

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
Director
Mining and Minerals Division
1220 St. Francis St.
Santa Fe, New Mexico 87505
Telephone: (505) 827-3400

MINING INSPECTION REPORT

Name of Operator: Frank Bain
Name of Mine: Lordsburg Playa Exploration Project - Bain
Address: 2425 Chof Trail Flagstaff, AZ 86005
Permit Number: <i>Lordsburg Playa Exploration: HI018EM</i>
Commodity: Lithium <u> X </u> SURFACE <u> </u> UNDERGROUND
Date of Inspection: November 29, 2023
Time of On-Site Inspection: approximately 1:00 PM to 3:00 PM
Weather Conditions: Sunny 60's
Purpose of Inspection: See 2 drill sites in response to operator's request for an inspection
Lead Inspector: Kevin Myers, <i>MMD</i>
Present During Inspection: Ron Kellermueller, <i>NMGF</i> ; David Mercer; <i>NMED-GWQB</i> ; Susan Styer, <i>NMED-SWQB</i> ; April Elliott, Josh Nemeth, <i>NMSLO</i> ; Martin Purdy, Ashley Taylor, <i>SFD-EMNRD</i> ; Frank Bain, Operator.
ENFORCEMENT ACTION TAKEN: None
NOTICE OF VIOLATION: # _____ YES: <u> </u> NO: <u> X </u>
CESSATION ORDER: YES: <u> </u> NO: <u> X </u>
Time: On-Site: <u> 2 </u> Permit Review: <u> 1 </u> Travel: <u> 12 </u> Report Writing: <u> 3 </u>
TOTAL INSPECTION TIME: <u> 18 </u> HOURS
NOTE: Inspection of two drilling sites and access roads at NW corner of the Lordsburg Playa

PERMIT UPDATE

Permit issued July 2020. Renewal and modification ongoing permitting process since 2021. Renewal and Modification application submitted in July 2023. October 27, 2023 agency comments provided to operator, and November 16, 2023 operator responses provided to MMD.

INSPECTION NARRATIVE

0645 At SF Office

0650 Leaving SF

0750 At ABQ-Edith office of State Forestry. Pickup Marty & Ash.

0800 Leaving ABQ

1130 Stop in Deming for Gas

1300 at Steins Exit 3- I-10. Frank and NMSLO present. NMGF arrives,

1320 NMED arrives. Called BLM. Will send inspection report to BLM.

1350 Drive county road to pipeline road across NMSLO trust land, then BLM land.

Driving on thin alluvial layers that cover paleo terraces of paleo shoreline for Lake Animas.

Terraces are vegetated.

One short (about 20 feet) segment of the road has the alluvial veneer removed or eroded from the pipeline road activity. Fine silt/clay/salts from lacustrine deposits create fine dust cloud vertically (10-15 feet), then slowly disperses. Dust occurs even when vehicles moving slowly.

Turn north off of pipeline road along terrace. Most of the terrace has minimal dust

1402 at the LB1 first exploration borehole on second or third terrace. Drill sites proposed to be 300-500 feet deep. LB1 is nearest 6-inch steel well drilled in the 1950's to 150 feet (likely NMOSE No. A-675-POD1) and labeled as too salty for livestock. Frank said he had the steel plate cut off the top of well in 2017 by a rancher. Well is now open. Frank took the plate back to Arizona. Frank was unable to reach water because well has partially collapsed. He hoped to measure the water level and get a water sample. During 2023 inspection, light reflected down steel pipe shows well is not straight and white salts forming inside steel, likely evidence of corrosion. Around the well, wooden debris is possibly old windmill or livestock pen. Recent hoof marks show signs of livestock. Some grasses and shrubs such as creosote bush, tar bush, low woolly grass, broom snakeweed, soaptree yucca, cane cholla, fourwing saltbush, acacias and possibly alkali sacaton or other dropseed & grama grass.

1437 At second proposed borehole LB2, south of pipeline road. LB2 on first terrace higher (10-20 feet) than LB1. Drilling pad marked with orange rocks for 100 feet by 100 feet area. Drilling rig may be rubber tired or track mounted, likely from Stewart Brothers Drilling Company. Activity west of LB2 to reduce erosion (downcutting) of arroyos that feed the playa. Rock dams & other BMPs used.

LB1 and LB2 would be drilled first before any drilling would continue at other proposed locations. Decide not to drive five vehicles out further east into the Playa to the remaining locations, some seen in 2017 inspection by MMD.

Wrap up discussion with review of permit processes needed. NMOSE exploratory well permits, NMSLO right of entry renewal of permit because of trust land on pipeline road, and MMD permit modification/renewal after financial assurance requirement is met. Operator mentions having information about NMSLO trust land in near middle of the Lordsburg Playa.

1500 leaving LB2

1600 Leaving Steins

1700 At Silver City. Return to SF the next evening after Continental/Hanover Mine inspection.

Table 1 Field Stops:Boreholes and Access Roads-WGS 1984 coordinate system –NAD 83 UTM

Title	Date Created	Latitude	Longitude	Northing	Easting
L Turn North From Pipeline Rd	2023-11-29T13:54:24-07:00	32.313712	-108.943771	3582047.84	693576.54
R Turn 2 East to LB1	2023-11-29T13:57:35-07:00	32.322333	-108.938606	3582986.47	694044.47
Stop 1 LB1	2023-11-29T14:01:54-07:00	32.320104	-108.933384	3582721.01	694540.89
Stop 2 Old Well	2023-11-29T14:08:19-07:00	32.319986	-108.933350	3582707.89	694544.34
Stop 3 LB2	2023-11-29T14:38:51-07:00	32.307287	-108.947564	3581348.12	693233.04

Table 2 Coordinates from July 2023 Application. NAD 27 UTM coordinate system

I.D. Number	Northing	Easting
1	3577525	694625
2	3575990	693243
3	3577575	695800
4	3576210	695525
5	3574425	695400
6	3577860	696920

Top of First Terrace



Bottom of first terrace

Proposed drilling location LB1 looking West on second terrace – paleo shoreline Lake Animas



Borehole LB1 looking ENE toward Lordsburg Playa



Borehole LB1 looking SE towards Lorsdburg Playa



Near LB1 -Well A-675-POD1 as seen in 2023 after plate removed Well in 2017 before plate removal



LB2 looking East toward Lordsburg Playa. LB2 on first terrace.



LB2 looking WNW – Arizona’s Peloncillo Mountains in background

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Exploration\Photos\2023 1129 Inspection Photos

Playa

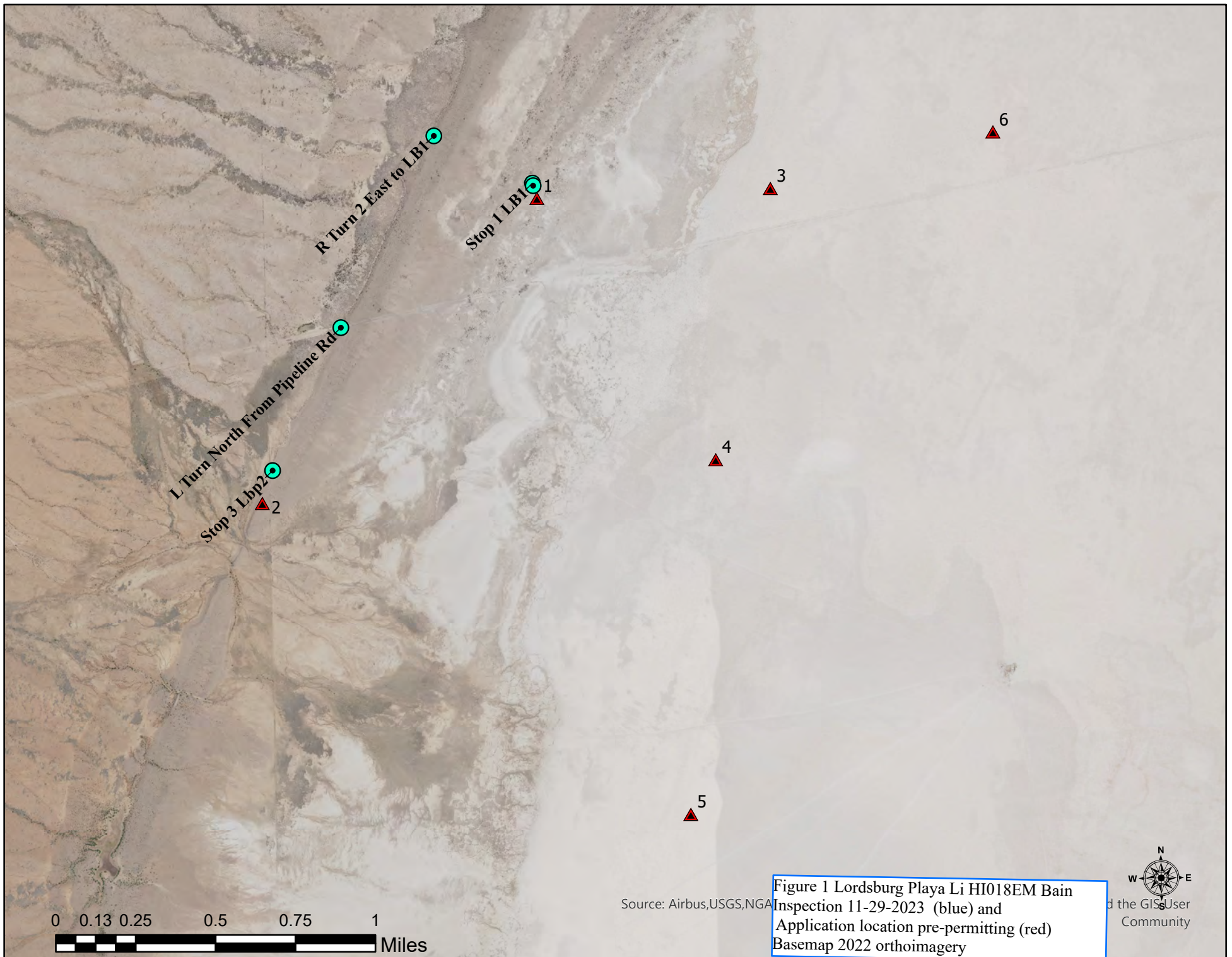
Lithium

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED

None

INSPECTOR'S SIGNATURE: Kevin C Myer

DATE: 12/12/2023



Source: Airbus, USGS, NGA

Figure 1 Lordsburg Playa Li HI018EM Bain
Inspection 11-29-2023 (blue) and
Application location pre-permitting (red)
Basemap 2022 orthoimagery

