



STATE OF
COLORADO

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M2018057, Old Town Reclamation Project, Inspection Report

Simmons - DNR, Leigh <leigh.simmons@state.co.us>

Mon, Sep 23, 2024 at 2:15 PM

To: mason.drake@venturegoldusa.com, PATRICK MAHER <mptmaher@msn.com>

The report of last week's inspection of the Old Town Project is attached.

Please note that action is required on your part.

Feel free to contact me with any questions.

Leigh Simmons
Environmental Protection Specialist



COLORADO
Division of Reclamation,
Mining and Safety
Department of Natural Resources

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M2018057_OldTownRecProj_2024InspectionReportAndRCE.pdf

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COLORADO

Division of Reclamation,
Mining and Safety


Department of Natural Resources

MINERALS PROGRAM INSPECTION REPORT

PHONE: (303) 866-3567

The Division of Reclamation, Mining and Safety has conducted an inspection of the mining operation noted below. This report documents observations concerning compliance with the terms of the permit and applicable rules and regulations of the Mined Land Reclamation Board.

MINE NAME: Old Town Reclamation Project	MINE/PROSPECTING ID#: M-2018-057	MINERAL: Silver, gold, lead and	COUNTY: Gilpin
INSPECTION TYPE: Monitoring	WEATHER: Clear	INSP. DATE: September 17, 2024	INSP. TIME: 10:30
OPERATOR: Venture Resources, Inc.	OPERATOR REPRESENTATIVE: Mason Drake	TYPE OF OPERATION: 110d - Designated Limited Impact	

REASON FOR INSPECTION: Normal I&E Program	BOND CALCULATION TYPE: Complete Bond	BOND AMOUNT: \$16,750.00
DATE OF COMPLAINT: NA	POST INSP. CONTACTS: None	JOINT INSP. AGENCY: None
INSPECTOR(S): Leigh Simmons	INSPECTOR'S SIGNATURE: 	SIGNATURE DATE: September 23, 2024

The following inspection topics were identified as having Problems or Possible Violations. OPERATORS SHOULD READ THE FOLLOWING PAGES CAREFULLY IN ORDER TO ASSURE COMPLIANCE WITH THE TERMS OF THE PERMIT AND APPLICABLE RULES AND REGULATIONS. If a Possible Violation is indicated, you will be notified under separate cover as to when the Mined Land Reclamation Board will consider possible enforcement action.

INSPECTION TOPIC: Financial Warranty

PROBLEM/POSSIBLE VIOLATION: Problem: The financial warranty is not adequate to reclaim the site in accordance with the approved reclamation plan. This is a failure to maintain the proper financial warranty amount to complete reclamation of the affected lands pursuant to C.R.S. 34-32.5-117(4)(b) of the Act.

CORRECTIVE ACTIONS: Please review the attached Reclamation Cost Estimate and respond with comments within 30 days. After 30 days the Division will initiate a separate Surety Increase notice to increase the financial warranty. The operator will have 60 days from the date on the Surety Increase notice to post the additional financial warranty.

CORRECTIVE ACTION DUE DATE: 10/25/24

INSPECTION TOPIC: Signs & Markers

PROBLEM/POSSIBLE VIOLATION: Problem: The mine identification sign and affected area boundary markers were not observed per the requirements of Rule 3.1.12. The Operator shall, at the entrance of the mine site post a sign, which shall be clearly visible from the access road, with a minimum size equaling one hundred and eighty-seven (187) square inches, such as eleven (11) inches in height and seventeen (17) inches in width, with appropriate font size, with the following: the name of the Operator, a statement that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board; and the permit number.

CORRECTIVE ACTIONS: The operator must post a sign at the entrance to the mine site which shall be clearly visible from the access road and specify the following; the name of the operator, indicate that a reclamation permit for the operation has been issued by the Colorado Mined Land Reclamation Board, and the permit number. The boundaries of the affected area must be marked by monuments or other markers that are clearly visible and adequate to delineate such boundaries.

CORRECTIVE ACTION DUE DATE: 10/25/24

OBSERVATIONS

This inspection was conducted as part of the normal monitoring program established by the Colorado Division of Reclamation, Mining and Safety (Division). The inspection was conducted by Leigh Simmons of the Division, and accompanied by Mason Drake of Venture Resources Inc., (permittee and operator).

The Old Town Reclamation Project is a 110(d) operation with a total permit area of 2.76 acres, located approximately 3 miles north of Idaho Springs in Gilpin County, accessed off Druid Mine Road, just east of the junction with Virginia Canyon Road; the average elevation is 9,150 ft.

The permit was issued on April 17, 2019, and has not been revised. As has been documented in Annual Reports, as well as previous Inspection Reports, no mining activity has occurred at the site since the permit was issued.

The locations of photos taken during the inspection are shown on the screenshot of the field map.

Financial Warranty:

The Division currently holds a reclamation bond of \$16,750 for the site. As is customary, the Reclamation Cost Estimate (RCE) was re-evaluated with current unit costs at the time of the inspection. No changes to the RCE tasks were made, but unit costs and indirect costs were updated to be consistent with other estimates made by the Division. The RCE is appended to this report and shows that the total reclamation liability has increased to \$26,661, so the current bond is insufficient. A problem has been cited above.

Signs and Markers:

For a 110(d) permit, the permit boundary and affected area boundary are identical. The boundary is shown on several maps, including Map E1, Mining Plan, Affected Area Description. An attempt was made to georeference the map, using the property lines shown on the map and a GIS layer of legacy tax parcels made available by Gilpin County; although this process is not perfect, it was possible to digitize an approximate permit boundary polygon for use in the field. No boundary markers could be located in the field. A problem has been cited above.

MAPS & PHOTOGRAPHS



Figure 1: Screenshot of inspection map, showing approximate permit boundary in purple and inspection features in green



Figure 2: Gate on entrance road, 355



Figure 3: Historic waste dump from south, 356



Figure 4: Eastern edge of historic waste dump, 357



Figure 5: Surface of historic waste dump, 357



Figure 6: Northern edge of permit area from south, 358



Figure 7: Evidence of surface runoff, 359



Figure 8: Northern edge of permit area from north, 360



Figure 9: Historic mine shaft, 361

GENERAL INSPECTION TOPICS

The following list identifies the environmental and permit parameters inspected and gives a categorical evaluation of each

(AR) RECORDS----- <u>N</u>	(FN) FINANCIAL WARRANTY----- <u>PB</u>	(RD) ROADS----- <u>N</u>
(HB) HYDROLOGIC BALANCE----- <u>N</u>	(BG) BACKFILL & GRADING----- <u>N</u>	(EX) EXPLOSIVES----- <u>N</u>
(PW) PROCESSING WASTE/TAILING---- <u>N</u>	(SF) PROCESSING FACILITIES----- <u>N</u>	(TS) TOPSOIL----- <u>N</u>
(MP) GENL MINE PLAN COMPLIANCE- <u>N</u>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>PB</u>	(SP) STORM WATER MGT PLAN---- <u>N</u>	(RS) RECL PLAN/COMP-- <u>N</u>
(ES) OVERBURDEN/DEV. WASTE----- <u>N</u>	(SC) EROSION/SEDIMENTATION--- <u>N</u>	(ST) STIPULATIONS----- <u>N</u>
(AT) ACID OR TOXIC MATERIALS----- <u>N</u>	(OD) OFF-SITE DAMAGE----- <u>N</u>	

Y = Inspected / N = Not inspected / NA = Not applicable to this operation / PB = Problem cited / PV = Possible violation cited

Inspection Contact Address

Mason Drake
Venture Resources, Inc.
P.O. Box 3338
Idaho Springs, CO 80452

Enclosure

CC:

COST SUMMARY WORK

Task description: Update unit costs following inspection

Site: Old Town Reclamation Project

Permit Action: 2024 Inspection

Permit/Job#: M2018057

PROJECT IDENTIFICATION

Task #: 000
Date: 9/23/2024
User: LDS

State: Colorado
County: Gilpin

Abbreviation: None
Filename: 057-2024

Agency or organization name: DRMS

TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	Rip Final Surface	RIPPER	1	4.06	\$1,399
002	Revegetation	REVEGE	1	3.00	\$9,364
003	Soil Amendments	SITEMAINT ENANCE	1	6.00	\$6,055
004	Mobilization	MOBILIZE	1	2.15	\$3,190
<u>SUBTOTALS:</u>				15.21	\$20,008

INDIRECT COSTS

OVERHEAD AND PROFIT:

Liability insurance:	2.02	Total =	\$404
Performance bond:	1.05	Total =	\$210
Job superintendent:	7.60	Total =	\$602
Profit:	10.00	Total =	\$2,001

TOTAL O & P = \$3,217

CONTRACT AMOUNT (direct + O & P) = \$23,225

LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs):	<u>\$0</u>	Total =	<u>\$0</u>
Engineering work and/or contract/bid preparation:	<u>8.59</u>	Total =	<u>\$1,995</u>
Reclamation management and/or administration:	<u>6.20</u>		<u>\$1,440</u>

CONTINGENCY: 0.00 Total = \$0

TOTAL INDIRECT COST = \$6,653

TOTAL BOND AMOUNT (direct + indirect) = \$26,661

BULLDOZER RIPPING WORK

Task description: Rip Final Surface

Site: Old Town Reclamation Project Permit Action: 2024 Inspection Permit/Job#: M2018057

PROJECT IDENTIFICATION

Task #: 001 State: Colorado Abbreviation: None
Date: 9/23/2024 County: Gilpin Filename: 057-001
User: LDS

Agency or organization name: DRMS

HOURLY EQUIPMENT COST

Basic Machine: Cat D8T - 8SU Horsepower: 310
Ripper Attachment: 3-Shank Ripper Shift Basis: 1 per day
Data Source: (CRG)

Cost Breakdown:

		Utilization %
Ownership Cost/Hour:	<u>\$173.32</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$109.71</u>	<u>100</u>
Ripper Ownership Cost/Hour:	<u>\$14.53</u>	<u>NA</u>
Ripper Operating Cost/Hour:	<u>\$7.95</u>	<u>100</u>
Operator Cost/Hour:	<u>\$38.59</u>	<u>NA</u>
Total Unit Cost/Hour:	<u>\$344.10</u>	
Total Fleet Cost/Hour:	<u>\$344.10</u>	

MATERIAL QUANTITIES

Selected estimating method: Area

Alternate Methods:

Seismic: NA Bank Volume: NA BCY NA
Area: 2.76 acres Rip Depth (ft): 1.00 Volume: 4,453 BCY or CCY

Source of estimated quantity: Attachment V - Cost Estimate

HOURLY PRODUCTION

Seismic:

Seismic Velocity: NA feet/second

Area:

Average Ripping Depth: 1.00 feet/pass
Average Ripping Width: 7.08 feet/pass
Average Ripping Length: 450.00 feet/pass
Average Dozer Speed: 88.00 feet/minute
Average Maneuver Time: 0.25 minutes/pass
Production per unit area: 0.818 acres/hour

Job Condition Correction Factors

Unadjusted Hourly Unit Production: 0.818 Acres/hr
Site Altitude: 9,080 feet
Altitude Adj: 1.00 (CAT HB)
Job Efficiency: 0.83 (1 shift/day)
Net Correction: 0.83 multiplier

Adjusted Hourly Unit Production: 0.68 Acres/hr
Adjusted Hourly Fleet Production: 0.68 Acres/hr

JOB TIME AND COST

Fleet size: 1 Grader(s) Total job time: 4.06 Hours

Unit cost: \$506.707 Per acre Total job cost: \$1,399

REVEGETATION WORKTask description: **Revegetation**Site: **Old Town Reclamation Project**Permit Action: **2024 Inspection**Permit/Job#: **M2018057****PROJECT IDENTIFICATION**Task #: **002**
Date: **9/23/2024**
User: **LDS**State: **Colorado**
County: **Gilpin**Abbreviation: **None**
Filename: **057-002**Agency or organization name: **DRMS****FERTILIZING****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Manure, delivery (average cost), per ton	0.45	ton	\$2,961.16	\$1,332.52
			Total Fertilizer Materials Cost/Acre	\$1,332.52

Application

Description	Cost /Acre
Manure, tractor spreader (MEANS 32 91 13.23 4450)	\$77.10
Total Fertilizer Application Cost/Acre	\$77.10

TILLING

Description	Cost /Acre
Disc harrowing, 6" deep (MEANS 32 91 13.23 6100)	\$117.61
Total Tilling Cost/Acre	\$117.61

SEEDING

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Arizona Fescue - Redondo	2.00	22.96	\$30.13
Canby Bluegrass - Canbar	1.50	31.89	\$22.49
Sheep Fescue - Azay	1.00	15.61	\$4.83
Thickspike Wheatgrass - Critana	3.00	10.61	\$24.45
Western Wheatgrass - Rosanna	4.00	10.10	\$35.10
Totals Seed Mix	11.50	91.16	\$116.99

Application

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Description	Cost /Acre
Drill Seeding (DRMS Survey Cost)	\$236.64
Total Seed Application Cost/Acre	\$236.64

MULCHING and MISCELLANEOUS**Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
Straw, delivered {MEANS 31 25 14.16 1200}	2.00	TON	\$492.78	\$985.56
Total Mulch Materials Cost/Acre				\$985.56

Application

Description	Cost /Acre
Crimping, with tractor {DMG survey data}	\$85.37
Total Mulch Application Cost/Acre	\$85.37

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: 2.76 Cost /Acre: \$2,951.79
 Estimated Failure Rate: 25% Cost /Acre*: \$1,763.25
 *Selected Replanting Work Items: FERTILIZING,SEEDING

Initial Job Cost: **\$8,146.94**
 Reseeding Job Cost: **\$1,216.64**
 Total Job Cost: **\$9,364**
 Job Hours: **3.00**

SITE MAINTENANCE

Task description: Soil Amendments

Old Town Reclamation Permit Action: 2024 Inspection Permit/Job#: M2018057
Site: Project

PROJECT IDENTIFICATION

Task #: 003 State: Colorado Abbreviation: None
Date: 9/23/2024 County: Gilpin Filename: 057-003
User: LDS
Agency or organization name: DRMS

UNIT COSTS

Maintenance Item	Hours per Year	Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Apply Lime	3.00	USER PROVIDED ITEM	555.00	Bags	\$10.00	\$5,550.00
Other Soil Amendments	3.00	USER PROVIDED ITEM	2.76	Acre	\$183.00	\$505.08

Job Hours: 6.00 Total Cost: \$6,055.08

EQUIPMENT MOBILIZATION/DEMOBILIZATIONTask description: **Mobilization**Site: **Old Town Reclamation
Project**Permit Action: **2024 Inspection**Permit/Job#: **M2018057****PROJECT IDENTIFICATION**

Task #: **004** State: **Colorado** Abbreviation: **None**
 Date: **9/23/2024** County: **Gilpin** Filename: **057-004**
 User: **LDS**

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:	\$10.44	\$22.18	\$23.94
Operating Cost/Hour:	\$26.48	\$54.55	\$55.65
Operator Cost/Hour:	\$22.52	\$22.52	\$22.52
Helper Cost/Hour:	\$0.00	\$23.53	\$23.53
Total Unit Cost/Hour:	\$59.44	\$122.78	\$125.64

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	53.08	\$187.85	\$125.64	1	\$313.49	\$125.64	\$250.00
Drill/Broadcast Seeder with Tractor	25.00	\$41.02	\$59.44	2	\$200.92	\$118.88	\$500.00
Power Mulcher (Bowie LD-90)	6.00	\$27.21	\$59.44	1	\$86.65	\$59.44	\$250.00
Subtotals:					\$601.06	\$303.96	\$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, 1 T. Crew	\$46.67	1	\$46.67	\$46.67
Subtotals:			\$46.67	\$46.67

EQUIPMENT HAUL DISTANCE and Time

Nearest Major City or Town within project area region: CENTRAL CITY
 Total one-way travel distance: 3.10 miles
 Average Travel Speed: 15.00 mph

Total Non-Roadable Mob/Demob Cost * \$3,171.08
 ** two round trips with haul rig:
 Total Roadable Mob/Demob Cost ** \$19.29
 ** one round trip, no haul rig:

Transportation Cycle Time:

	Non-Roadable Equipment	Roadable Equipment
Haul Time (Hours):	<u>0.21</u>	<u>0.21</u>
Return Time (Hours):	<u>0.21</u>	<u>0.21</u>
Loading Time (Hours):	<u>0.33</u>	<u>NA</u>
Unloading Time (Hours):	<u>0.33</u>	<u>NA</u>
Subtotals:	<u>1.08</u>	<u>0.41</u>

JOB TIME AND COST

Total job time: 2.15 Hours

Total job cost: \$3,190