prospecting Operations (NOI) on June 22, 2012. MD-02 was reviewed by our office and approved on September 19, 2012. MD-02 activities are continued suction dredging, with land disturbances east of the creek for high-banking (a 44-cyd pothole, a trench having a maximum open volume of 667 cyds at any one time, with 0.5 acre total areal disturbance).

The Division advises you that a condition of the approval of MD-02 is that prospecting operations shall be conducted in a manner that complies with all applicable local, state and federal laws and regulations (please see Section IV, paragraph 3 of Form 2, Notice of Intent to Conduct Prospecting Operations for Hard Rock/Metal Mines, document executed on June 21, 2012 by Christopher Garrison). Your MD-02 submittal indicates a discharge permit will be required by the Colorado Department of Public Health and Environment, and that you are working on an application for that permit (page labeled "Section C Project Description" in submittal dated 8/26/12, received by DRMS on 8/28/12). **Prospecting activities that require a discharge permit shall not commence until the discharge permit is issued.**

The required financial warranty for MD-02 was determined to be \$3,017 (see attached reclamation cost estimate). The reclamation cost estimate was based on 0.5 acre total land disturbance, with a maximum volume of open excavation allowed at any one time of 711 cubic yards. **If you plan to disturb more than 0.5 acre, or if you plan to have more than 711 cubic yards of open excavation at any one time, then you must submit a new modification notice or a new NOI.**

The reclamation cost estimate does include reclamation tasks for areas that were disturbed west of the creek under this NOI because those areas have been fully reclaimed, as verified during the DRMS inspection of 6/7/12 and as documented in your submittal of 6/28/12. The amount of financial warranty currently on deposit with the State is \$3,042, resulting in surplus bond on deposit of \$25 (calculated as \$3,042, minus \$3,017).

If you have any questions, please contact me at (303) 866-3567, extension 8128.

Sincerely,

A handwritten signature in black ink that reads "Tom Kaldenbach".

Tom Kaldenbach
Senior Environmental Protection Specialist

COST SUMMARY WORK

Task description: Reclaim all disturbances in P-2009-007 area

Site: Golddigger I

Permit Action: MD-02

Permit/Job#: P2009007

PROJECT IDENTIFICATION

Task #: 02D

State: Colorado

Abbreviation: None

Date: 9/19/2012

County: Park

Filename: P007-02D

User: TAK

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
02A	Backfill existing pothole & planned trench, east of creek	EXCAVATE	1	9.68	\$703.00
02B	Revegetate land disturbances in and around trench	REVEGE	1	4.00	\$725.31
02C	Mobilize/demobilize excavator from Fairplay to site	MOBILIZE	1	1.20	\$624.08
<u>SUBTOTALS:</u>				14.88	\$ \$2,052.39

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$41.46

Performance bond: 1.05

Total = \$21.55

Job superintendent: 7.44

Total = \$441.19

Profit: 10.00

Total = \$205.24

TOTAL O & P = \$709.44

CONTRACT AMOUNT (direct + O & P) = \$2,761.83

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): 0.00

Total = 0.00

Engineering work and/or contract/bid preparation: 4.25

Total = \$117.38

Reclamation management and/or administration: 5.00

\$138.09

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$964.91

TOTAL BOND AMOUNT (direct + indirect) = \$3,017.30

COST SUMMARY WORK

Task description: Reclaim all disturbances in P-2009-007 area

Site: Golddigger I

Permit Action: MD-02

Permit/Job#: P2009007

PROJECT IDENTIFICATION

Task #: 02D

State: Colorado

Abbreviation: None

Date: 9/19/2012

County: Park

Filename: P007-02D

User: TAK

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
02A	Backfill existing pothole & planned trench, all east of creek	EXCAVATE	1	9.68	\$703.00
02B	Revegetate land disturbances	REVEGE	1	4.00	\$725.31
02C	Mobilize/demobilize excavator from Fairplay to site	MOBILIZE	1	1.20	\$624.08
<u>SUBTOTALS:</u>				14.88	\$ \$2,052.39

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\$138.09

CONTINGENCY: 0.00

Total = \$0.00

TOTAL INDIRECT COST = \$964.91

TOTAL BOND AMOUNT (direct + indirect) = \$3,017.30

HYDRAULIC EXCAVATOR WORK

Task description: Backfill existing pothole & planned trench, east of creek

Site: Golddigger I Permit Action: MD-02 Permit/Job#: P2009007

PROJECT IDENTIFICATION

Task #: 02A State: Colorado Abbreviation: None
Date: 9/18/2012 County: Park Filename: P007-02A
User: TAK

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat 307D 7'-3" Stick Horsepower: 56
Attachment 1: ROPS Cab Weight (MT): 7.23
Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	<u>\$15.06</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$18.88</u>	<u>100</u>
Operator Cost/Hour:	<u>\$38.67</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$72.62</u>	
Total Fleet Cost/Hour:	<u>\$72.62</u>	

MATERIAL QUANTITIES

Initial volume: 711 CCY Swell factor: 1.000
Loose volume: 711 LCY

Source of estimated volume: Division of Reclamation, Mining & Safety
Source of estimated swell factor: Cat Handbook

HOURLY PRODUCTION

Excavator Cycle Time (load bucket, swing loaded, dump bucket, swing empty):

Basic Job Condition Description: AVERAGE
Secondary Job Condition within Basic Description: AVERAGE
Cycle Time Value: 0.242 minutes

Load Bucket Capacity

Rated Capacity: 0.40 LCY (heaped) Bucket Size Class: Medium
Bucket Fill Factor: 1.025 Rock - Earth Mixture (100%-105%) 1.025
Adjusted Capacity: 0.41 LCY

Job Condition Correction Factors

Site Altitude: 9000 feet

		Source
Altitude Adj:	<u>0.87</u>	<u>(CAT HB)</u>
Job Efficiency:	<u>0.83</u>	<u>(1 shift/day)</u>
Net Correction:	<u>0.72</u>	<u>multiplier</u>

Unadjusted Hourly Unit Production: 101.65 LCY/Hour
Adjusted Hourly Unit Production: 73.40 LCY/Hour
Adjusted Hourly Fleet Production: 73.40 LCY/Hour

JOB TIME AND COST

Fleet size: 1 Excavator Total job time: 9.69 Hours
Unit cost: \$0.989 /LCY Total job cost: \$703.00

REVEGETATION WORKTask description: Revegetate land disturbances in and around trenchSite: Golddigger IPermit Action: MD-02Permit/Job#: P2009007PROJECT IDENTIFICATIONTask #: 02BState: ColoradoAbbreviation: NoneDate: 9/18/2012County: ParkFilename: P007-02BUser: TAKAgency or organization name: DRMSFERTILIZINGMaterials

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

Application

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

TILLING

Description	Cost /Acre
Hand raking (MEANS 32 91 13.23 0250)	\$1,197.90
Total Tilling Cost/Acre	\$1,197.90

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Arizona Fescue - Redondo	2.00	22.96	\$21.60
Canada Bluegrass - Talon	2.00	114.78	\$9.00
Mountain Brome - Bromar	6.00	9.64	\$19.98
Bottlebrush Squirreltail	2.00	8.82	\$48.66
Tufted Hairgrass	2.00	114.78	\$21.60
Totals Seed Mix	14.00	270.98	\$120.84

Application

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

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
					\$
Totals Nursery Stock Cost / Acre					\$0.00

JOB TIME AND COST

No. of Acres: 0.5 Cost /Acre: \$1,318.74
 Estimated Failure Rate: 10% Cost /Acre*: \$1,318.74
 *Selected Replanting Work Items: TILLING,SEEDING

Initial Job Cost: \$659.37
 Reseeding Job Cost: \$65.94
 Total Job Cost: \$725.31
 Job Hours: 4.00

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: Mobilize/demobilize excavator and reveg contractor from Fairplay to siteSite: Golddigger IPermit Action: MD-02Permit/Job#: P2009007**PROJECT IDENTIFICATION**Task #: 02CState: ColoradoAbbreviation: NoneDate: 9/18/2012County: ParkFilename: P007-02CUser: TAKAgency 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:**

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 307D 7'-3" Stick	7.95	\$15.06	\$88.67	1	\$103.73	\$88.67	\$250.00

Subtotals: **\$103.73** **\$88.67** **\$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, 4x2, 1/2 T.	\$14.40	1	\$14.40	\$14.40

Subtotals: **\$14.40** **\$14.40**

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region:	FAIRPLAY	
Total one-way travel distance:	6.00	miles
Average Travel Speed:	20.00	mph

Total Non-Roadable Mob/Demob Cost *	\$615.44
'* two round trips with haul rig:	
Total Roadable Mob/Demob Cost **	\$8.64
** one round trip, no haul rig:	

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.30	0.30
Return Time (Hours):	0.30	0.30
Loading Time (Hours):	0.00	NA
Unloading Time (Hours):	0.00	NA
Subtotals:	0.60	0.60

JOB TIME AND COST

Total job time:	1.20	Hours
Total job cost:	\$624.08	