

EXHIBIT 1
M & T CHICO RANCH MINE
Financial Assurances Cost Estimate
 (Excerpted from November 2006 Reclamation Plan)

- 1) **Regrade pit areas**- Side slopes will be left a stable angle per the reclamation plan. Reclamation will occur yearly for those areas that have been depleted of aggregates. Approximately 6 acres will be mined each year, which will result in an average of 607 feet of perimeter edge to reclaim each year. The remainder of the mined area will be underwater. Recontouring of the perimeter will typically be done by D-8 class dozer.

a) Dozer Speed

Forward speed 2.2 miles per hour: 194 feet per minute.
 Return speed 6.0 mile per hour: 528 feet per minute.
 Average dozer width per pass: 11 feet

b) Production Calculation

Number of passes required to cover pit area:
 One time: 22' divided by 11 = 2 passes
 Average pass length = 3,035 feet
 Average forward speed: 194 feet/minute
 Use 199 feet/minute
 Average return speed: 528 feet/minute
 Use 528 feet/minute
 Change direction: .05 minutes
 3035 feet divided by 194 feet/minute = 15.64 minutes forward
 3035 divided by 528 = 5.75 minutes return
 Use 50 minute hours or .83 efficiency: 15.64 + 5.75 = 21.4 minutes
 21.4 divided by .83 = 25.8 per complete pass
 Add .05 minutes for change of direction: 25.8 minutes + .05 = 25.85 min
 2 passes x 25.85 minutes per pass = 51.7 to cover area one time
 Cover area 3 times to complete grading: 51.7 x 3 = 155.1
 155.1 minutes divided by 60 minutes per hour = 2.6 hours
 Use 3 hours

c) Equipment cost

D8-K Dozer 3 hours x \$150/hour = \$450.00
 Total Equipment cost: \$450.00

d) Labor

Dozer Operator – 3 hours x \$59.25/hour = \$177.75
 Total Labor Costs = \$177.75

Total Cost to Regrade pit area: \$627.75

2) **Topsoil Respreading**- If necessary, a one-foot thickness of topsoil will be respread on recontoured perimeter areas. Topsoil will be direct respread from adjacent areas to be mined. Typical equipment to be used will be a 623 class tractor scraper and a 12G blade.

a) Production Calculation

Area to be respread = 22 ft x 3035 ft. = 66,770 SF
 Volume to be respread = 66,770 SF 1 ft thick/27 = 2,473 CY (use 2,500 CY)
 Scraper production = 15 loads per hour 20 CY / load = 300 CY
 Scraper hours = 2500 / 300 = 8.3 (use 9 hours)

Area to blade = 66,770 SF
 Blade production = 200, 000 SF per day = 26,000 SF per hour in 7.5 hour day
 66,770 / 26,000 = 2.57 hours (use 3 hours)

b) Equipment costs

9 hours x \$182.00/hr = \$1,638.00 for tractor scraper
 3 hours x \$ 56.30/hr = \$168.90 for blade

c) Labor costs

Scraper operator 9 hours x \$59.25 per hour = \$533.25
 Blade operator 3 hours x \$63.00 per hour = \$189.00

TOTAL COST TO RESPREAD TOPSOIL **\$2,529.15**

3) Equipment Removal

Activity to complete task: Dismantle plants, load onto trucks and haul to Chico.
 Equipment to be moved: Tanks conveyors, screens, crushers, drier, baghouse
 40 truckloads

a) Production Calculations

Dismantle and load out 40 truckloads of plant and plant-related equipment.

1. One 40-ton truck crane with pickup – 4 days
2. Four Operating Engineers – 10 days
3. 40 loads from M&T to Chico @ 1.5 hours each = 60 hours
4. Pilot cars: 10 loads @ 1.5 hours each = 15 hours

b) Equipment costs

40 Ton Crane: 32 hours @\$175.00/hour = \$5,600.00
 Pickup: 32 hours @\$11.00/hour = \$352.00
 Lowbed or 40' Highbed 60 hours @ \$80.00/hour = \$4,800.00
 Pilot Car 15 hours @ \$50.00/hour = \$750.00

TOTAL EQUIPMENT COSTS **\$11,502.00**

c) Labor

Operating Engineer 320 Hrs. @ \$59.25/hr = \$18,960.00

TOTAL LABOR \$18,960.00

TOTAL TO REMOVE PLANT \$30,462.00

4) Regrade Plant Areas

Remove settling pond dikes, spread sediment over adjacent pit area, grade plant area

Scraper (623B) Production

15 loads/hr. @ 20 cy/Load = 300 cy/hr x 7.5 hrs./day = 2,250 cy/day
Est. quantity of Sediment: 400' x 400' x 3' divided by 27 = 17,778 cy
17,778 CY divided by 2250 cy/day = 7.9 days (Use 8)
8 days @ 8 hrs/day = 64 hours

Blade (12G) Production

200,000 SF/Day to subgrade to +/- 0.25'
35 Acres x 43,560 SF/Acre = 1,524,600 SF
1,524,600 divided by 200,000 = 7.6 days (Use 8)
7 days @ 8 hrs/day = 56 hours

Item Summary:

623 Scraper:	64 hrs. @ \$182.00/hr	= \$11,648.00
14 G Blade:	64 hrs. @ \$56.30/hr	= \$3,603.20
Scraper operator	64 hours x \$59.25 per hour	= \$3,792.00
Blade operator	64 hours x \$63.00 per hour	= \$4,032.00

TOTAL TO REGRADE PLANT AREA \$23,075.20

- 5) Revegetation – Approximately 15 acres of perimeter will be revegetated every five years. Most, if not all this revegetation is expected to occur naturally as a result of volunteer establishment of species present in the area. If necessary natural revegetation will be augmented by planting as described in the Reclamation Plan. These plantings will use plant materials available on the M&T ranch. Plantings will be supervised and their establishment monitored by a revegetation specialist. Since plant materials and planting equipment are readily available at the M&T ranch, the only revegetation costs are expected to be for contracting with a revegetation specialist. For reclamation costs, it is assumed that the maximum perimeter (3,035 ft.) must be reclaimed.

Annual Supervision of revegetation = 4 days x \$960 per day = \$3,840
Annual monitoring data collection, analysis and reporting=

10 days x \$1,700 per day =	<u>\$17,000</u>
TOTAL REVEGETATION COSTS	<u>\$20,840.00</u>

TOTAL DIRECT COSTS:

Regrade pit area	=	\$627.75
Topsoil respreading	=	\$2,529.15
Plant and equipment removal	=	\$30,462.00
Regrade plant areas	=	\$23,075.20
Revegetation costs	=	<u>\$20,840.00</u>
TOTAL DIRECT COSTS	=	\$77,534.10

The following items are taken from Pages A-12, A-13, and A-14 included in the Surface Mining and Reclamation Act Financial Assurance Guidelines:

6) <u>Supervision</u> – Taken from Graph 1		
6.3% of cost $\$77,534.10 \times .063 = \$4,884.65$		
TOTAL COST OF SUPERVISION		\$4,884.65
7) <u>Overhead and Profit</u> – Taken from Graph 2		
14% of cost = $\$77,534.10 \times .14 = \$10,854.77$		
TOTAL COST OF O/H AND PROFIT		\$10,854.77
8) <u>Contingencies</u> – Taken from table on Page A-12		
0-\$500,000 use 10% $\$77,534.10 \times .10 = \$7,753.41$		
TOTAL COST OF CONTINGENCIES		\$7,753.41
9) <u>Mobilization and Permits Lump Sum</u>		<u>\$2,500.00</u>
TOTAL RECLAMATION COSTS		<u>\$103,526.93</u>