

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 30, 2013

Thomas Swint
Avalanche Creek Marble & Alabaster LLC
P.O. Box 277
Palatine, IL 60078

John W. Hickenlooper
Governor

Mike King
Executive Director

Loretta Piñeda
Director

RE: White Banks Mine, Permit No. M-1999-042, Reclamation Costs Update and Notice of Surety Increase SI-3

Dear Mr. Swint:

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 34-32-117(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 **Monday, September 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 \$54,835.00. This is an increase of \$39,310.00 over the \$15,525.00 currently held by the Division. This estimate is based on conditions observed during the July 23, 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 Czaplak

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

Cc:

Rober Congdon
Avalanche Creek Marble & Alabaster LLC
169 Clearwater Rd.
Carbondale, CO 81623

Olivia Garcia
United States Department of Agriculture
900 Grand Avenue
Glenwood Springs, CO 81602

COST SUMMARY WORK

Task description: Estimate reclamation cost based on observed site conditions

Site: White Banks Mine Permit Action: 2013-07-24 Permit/Job#: M1999042

PROJECT IDENTIFICATION

Task #: 000 State: Colorado Abbreviation: None
Date: 7/24/2013 County: Pitkin Filename: M042-000
User: DMC

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
01a	Remove structures and equipment from site	DEMOLISH	1	40.00	\$22,715.35
02a	Seal mine portal	MINESEAL	1	8.00	\$7,432.00
03a	Grade portal bench	DOZER	1	17.88	\$2,249.37
04a	Rip parking area prior to topsoiling	RIPPER	1	0.54	\$71.00
05a	Replace topsoil over disturbed areas	DOZER	1	2.32	\$292.05
06a	Revegetate disturbed area	REVEGE	1	5.00	\$7,847.82
07a	Mobilize reclamation crew and equipment	MOBILIZE	1	3.06	\$3,358.29
<u>SUBTOTALS:</u>				76.8	\$43,965.88

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02%	Total =	\$888.11
Performance bond:	1.05%	Total =	\$461.64
Job superintendent:	38.40 hrs	Total =	\$2,511.74
Profit:	10.00%	Total =	\$4,396.59
		TOTAL O & P =	\$8,258.08
		CONTRACT AMOUNT (direct + O & P) =	\$52,223.96

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%		\$2,611.20
CONTINGENCY:		Total =	\$0.00

TOTAL INDIRECT COST = \$10,869.28

TOTAL BOND AMOUNT (direct + indirect) = \$54,835.16

DEMOLITION WORK

Task description: Remove structures and equipment from site

Site: White Banks Mine

Permit Action: 2013-07-24

Permit/Job#: M1999042

PROJECT IDENTIFICATION

Task #: 01A
Date: 7/24/2013
User: DMC

State: Colorado
County: Pitkin

Abbreviation: None
Filename: M042-01a

Agency or organization name: DRMS

UNIT COSTS

Location adjustment: 98.50 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Trailer on south side of FR 310	70'L x 12'W x 10'H	Bldg. (SN) demo./off-site disposal in approved landfill - Max. 30 mile haul	8,400.00	CF	\$1.14	\$9,609.60
Cabin on north side of FR 310 (Includes attached awning)	25'L x 15'W x 20xH	Bldg. (MN) demo./off-site disposal in approved landfill - Max. 30 mile haul	7,500.00	CF	\$1.17	\$8,752.50
Cabin foundation	25' x 15'	Demo. and on-site disposal in existing pit, 1.5 ft. x 2 ft. - Max. 200 ft. push	80.00	LF	\$9.99	\$799.36
Fencing around property on south side of FR 310	1,600 lf	Fencing, barbed wire, - 3 strand	1,600.00	LF	\$1.31	\$2,096.00
Fence on north side of FR 310	40 lf	Fencing, wood, all types - 4 ft. to 6 ft. high	40.00	LF	\$1.30	\$52.00
Powerline	100 lf	Powerline or telephone line, overhead, wood - Single pole	100.00	LF	\$2.60	\$259.80
Portal door and vent fan house	15' x 8' x 8'	Bldg. (SN) demo./off-site disposal in approved landfill - Max. 30 mile haul	960.00	CF	\$1.14	\$1,098.24
Miscellaneous junk/equipment	280 cy	Loading only, open areas (unconfined) - Track loader	280.00	CY	\$0.57	\$159.32
“ ”	30 mi x 15 trucks	Hauling only, per mile, 12-18 CY truck - 30 mph average speed	450.00	MI	\$0.52	\$234.45

Job Hours: <u>40.00</u>	Subtotal (unadjusted): <u>\$23,061.27</u>	Total Cost (adjusted for location): <u>\$22,715.35</u>
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SAFEGUARDING UNDERGROUND OPENINGS

Task description: Seal mine portal

Site: White Banks Mine

Permit Action: 2013-07-24

Permit/Job#: M1999042

PROJECT IDENTIFICATION

Task #: 02A

State: Colorado

Abbreviation: None

Date: 7/24/2013

County: Pitkin

Filename: M042-02a

User: DMC

Agency or organization name: DRMS

UNIT COSTS

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Portal closure	10' x 10'	Adit closure - bulkhead seal, >= 36 sq. ft. (per sq. ft.)	100.00	SF	\$74.32	\$7,432.00

Job Hours: 8.00

Total Cost: \$7,432.00

BULLDOZER WORKTask description: Grade portal benchSite: White Banks MinePermit Action: 2013-07-24Permit/Job#: M1999042**PROJECT IDENTIFICATION**Task #: 03AState: ColoradoAbbreviation: NoneDate: 7/24/2013County: PitkinFilename: M042-03aUser: DMCAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D6THorsepower: 185Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$30.43	NA
Operating Cost/Hour:	\$57.97	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$37.41	NA

Total unit Cost/Hour: \$125.81Total Fleet Cost/Hour: \$125.81**MATERIAL QUANTITIES**Initial Volume: 740Swell factor: 1.000Loose volume: 740 LCYSource of estimated volume: Division of Reclamation, Mining & SafetySource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 50 feetUnadjusted hourly production: 444.6 LCY/hrMaterials consistency description: Compacted fill or embankment 0.9Average push gradient: 30 %Average site altitude: 6,800 feetMaterial weight: 3,300 lbs/LCYWeight description: Decomposed rock - 75% Rock, 25% Earth**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:	0.298	(CAT HB)
Altitude:	1.000	(CAT HB)
Material Weight:	0.697	(CAT HB)
Blade type:	1.000	(PAT)

Net correction: 0.0931

Adjusted unit production: 41.39 LCY/hr

Adjusted fleet production: 41.39 LCY/hr

JOB TIME AND COST

Fleet size: 1 Dozer(s)

Unit cost: \$3.040/LCY

Total job time: 17.88 Hours

Total job cost: \$2,249.37

BULLDOZER RIPPING WORK

Task description: Rip parking area prior to topsoiling

Site: White Banks Mine

Permit Action: 2013-07-24

Permit/Job#: M1999042

PROJECT IDENTIFICATION

Task #: 04A

State: Colorado

Abbreviation: None

Date: 7/24/2013

County: Pitkin

Filename: M042-04a

User: DMC

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D6T
Ripper Attachment: 3-Shank Ripper

Horsepower: 185

Shift Basis: 1 per day

Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	\$33.12	NA
Operating Cost/Hour:	\$57.97	100
Ripper Operating Cost/Hour:	\$2.89	100
Operator Cost/Hour:	\$37.41	NA
Total Unit Cost/Hour:	\$131.40	
Total Fleet Cost/Hour:	\$131.40	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 0.25 acres Rip Depth (ft): 2.00 Volume: 807 BCY or CCY

Source of estimated quantity: Based on current site conditions

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth:	<u>1.64</u>	mph
Average Ripping Width:	<u>6.58</u>	degrees
Average Ripping Length:	<u>50.00</u>	feet
Average Dozer Speed:	<u>88.00</u>	feet
Average Maneuver Time:	<u>0.25</u>	feet
Production per unit area:	<u>0.554</u>	acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production:	<u>0.554</u>	Acres/hr
Site Altitude:	<u>6,800</u>	feet
Altitude Adj:	<u>1.00</u>	(CAT HB)
Job Efficiency:	<u>0.83</u>	(1 shift/day)
Net Correction:	<u>0.83</u>	multiplier
Adjusted Hourly Unit Production:	<u>0.46</u>	Acres/hr
Adjusted Hourly Fleet Production:	<u>0.46</u>	Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: 0.54 Hours

Unit cost: \$285.830 Per acre Total job cost: \$71.00

BULLDOZER WORKTask description: Replace topsoil over disturbed areasSite: White Banks MinePermit Action: 2013-07-24Permit/Job#: M1999042**PROJECT IDENTIFICATION**Task #: 05AState: ColoradoAbbreviation: NoneDate: 7/24/2013County: PitkinFilename: M042-05aUser: DMCAgency or organization name: DRMS**HOURLY EQUIPMENT COST**Basic Machine: Cat D6THorsepower: 185Blade Type: Semi-UniversalAttachment: NAShift Basis: 1 per dayData Source: (CRG)**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	\$30.43	NA
Operating Cost/Hour:	\$57.97	100
Ripper op. Cost/Hour:	\$0.00	0
Operator Cost/Hour:	\$37.41	NA

Total unit Cost/Hour: \$125.81Total Fleet Cost/Hour: \$125.81**MATERIAL QUANTITIES**Initial Volume: 605Swell factor: 1.000Loose volume: 605 LCYSource of estimated volume: Current site conditionsSource of estimated swell factor: Cat Handbook**HOURLY PRODUCTION**Average push distance: 100 feetUnadjusted hourly production: 303.3 LCY/hrMaterials consistency description: Loose stockpile 1.2Average push gradient: 0 %Average site altitude: 6,800 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: 260.63 LCY/hr
Adjusted fleet production: **260.63 LCY/hr**

JOB TIME AND COST

Fleet size: 1 Dozer(s)
Unit cost: \$0.483/LCY

Total job time: **2.32 Hours**
Total job cost: **\$292.05**

REVEGETATION WORKTask description: Revegetate disturbed areaSite: White Banks MinePermit Action: 2013-07-24Permit/Job#: M1999042**PROJECT IDENTIFICATION**Task #: 06AState: ColoradoAbbreviation: NoneDate: 7/24/2013County: PitkinFilename: M042-06aUser: DMCAgency or organization name: DRMS**FERTILIZING****Materials**

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
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
Mountain Brome - Bromar	3.00	4.82	\$10.20
Sheep Fescue - Bighorn	2.00	31.22	\$6.12
Slender Wheatgrass - Native	2.00	7.30	\$4.50
Mahogany, Mountain	8.00	10.84	\$370.48
Oak, Gambel's	7.00	0.05	\$232.05
Western Wheatgrass - Native	2.00	5.05	\$6.08
Serviceberry, Utah	5.00	9.41	\$354.15
Snowberry, Western	5.00	8.61	\$337.15
Totals Seed Mix	34.00	77.30	\$1,320.73

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
Power mulcher (MEANS 32 91 13.16 0250)	\$86.68
Total Mulch Application Cost/Acre	\$152.57

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: 2.7 Cost /Acre: \$2,325.28
 Estimated Failure Rate: 25% Cost /Acre*: \$2,325.28
 *Selected Replanting Work Items: TILLING, SEEDING, MULCHING
 Initial Job Cost: \$6,278.26
 Reseeding Job Cost: \$1,569.56
 Total Job Cost: \$7,847.82
 Job Hours: 5.00

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilize reclamation crew and equipment**Site: **White Banks Mine**Permit Action: **2013-07-24**Permit/Job#: **M1999042****PROJECT IDENTIFICATION**Task #: **07A**State: **Colorado**Abbreviation: **None**Date: **7/24/2013**County: **Pitkin**Filename: **M042-07a**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 D6T	25.01	\$33.12	\$88.67	1	\$121.79	\$88.67	\$250.00
Cat 315D L 8'-6" Stick	19.05	\$23.85	\$88.67	1	\$112.52	\$88.67	\$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: **\$458.27** **\$354.68** **\$1,000.00****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:	CARBONDALE	
Total one-way travel distance:	12.00	miles
Average Travel Speed:	45.00	mph
Total Non-Roadable Mob/Demob Cost *	\$3,350.11	
** two round trips with haul rig:		
Total Roadable Mob/Demob Cost **	\$8.18	
** one round trip, no haul rig:		

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.27	0.27
Return Time (Hours):	0.27	0.27
Loading Time (Hours):	0.50	NA
Unloading Time (Hours):	0.50	NA
Subtotals:	1.53	0.53

JOB TIME AND COST

Total job time:	3.07	Hours
Total job cost:	\$3,358.29	