



STATE OF  
COLORADO

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

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## P2012011, Smuggler Gold Mine, 2024 Inspection

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**Simmons - DNR, Leigh** <leigh.simmons@state.co.us>  
To: Shannon Murphy <shannonpmurphy58@gmail.com>  
Cc: im\_glo@yahoo.com

Fri, Nov 8, 2024 at 3:30 PM

Mr Murphy,

My report of the inspection conducted at the Smuggler Gold Mine on October 31, 2024 is attached.

You'll see that there are four problems cited that will need your attention. I have given a deadline of 30 days for each corrective action. If you find that more time is needed for any of the actions please be sure to request an extension, with justification, before the deadline passes.

I hope the report is clear and none of the content comes as a surprise to you, based on the conversations we had on-site, but please 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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**P2012011\_2024InspectionReport\_withRCE.pdf**  
5352K



**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.

<b>MINE NAME:</b> Smuggler Gold Mine	<b>MINE/PROSPECTING ID#:</b> P-2012-011	<b>MINERAL:</b> Silver and gold	<b>COUNTY:</b> Gilpin
<b>INSPECTION TYPE:</b> Mineral Prospect Inspection	<b>WEATHER:</b> Clear	<b>INSP. DATE:</b> October 31, 2024	<b>INSP. TIME:</b> 11:00
<b>OPERATOR:</b> Smuggler Gold Mine, LLC	<b>OPERATOR REPRESENTATIVE:</b> Shannon Murphy	<b>TYPE OF OPERATION:</b> MP - Mineral Prospecting	

<b>REASON FOR INSPECTION:</b> Normal I&E Program	<b>BOND CALCULATION TYPE:</b> Complete Bond	<b>BOND AMOUNT:</b> \$17,200.00
<b>DATE OF COMPLAINT:</b> NA	<b>POST INSP. CONTACTS:</b> None	<b>JOINT INSP. AGENCY:</b> None
<b>INSPECTOR(S):</b> Leigh Simmons	<b>INSPECTOR'S SIGNATURE:</b> 	<b>SIGNATURE DATE:</b> November 8, 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:** Records

**PROBLEM #1:** The NOI has been active for 12 years. This is a problem at this time for failure to complete prospecting activity within five years pursuant to C.R.S. 34-32-113(5).

**CORRECTIVE ACTIONS:** Please reply to this inspection report with details of a plan to submit a 110D Mining Permit application (including an anticipated time scale), or of plans to reclaim the site.

**CORRECTIVE ACTION DUE DATE:** 12/08/24

**INSPECTION TOPIC:** Financial Warranty

**PROBLEM #2:** 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:** 12/08/24

**INSPECTION TOPIC:** Gen. Compliance With Mine Plan

**PROBLEM #3:** Trash and refuse was noticed on the site. This is a problem at this time for failure to dispose of refuse in a manner that controls unsightliness or deleterious effects of such refuse pursuant to C.R.S. 34-32-116(7)(d).

**CORRECTIVE ACTIONS:** The operator shall submit a written notice to the Division with photo documentation, that the trash has been removed from the site by the corrective action date.

**CORRECTIVE ACTION DUE DATE:** 12/08/24

**INSPECTION TOPIC:** Gen. Compliance With Mine Plan

**PROBLEM #4:** Mine openings were not secured. This is a problem at this time for failure to safeguard mine entries, trenches and excavations from unauthorized entry at all times as necessary to provide for public safety pursuant to C.R.S 34-32-116(7)(m)

**CORRECTIVE ACTIONS:** The operator shall submit a written notice to the Division with photo documentation, that the shaft and the door to the portal has been repaired and secured so that members of the public are not able to access the mine openings.

**CORRECTIVE ACTION DUE DATE:** 12/08/24

## **OBSERVATIONS**

This was an inspection by Leigh Simmons of the Division of Reclamation, Mining and Safety (Division). Shannon Murphy of Smuggler Gold Mine, LLC, (permittee and operator) accompanied the inspection, together with his wife and a friend. Mr. Murphy was recovering his health following recent medical problems and his attendance at the inspection was a considerable effort, for which the Division is grateful.

The disturbance associated with the P2012011 Smuggler Gold Mine NOI is located about 2 miles southwest of Rollinsville, off Travis Gulch Road.

The weather was cold and clear, with a little snow on the ground in shady spots. The NOI permit area is located on land that has been extensively affected by historic mining, with a historic portal to a ~2000' long tunnel, and another opening to a vertical shaft.

A screenshot of the map used during the inspection is given in Figure 1, with labelled inspection features in pink. Photograph locations are referenced to the map.

### **Financial Warranty:**

The Division currently holds a bond of \$17,200 to reclaim the site. This amount was determined based on a Reclamation Cost Estimate (RCE) completed in 2012. As is customary, the RCE was reviewed following the inspection and updated with current unit costs. No tasks were changed and no new tasks were created. A new quote was obtained from Pioneer Sand for the purchase and delivery of topsoil to the site. The 2024 RCE, including the Pioneer Sand quote, is appended to this report. The total liability is estimated to be \$35,189, so the current bond is not sufficient. A problem has been cited above.

### **Gen. Compliance With Mine Plan:**

The site was generally untidy, with fallen structures and some "trash" lying around. There was evidence that members of the public had been using the site for recreation, with a fire ring on the ground and a cut lock on the shaft hatch. The wooden door to the portal was no longer secure. Two problems have been cited above.

### **Other:**

The Smuggler Gold Mine NOI was issued in 2012, twelve years ago. Rule 5.1.2(e) states that "Prospecting activity must be completed within five years of NOI approval, unless otherwise approved by the office or board"; and Rule 5.1.2(g) states that "...reclamation must be completed within 5 years of the completion of prospecting activities". Prospecting permits are not intended to continue indefinitely. Mr Murphy stated during the inspection that he intends to apply for a 110D Mining Permit for the site and described his rough plan. Some aspects of the application process were also discussed. Whilst the informal discussion was reasonable, the Division has cited a problem above in order to create a formal record and ensure that the process moves forward. If plans change and the 110D application is either not submitted or not approved, the site should be reclaimed as soon as possible, as specified in the NOI reclamation plan.

PHOTOGRAPHS



Figure 1: Screenshot of map used during inspection, with photo locations in pink





Figure 2: Portal structure needs repair to secure the opening (406)





Figure 3: Portal (406)



Figure 4: Rockfall inside portal





Figure 5: Air compressor trailer and empty fuel tanks (407)



Figure 6: Hatch cover to shaft opening (408)





Figure 7: Vandalized lock on shaft cover (408)



Figure 8: Sawmill area (409)





Figure 9: Historic stone building, outside of NOI permit area (410)





Figure 10: Office, secure (411)





Figure 11: Parts room (411)



Figure 12: Trash outside office (411)





Figure 13: Generator shed (empty), with empty drum and other trash (412).





Figure 14: Pond, with collapsed building material outside NOI permit area (412)





Figure 15: Overview of site from South (413)

### GENERAL INSPECTION TOPICS

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

(AR) RECORDS----- <b>PB</b>	(FN) FINANCIAL WARRANTY----- <b>PB</b>	(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- <b>2PBs</b>	(FW) FISH & WILDLIFE----- <u>N</u>	(RV) REVEGETATION---- <u>N</u>
(SM) SIGNS AND MARKERS----- <u>N</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

Shannon Murphy  
Smuggler Gold Mine, LLC  
C/O Gloria Watson  
Divide, CO 80814

CC: Amy Eschberger, DRMS



## COST SUMMARY WORK

Task description: RCE update following 10/31/2024 inspection

Site: Smuggler Gold Mine

Permit Action: 2024 Inspection

Permit/Job#: P2012011

### PROJECT IDENTIFICATION

Task #: 000

State: Colorado

Abbreviation: None

Date: 11/5/2024

County: Gilpin

Filename: P011-000

User: LDS

Agency or organization name: DRMS

### TASK LIST (DIRECT COSTS)

Task	Description	Form Used	Fleet Size	Task Hours	Cost
001	375 tons topsoil, purchase & delivery, Pioneer Sand	NA	1	8.00	\$17,438
002	Spread topsoil over disturbed area	DOZER	1	2.46	\$484
003	Revegetating disturbed area	REVEGE	1	4.00	\$354
004	Demolition of outer portal structure	DEMOLISH	1	16.00	\$837
005	Backfilling Portal Entrance	MINESEAL	1	0.00	\$7,522
006	Equipment Mobilization/Demobilization	MOBILIZE	1	1.71	\$724
<b><u>SUBTOTALS:</u></b>				<b>32.17</b>	<b>\$27,359</b>

### INDIRECT COSTS

#### OVERHEAD AND PROFIT:

Liability insurance: 2.02

Total = \$553

Performance bond: 1.05

Total = \$287

Job superintendent: 16.08

Total = \$1,275

Profit: 10.00

Total = \$2,736

TOTAL O & P = \$4,850

CONTRACT AMOUNT (direct + O & P) = \$32,209

#### LEGAL - ENGINEERING - PROJECT MANAGEMENT:

Financial warranty processing (legal/related costs): \$0

Total = \$0

Engineering work and/or contract/bid preparation: 4.25

Total = \$1,369

Reclamation management and/or administration: 5.00

\$1,610

CONTINGENCY: 0.00

Total = \$0

TOTAL INDIRECT COST = \$7,830

**TOTAL BOND AMOUNT (direct + indirect) = \$35,189**





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## Ballpark Semi Quote for Topsoil

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**Simmons - DNR, Leigh** <leigh.simmons@state.co.us>  
To: Sara Fodge <sara.fodge@pioneerlc.com>

Fri, Nov 8, 2024 at 11:33 AM

Thank you Sara, your estimate for the delivery of 375 tons of topsoil to the Rollinsville area is much appreciated.

Leigh Simmons  
Environmental Protection Specialist



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Department of Natural Resources

P [720.220.1180](tel:720.220.1180)

1313 Sherman Street, Room 215, Denver, CO 80203

[leigh.simmons@state.co.us](mailto:leigh.simmons@state.co.us) | <https://drms.colorado.gov>

On Thu, Nov 7, 2024 at 7:33 AM Sara Fodge <[sara.fodge@pioneerlc.com](mailto:sara.fodge@pioneerlc.com)> wrote:  
Good morning,

We did a rough estimate of \$17,437.50 for the 375 TN of Topsoil. We do have a cheaper product that's called fill dirt and it's a more cost-effective fill. As far as tons-to-yards conversions those could be a little less accurate so I recommend getting the measurements (LxWxD) and I can calculate the exact amount you would need in tons.

Thank you and I look forward to hearing from you,  
Sara Fodge



**BULLDOZER WORK**Task description: Spread topsoil over disturbed areaSite: Smuggler Gold Mine Permit Action: 2024 Inspection Permit/Job#: P2012011**PROJECT IDENTIFICATION**

Task #:	<u>002</u>	State:	<u>Colorado</u>	Abbreviation:	<u>None</u>
Date:	<u>11/5/2024</u>	County:	<u>Gilpin</u>	Filename:	<u>011-002</u>
User:	<u>LDS</u>				

Agency or organization name: DRMS**HOURLY EQUIPMENT COST**

Basic Machine:	<u>Cat D6T XL</u>
Horsepower:	<u>185</u>
Blade Type:	<u>Semi-Universal</u>
Attachment:	<u>NA</u>
Shift Basis:	<u>1 per day</u>
Data Source:	<u>(CRG)</u>

**Cost Breakdown:**

		<u>Utilization %</u>
Ownership Cost/Hour:	<u>\$90.43</u>	<u>NA</u>
Operating Cost/Hour:	<u>\$67.29</u>	<u>100</u>
Ripper own. Cost/Hour:	<u>\$0.00</u>	<u>NA</u>
Ripper op. Cost/Hour:	<u>\$0.00</u>	<u>0</u>
Operator Cost/Hour:	<u>\$38.59</u>	<u>NA</u>

Total unit Cost/Hour:	<u>\$196.31</u>
Total Fleet Cost/Hour:	<u><b>\$196.31</b></u>

**MATERIAL QUANTITIES**

Initial Volume:	<u>375</u>
Swell factor:	<u>1.000</u>
Loose volume:	<u><b>375 LCY</b></u>

Source of estimated volume:	<u>Division of Reclamation, Mining &amp; Safety</u>
Source of estimated swell factor:	<u>Cat Handbook</u>

**HOURLY PRODUCTION**

Average push distance:	<u>150 feet</u>
Unadjusted hourly production:	<u>212.5 LCY/hr</u>

Materials consistency description: Consolidated stockpile 1.0

Average push gradient:	<u>0 %</u>
Average site altitude:	<u>9,150 feet</u>

Material weight: 1,600 lbs/LCYWeight description: Top Soil

<u>Job Condition Correction Factor</u>		<u>Source</u>
Operator Skill:	<u>0.750</u>	<u>(AVG.)</u>
Material consistency:	<u>1.000</u>	<u>(CAT HB)</u>
Dozing method:	<u>1.000</u>	<u>(GEN.)</u>
Visibility:	<u>1.000</u>	<u>(AVG.)</u>



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: 0.7161

Adjusted unit production: 152.17 LCY/hr

Adjusted fleet production: **152.17** LCY/hr

### **JOB TIME AND COST**

Fleet size: 1 Dozer(s)

Unit cost: \$1.290/LCY

Total job time: **2.46** Hours

Total job cost: **\$484**



**REVEGETATION WORK**Task description: Revegetating disturbed areaSite: Smuggler Gold MinePermit Action: 2024 InspectionPermit/Job#: P2012011**PROJECT IDENTIFICATION**Task #: 003State: ColoradoAbbreviation: NoneDate: 11/5/2024County: GilpinFilename: 011-003User: LDSAgency or organization name: DRMS**FERTILIZING****Materials**

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

**Application**

Description	Cost /Acre
	\$
<b>Total Fertilizer Application Cost/Acre</b>	<b>\$0.00</b>

**TILLING**

Description	Cost /Acre
	\$
<b>Total Tilling Cost/Acre</b>	<b>\$0.00</b>

**SEEDING**

Seed Mix	Rate – PLS LBS / Acre	Seeds per SQ. FT	Cost /Acre
Alpine Bluegrass	0.50	11.48	\$11.97
Fringed Bromegrass - Native	0.50	0.92	\$8.60
Rocky Mountain Fescue	0.50	8.03	\$5.39
Slender Wheatgrass - San Luis	0.50	1.83	\$3.02
Thurber's Fescue	0.50	5.17	\$39.24
Prairie Junegrass	0.50	26.58	\$24.37
Timothy, Alpine - Native	0.50	14.92	\$19.59
Tufted Hairgrass	0.50	28.70	\$14.24



<b>Totals Seed Mix</b>	4.00	97.62	<b>\$126.42</b>
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**Application**

Description	Cost /Acre
Broadcast seeding [DMG]	\$272.56
<b>Total Seed Application Cost/Acre</b>	<b>\$272.56</b>

**MULCHING and MISCELLANEOUS****Materials**

Description	Units / Acre	Unit	Cost / Unit	Cost /Acre
			\$	\$
<b>Total Mulch Materials Cost/Acre</b>				<b>\$0.00</b>

**Application**

Description	Cost /Acre
	\$
<b>Total Mulch Application Cost/Acre</b>	<b>\$0.00</b>

**NURSERY STOCK PLANTING**

Common Name	No / Acre	Type and Size	Planting Cost	Fertilizer Pellet Cost	Cost /Acre
					\$
<b>Totals Nursery Stock Cost / Acre</b>					<b>\$0.00</b>

**JOB TIME AND COST**

No. of Acres:	0.71	Cost /Acre:	\$398.98
Estimated Failure Rate:	25%	Cost /Acre*:	\$398.98
*Selected Replanting Work Items:	SEEDING		

Initial Job Cost:	<b>\$283.28</b>
Reseeding Job Cost:	<b>\$70.82</b>
Total Job Cost:	<b>\$354</b>
Job Hours:	<b>4.00</b>



## DEMOLITION WORK

Task description: Demolition of outer portal structure

Site: Smuggler Gold Mine

Permit Action: 2024 Inspection

Permit/Job#: P2012011

### PROJECT IDENTIFICATION

Task #: 004

State: Colorado

Abbreviation: None

Date: 11/5/2024

County: Gilpin

Filename: 011-004

User: LDS

Agency or organization name: DRMS

### UNIT COSTS

Location adjustment: 99.90 %

Structure or Item Description	Dimensions	Demolition Menu Selection	Quantity	Unit	Unit Cost	Total Cost
Portal timbers	8'x8'x20'	Loading and 5 mile haul, salvage allowed - Wood frame structures	35.00	CY	\$23.95	\$838.25

Job Hours: 16.00

Subtotal  
(unadjusted): \$838.25

Total Cost  
(adjusted for location): \$837.41



**SAFEGUARDING UNDERGROUND OPENINGS**

Task description: **Backfilling Portal Entrance**

Site: **Smuggler Gold Mine** Permit Action: 2024 Inspection Permit/Job#: P2012011

**PROJECT IDENTIFICATION**

Task #: 005 State: Colorado Abbreviation: None  
Date: 11/5/2024 County: Gilpin Filename: 011-005  
User: LDS

Agency or organization name: DRMS

**UNIT COSTS**

Opening Description	Dimensions	Closure Method	Quantity	Unit	Unit Cost	Total Cost
Smuggler Mine Portal	8'x8'	Adit closure - bulkhead seal (per opening)	1.00	EA	\$5,246.60	\$5,246.60
Smuggler Mine Portal	8'x8'x10'	Adit closure - backfilling (per cu. yd.)	52.00	CY	\$43.75	\$2,275.00

**Job Hours:** 0.00 **Total Cost:** **\$7,521.60**



**EQUIPMENT MOBILIZATION/DEMOBILIZATION**Task description: **Equipment Mobilization/Demobilization**Site: **Smuggler Gold Mine**Permit Action: 2024 InspectionPermit/Job#: P2012011**PROJECT IDENTIFICATION**Task #: 006State: ColoradoAbbreviation: NoneDate: 11/5/2024County: GilpinFilename: 011-006User: LDSAgency 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:**

<b>Available Rig Capacities</b>	<b>0-25 Tons</b>	<b>26-50 Tons</b>	<b>51+ Tons</b>
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 D6T XL	23.25	\$90.43	\$59.44	1	\$149.87	\$59.44	\$250.00
Subtotals:					<b>\$149.87</b>	<b>\$59.44</b>	<b>\$250.00</b>

**ROADABLE EQUIPMENT:**

Machine Description	Total Cost/hr/ unit	Fleet Size	Haul Trip Cost/hr/ fleet	Return Trip Cost/hr/ fleet
Subtotals:			<b>\$0.00</b>	<b>\$0.00</b>

**EQUIPMENT HAUL DISTANCE and Time**

Nearest Major City or Town within project area region: NEDERLAND  
 Total one-way travel distance: 8.00 miles  
 Average Travel Speed: 45.00 mph

Total Non-Roadable Mob/Demob Cost \* \$724.29  
 \*\* two round trips with haul rig:  
 Total Roadable Mob/Demob Cost \*\* \$0.00  
 \*\* one round trip, no haul rig:

**Transportation Cycle Time:**

	Non- Roadable Equipment	Roadable Equipment
Haul Time (Hours):	0.18	0.18
Return Time (Hours):	0.18	0.18
Loading Time (Hours):	0.25	NA
Unloading Time (Hours):	0.25	NA
Subtotals:	0.86	0.36

**JOB TIME AND COST**

Total job time: 1.71 Hours

Total job cost: \$724