

Attachment E

Present Day (2003) Financial Assurance Cost Estimate for
the No. 1A Tailing Reclamation Project

Project Completion Facts

Project Name: **1A Dam Tailing Reclamation**

Construction/Activity Start Date: August 2006

Construction/Activity Completion Date: Substantial completion as of August 2008. The only remaining tasks for completion are completion of channel sections currently being used as haul roads. These channel sections are located on native ground and limited areas of revegetation along historic haul roads and borrow areas. Remaining seeding is scheduled for Spring 2009

Acres Completed/Affected: 360/459 (tailing area)/(tailing area + other disturbed areas)

Volume/Tonnage of Regrading: 1,281,204 cubic yards

Volume/Tonnage of Fill and Cover Material: 3,475,079 cubic yards

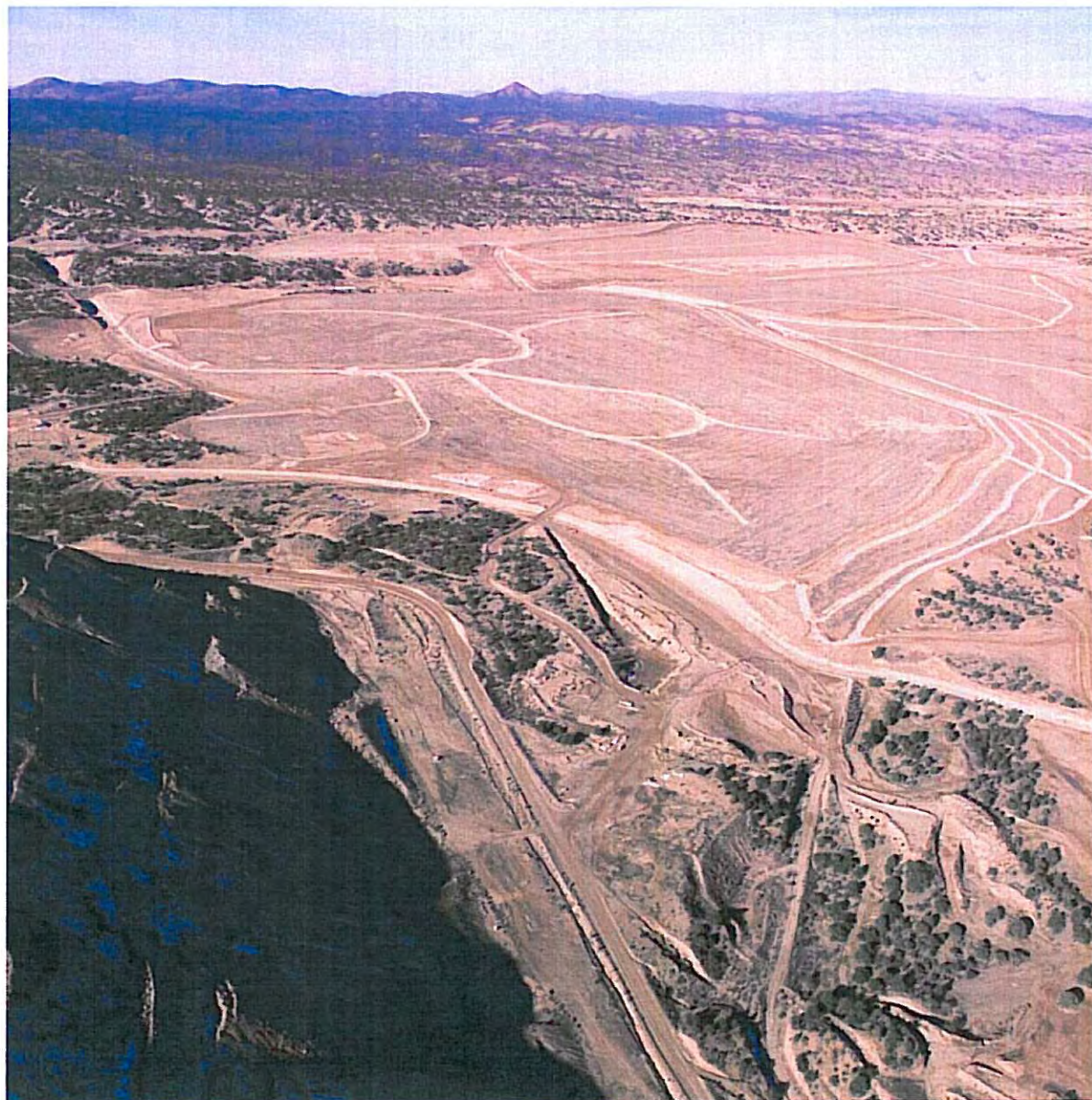
Linear Feet of Stormwater Conveyance Completed: 41,206 linear feet

Description of Work Completed: The top surface to the tailing impoundment was regraded to meet permit grade requirements. A series of channels were constructed to convey water from the top surface of the impoundment to Deadman Canyon.

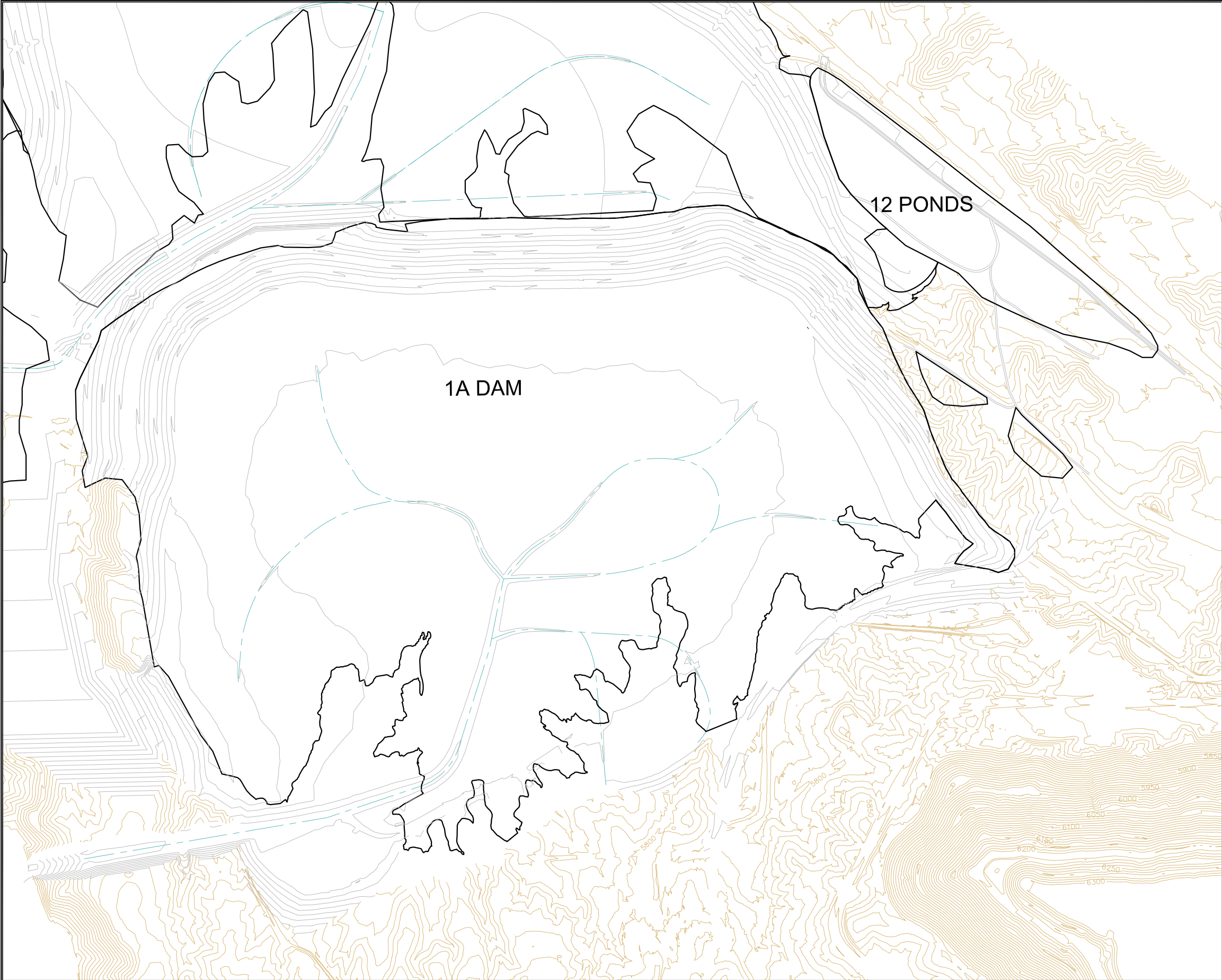
The side slopes were regraded to an overall slope of approximately 3.73:1 (horizontal: vertical). Sideslope channels were constructed out of cover material. Slopes between channels were graded to 3:1 (horizontal: vertical). Channels were spaced every 100 feet of slope length. Sideslope channels are at a 2% grade and discharge to downdrains located at the northwest and northeast sides of the impoundment. The downdrains convey water to the toe of the impoundment where perimeter channels convey the flows through and around Dams 1 and 1X.

The top surface and outslopes were covered with a minimum of two feet of cover material consisting of Gila Conglomerate soils from local borrow areas. Cover material was placed as thick as 10 feet to meet grade requirements and to form the outslope channels.

Evaluation of post construction survey data shows that 56% of Dam 1A is covered by three feet or greater of cover material as shown on attached drawing.



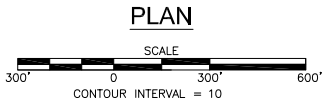
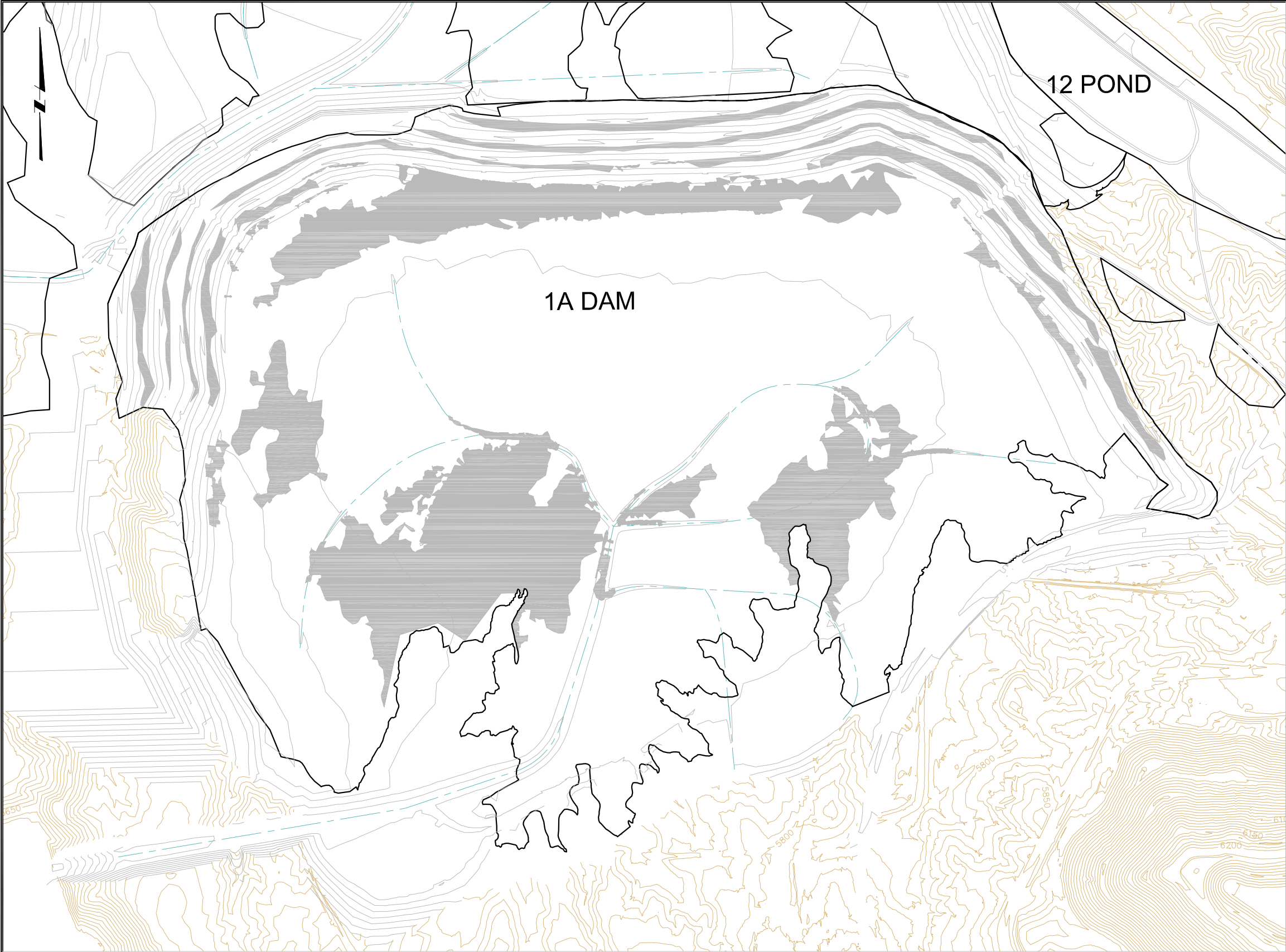
Dam 1A as of December 11, 2008



LEGEND

- EXISTING TOPOGRAPHY
- DESIGN TOPOGRAPHY
- APPROXIMATE LIMIT OF IMPACTED MATERIAL

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LEGEND

EXISTING TOPOGRAPHY
DESIGN TOPOGRAPHY
APPROXIMATE LIMIT OF IMPACTED MATERIAL

AREAS WITH LESS THAN 3'

DAM 1A COVER THICKNESS SUMMARY			
Facility		Impacted Area (ac)	Area >3' Cover (ac)
Dam 1A	Top	280	147
	Outslope	79	53
Total		360	200

ISSUE	REV	DESCRIPTION	TECH	ENG	DATE

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DESIGNED BY		
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CHECKED BY		
APPROVED BY		
PROJECT MANAGER		
CLIENT APPROVAL		
CLIENT REFERENCE NO.		



PROJECT LOCATION	TYRONE, NEW MEXICO	
PROJECT	1SERIES TAILING IMPOUNDMENTS	
TITLE	1A DAM WITH AREAS WITH LESS THAN 3' COVER	

1 of 1

REVISION

FILE NAME: 1SERIES AREAS WITH LESS THAN 3' COVER

Attachment E - Table 1. Cost Calculation Summary for Completed Work on 1A Tailing Impoundment

Calculation of Financial Assurance Amount Corresponding to Completed Scope in 2003 Dollars

for Work Completed as of December 23, 2008 on:

No. 1A Tailing Dam

The following calculations and explanations are provided to show how the appropriate amount was calculated as a reduction for the Financial Assurance calculations

The table below summarizes the costs from the financial assurance (FA) cost estimate (Attachment B) that correspond to the scope of work described in this attachment.

The source of these cost numbers is linked by the color coding shown in Attachment B to the exact cells from the FA cost estimate.

The color coding in Attachment B links the Table below (same as table on the tab labeled "2008 FA Release Calc") to the original State cost estimate (see tabs labeled "13...Earthsum" and "15...Other"). These are direct costs, so the indirect cost multiplier of 1.396

is used to include indirect costs in the calculation. Other multipliers are used as shown in the table below because NMED and MMD personnel required some FA to be left in place to cover contingencies for addressing work that may need to be completed at the facility in the future. These contingencies are also explained in the table below.

Scope Item	Cost from FA Calculation	Multiplier	Reason for Multiplier
Pushdown existing outslopes	\$202,032		
Grade Existing Surface	\$4,532		
Grade GC Material	\$6,808	0.78	Previous approved FA reductions allowed 50% reduction in FA for cover activities leaving a contingency for an additional 1 foot of cover placement. Because Tyrone placed 3 feet or greater cover over 56% of this dam, Tyrone requests additional credit be given by using this multiplier which was calculated by taking the usual 50% credit and adding to it 56% of the remaining dollars (56% is the area with equal to or greater than 3 feet of cover). Since Tyrone has met the permit condition for 3 feet of cover in these areas, Tyrone requests additional financial assurance be released than previously allowed.
Rip Existing Surface	\$53,568		
Load GC Material on trucks (A)	\$5,702	0.78	same as above
Haul GC Material 2	\$8,342	0.78	same as above
Scraper assist w/ dozer	\$816,762	0.78	same as above
Haul GC Material w/ scrapers	\$1,138,702	0.78	same as above
Revegetation 100% (plow, apply fertilizer, seed mix, mulch and crimp mulch)			No reduction allowed at this time because the agency wants to monitor revegetation success longer before granting partial release.

Attachment E - Table 1. Cost Calculation Summary for Completed Work on 1A Tailing Impoundment

Scope Item	Cost from FA Calculation	Multiplier	Reason for Multiplier
Other			
Fencing, TP perimeter 3	\$44,946		
Screening plant for rip rap prod.	\$95,793	0.9	Agencies required some contingency for rip-rap to provide a contingency for unknowns related to placing another foot of cover and how much of the rip-rap in channels would have to be reconstructed due to these activities. The previous typical multiplier was 0.7. Tyrone requests an additional 0.2 multiplier (total multiplier of 0.9) to account for areas that already have greater than 3 feet of cover.
Outslope ditch, 100'horiz. Int.	\$200,324		
Outslope ditch rip rap, haul	\$102,572	0.9	same as rip-rap above
Outslope ditch rip rap, backfill	\$24,069	0.9	same as rip-rap above
Channels	\$1,522,385		
Spillways & Stilling Basins	\$890,233		
Redesign of the Break Area	\$0		
Direct Cost Sum	\$5,116,769	NA	
Indirect Sum 39.6%			
Indirect Cost Sum	\$2,026,240.56	NA	
Total =	\$7,143,010		

Note: This is the total cost that should be subtracted from the remaining work for this project in Attachment C "current cost" tab.
See last tab of Attachment C to match total above.

Attachment E - Summary of Remaining Financial Assurance Amount for Project Scope

Summary of Remaining Financial Assurance

This summary calculates the financial assurance \$ remaining
for the following project:

No. 1A Tailing Dam

if the requested reduction is granted by State agencies.

The total cost in financial assurance for the project area described in this attachment is

\$8,606,670 (see Attachment B - tab labeled "17...Itemized Bond Sum")

The amount of reduction requested in current dollars is:

\$7,143,010 (see Table 1 of this attachment)

The difference or amount to remain in financial assurance is:

\$1,463,660

This remaining amount was calculated in 2003 dollars by State agencies to cover
costs for all remaining scope items for this project area.

Furthermore, the contingencies explained on the preceding table provide additional
\$ to address costs if additional work is needed at the site.