

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Mining and Minerals Division
1220 St. Francis St.
Santa Fe, New Mexico 87505
Telephone: (505) 476-3400

MINING INSPECTION REPORT

Name of Operator:	Gulf Coast Mining Group, LLC
Name of Mine:	Iron Duke Mine
Address:	Sections 3 and 4, Township 22 S, Range 8 E
Permit Number:	OT006MN
Commodity: hematite & magnetite	<input checked="" type="checkbox"/> SURFACE <input type="checkbox"/> UNDERGROUND
Date of Inspection:	October 8, 2019
Time of On-Site Inspection:	12:40 PM – 2:00 PM
Weather Conditions:	slight clouds, 73°F
Purpose of Inspection:	Annual
Lead Inspector:	Jenn Johnson
Present During Inspection:	DJ Ennis, Carmen Rose (MMD), David Davidson (Gulf Coast Mining Group)
ENFORCEMENT ACTION TAKEN: None	
NOTICE OF VIOLATION: # _____ YES: ____ NO: <input checked="" type="checkbox"/>	
CESSATION ORDER: YES: ____ NO: <input checked="" type="checkbox"/>	
Time: On-Site: <u>1.5 hrs</u> Permit Review: <u>2</u> Travel: <u>2</u> Report Writing: <u>2</u>	
TOTAL INSPECTION TIME: <u>7.5</u> HOURS	
NOTE: Turn left onto a dirt road 3 miles north from Orogrande on US-54. Follow the dirt road west for almost 3 miles until you reach a gate. Go through the gate to get to the mine site.	

PERMIT UPDATE:

Before the site visit it was noticed that the operator has not submitted annual fees and reports for 2017 and 2018.

INSPECTION NARRATIVE:

This was an annual inspection as well as an opportunity to become familiar with the site. The last MMD inspection was conducted in 2018.

We met David Davidson at the mine and he drove us around the site. There were workers sampling 55 gal drums for the customer in Europe. The new ball mill was on site and there were no signs of water discharge from the mill. There were two shipping containers which hold the

water for the mill. Since it is a closed loop system any suspended solids are removed through sedimentation. This occurs in the containers and it is unclear if it is ever cleaned out. 1 ton of material can be processed in a day through the mill and the mine processes about 60 ton/year.

There was a berm blocking vehicles from using the BLM road which has not been reclaimed. The operator explained that the BLM does want it reclaimed but that they were not given a deadline. The operator plans to reclaim it when the dozer is back at the mine. Once they have processed the stockpile by the mill, they will rent a D9 dozer from Albuquerque.

David took us up to where phases II and III of mining will take place. Waste rock from historic mining will be excavated and processed through the ball mill for both phases similar to the current phase of mining. Since the waste rock piles are on the other side of the mined caverns a new road will probably have to be constructed to haul the material to the site. The mine plan is to start phase II in about 5 years and phase III in 10 years.

It was brought to the operator's attention that annual fees and reports were not submitted for 2017 and 2018. They said that they have submitted them to MMD. Once back in the office it was confirmed MMD does not have those documents. An email has been sent to the operator asking for documents supporting their position. MMD also asked the operator to provide the correspondence with the BLM regarding the unpermitted disturbance on their land.

ACTION ITEMS:

- The Permittee needs to establish a reference area and submit it to MMD for approval with their next modification of the permit.

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED

NA

MAINTENANCE ITEMS

NA

PHOTOS



Figure 1: New Ball Mill (NE)



Figure 2: Water Containers (W)

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Iron Duke Mine Site Visit



Figure 3: Disturbed Pile near Mill (W)



Figure 4: BLM Road (SW)



Figure 5: Mine Site (NE)



Figure 6: Mill Site (S)



Figure 7: Phase II Pile (NE)



Figure 8: Phase III Pile (SW)

INSPECTOR'S SIGNATURE:

Jennifer Johnson

DATE: October 29, 2019