

# 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

FAX: (303) 832-8106



September 10, 2012

Shannon Murphy  
Smuggler Gold Mine, LLC  
100 West Bennett Ave.  
P.O. Box 661  
Cripple Creek, CO 80813

John W. Hickenlooper  
Governor

Mike King  
Executive Director

Loretta E. Piñeda  
Director

RE: Notice of Intent to Conduct Prospecting Application; Smuggler Gold Mine; File No. P-2012-011; Third Notice of Deficiencies

Dear Mr. Shannon,

1. In response to the Division's Second Notice of Deficiencies Letter, the applicant stated that instead of constructing a concrete portal, heavy duty MSHA approved timber sets will be installed at the portal entrance. In order to approve this method for permanent closure of the portal, the Division would require additional information with regard to the stability of the host rock. In addition, the Division would need a complete set of design specifications in order to calculate the associated financial warranty. Conversely, the Division would not need to review the design specifications if the applicant committed to an alternate closure method such as backfilling.

A standard closure utilizing a backfill method would involve constructing a backstop (block wall) approximately 10 ft within the portal, backfilling to the backstop, and contouring a 3H:1V slope from the face of the portal entrance. Approximately 67 cubic yards of material would be required to backfill the portal entrance. Please provide the Division with the design specifications for the timber sets or commit to backfilling the portal entrance upon the completion of prospecting operations. If the applicant commits to backfilling the portal entrance, then please specify if there is enough material (67cy) available on site for backfilling.

2. The applicant has provided the Division with unit costs for importing screened topsoil from Pioneer Sand and Gravel. However, the applicant has not specified the amount of topsoil which will need to be imported. According to the NOI application form, the prospecting operation will affect 2 acres of land. The Division typically recommends replacing a minimum of six inches of topsoil in order to successfully establish vegetation. Applying topsoil at a rate of six inches over two acres of affected land will require 1,613 cubic yards of topsoil, or 1,613 tons of topsoil. Using the unit costs provided by the applicant, the importation of 1,613 tons of topsoil would cost approximately \$58,000.

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In order to reduce the cost of replacing topsoil, the applicant should specify the total area which will need to be covered with topsoil. Any areas such as existing roads or pond surfaces should not be included in the estimate.

Be advised that if these items have not been addressed by October 15, 2012, the Division may terminate the NOI application in accordance with Rule 5.1.3(c) of the Hard Rock Rules.

If you have any questions, you may contact me at (303)866-3567 x8116.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. A. Cunningham', with a stylized flourish at the end.

Michael A. Cunningham  
Environmental Protection Specialist

CC: Tom Kaldenbach, DRMS  
Tom Hendricks, Smuggler Gold Mine, LLC (via email)