

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:	May 17, 2023		
Time of On-Site Inspection:	2:30 PM – 4 PM		
Weather Conditions:	Sunny, ~80°F		
Purpose of Inspection:	Annual		
Lead Inspector:	Carmen Rose		
Present During Inspection:	DJ Ennis & Carmen Rose (MMD)		
ENFORCEMENT ACTION TAKEN: None			
NOTICE OF VIOLATION: # _____		YES: __ NO: <u>X</u>	
CESSATION ORDER:		YES: __ NO: <u>X</u>	
Time: On-Site: <u>1.5</u> Permit Review: <u>2</u> Travel: <u>10</u> Report Writing: <u>1</u>			
TOTAL INSPECTION TIME: <u>14.5</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.			

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PERMIT UPDATE:

This permit needs attention. Since the beginning, there have been problems with the site, and it appears the issue of access has never been resolved (in our records). Estimated aerial cumulative disturbance (NOT including access road on BLM/SLO/County land) is 8.4 acres. Some outstanding things to note after a permit review (post-inspection):

Permit

- Does the operator have access along the access road through BLM, County, and State Trust Land?
- Upper stockpile appears to encroach into BLM land – need to double check this
- A dead golden eagle chick was found at the base of the highwall on the western edge of the permit area – the permit should be modified to avoid mining during the bird breeding season
- Gulf Coast Mining Group has not yet submitted annual fees or reports for 2022.
- Conditions 10.L and 10.O through P of the permit conflict with one another. One requires that the operator select a reference area, the other says they will use a technical standard. We need to modify this to have the operator select a reference area
- FA is held for “Phase 1” of operations. Once Phase 1 is completed, Gulf Coast will modify their permit to shift FA for “Phase 2”

Mod 17-1

- Section 2 describes that the operator may disturb up to 9.18 acres, but Section 3 states that surface disturbance is limited to 6.7 acres. FA is held for 6.7 acres.
- No mention of access across SLO and BLM land in PMP nor the permit
- BLM did not comment on project after multiple attempts to notify them
- FA: \$41,063 (based on 6.56 acres of disturbance)

INSPECTION NARRATIVE:

This inspection was done on the same day as the Orogrande Inspection, and the operator was not notified of our visit. The site had quite a bit of disbursed disturbance with multiple stockpiles of material stationed throughout the permit area. A screening plant, ten storage containers, two trailer office buildings (one was tipped over), and the ball mill were also present during the inspection. The new ball mill was relocated near the front gate, and appeared to have had some maintenance or possible vandalism.

During the previous inspection in 2019, there was a berm at the base of the BLM road to prevent direct access to the upper stockpile. However, the berm was no longer there during this inspection, indicating that the operator has been using the road without BLM permission. This violates Section 10.B of the Permit (Mod 17-1):

The existing road from the work pad to the upper stockpile shall be bermed and not be used until written permission from the BLM is obtained. The berm shall be sufficient to not allow heavy equipment to pass and shall be kept in place, at all times. No material shall be moved from the upper stockpile location to the work pad using this road until a permit, or notice from the BLM is approved.

MMD walked up the road on BLM land to the upper stockpile, then continued up the hill to the highwall. It did not seem like any active mining was occurring in this area. A dead Golden Eagle chick was found at the base of the highwall. A large raptor nest could be seen directly above the dead chick, indicating that Golden Eagles do nest on site. The inspectors continued around the north side of the historic underground mining

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area, and observed what looked like some recent disturbance on the top of the waste piles that extend over the north slopes. The inspectors walked down the access road and left the site at 4pm.

ACTION ITEMS:

- The Permittee needs to submit a modification application to MMD to reassess the FA, provide a reclamation plan for the road on BLM land, propose a reference area, and provide a mitigation plan for the Golden Eagle nest in the permit area.

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED

- Consider a Notice of Noncompliance or NOV for road on BLM land (permit condition 10.B) as a means to have operator submit a modification application.

PHOTOS

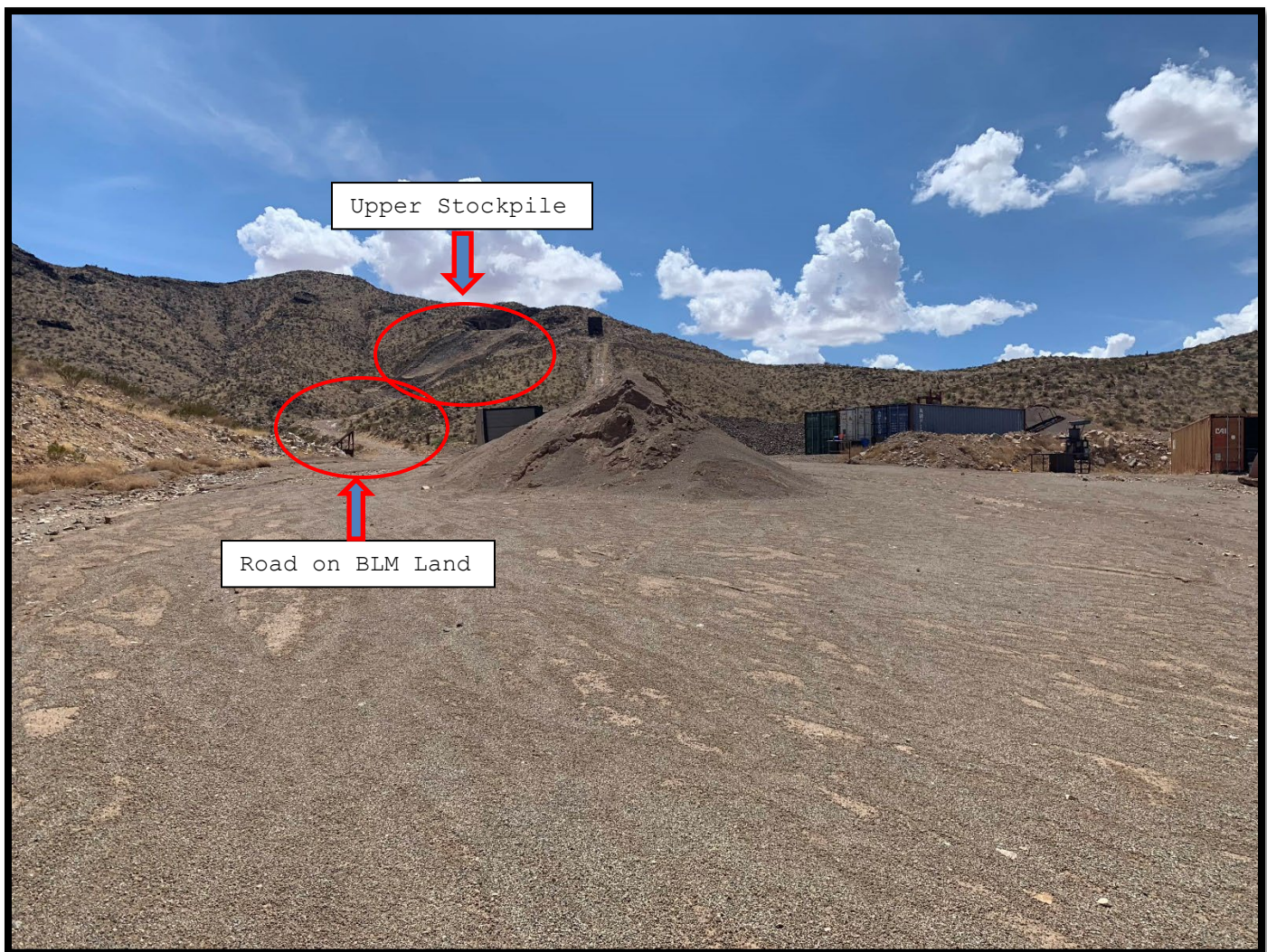


Figure 1. Main staging area

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Figure 2. Ball Mill



Figure 3. Storage Containers



Figure 4. Screening plant



Figure 5. Lower disturbed exploration area



Figure 6. Upper Stockpile



Figure 7. Looking down from Upper Stockpile toward road on BLM land

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Figure 8. Road on BLM land, unreclaimed



Figure 9. "Highwalls" at top of hill



Figure 10. Golden Eagle Nest



Figure 11. Dead Golden Eagle chick

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Figure 12. Old stockpiles in historic mining area



Figure 13. Looking north towards old waste rock stockpiles.
Areas of new disturbance circled in red

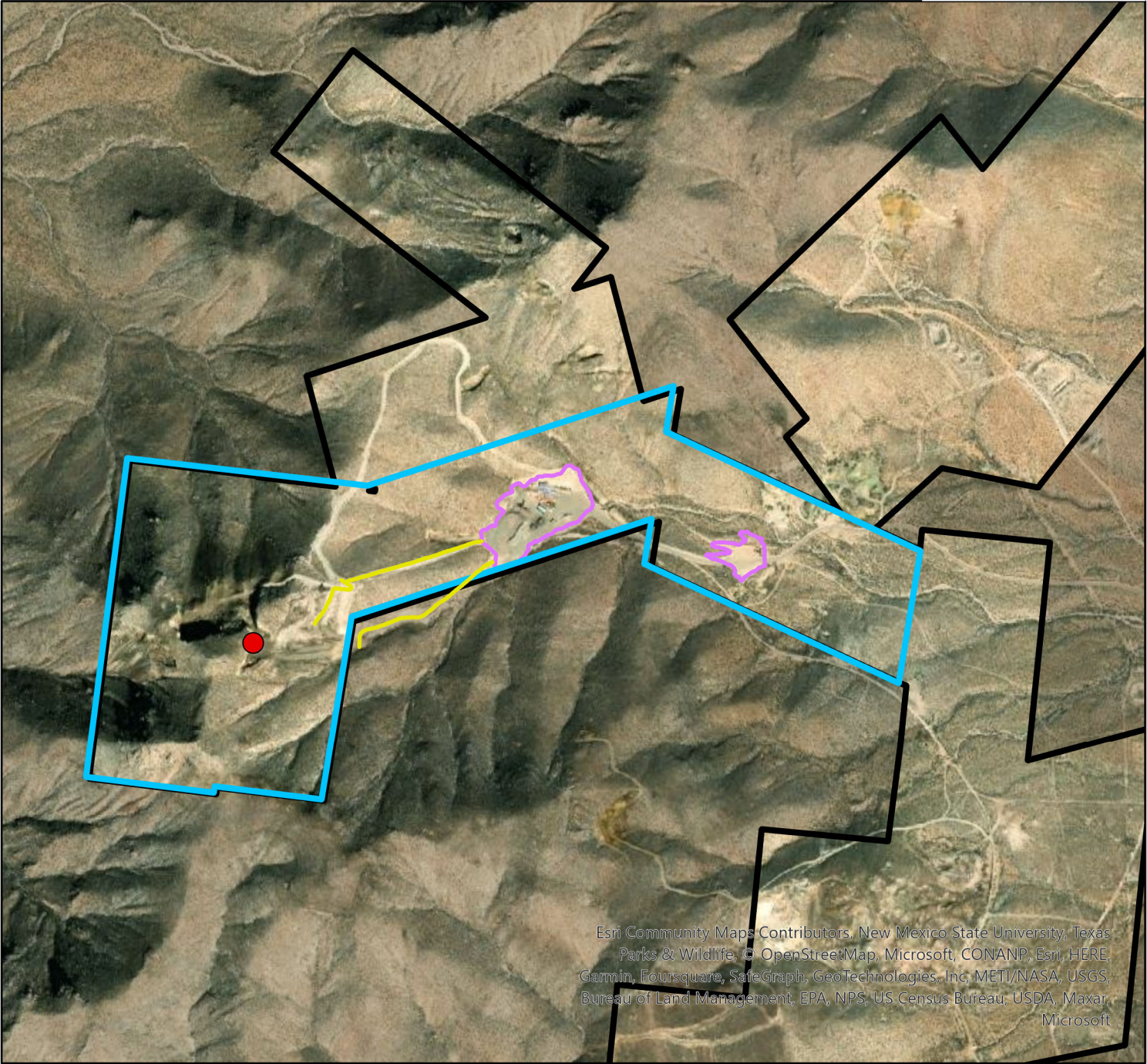
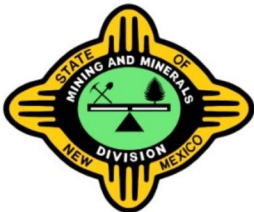
INSPECTOR'S SIGNATURE:

James K. Lee

DATE: May 26, 2023

Iron Duke Mine (OT006MN)

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Legend

- Golden Eagle - May 2023
- Roads - Insp. Jan 2018
- Approx Permit Boundary
- BLM Land
- Pads - Insp. Jan 2018

0 250 500 1,000 US Feet

Prepared by Carmen Rose
Energy, Minerals and Natural Resources Department
NM Mining and Minerals Division
Mining Act Reclamation Program

