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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT Director

Mining and Minerals Division 1220 South St. Francis Drive Santa Fe, New Mexico 87505 Telephone: (505) 476-3400

MINING INSPECTION REPORT

Name of Operator: St. Cloud Mining Company

Name of Mine: Midnight Mine

Address: Section 1, T 12S, R 9W (UTM 13S 0246416, 3687124)

Permit Number: SI007ME

Commodity: Gold, copper ___S

_SURFACE X_UNDERGROUND

Date of Inspection: December 12, 2002

Time of On-Site Inspection: 11:30 am - 1:30 pm

Weather Conditions: Sunny, windy, cool

Purpose of Inspection: Annual inspection

Inspector: Mickey Jojola

Present During Inspection: Mickey Jojola

ENFORCEMENT ACTION TAKEN:

NOTICE OF VIOLATION: #_____ YES:___ NO:_X

CESSATION ORDER: YES:___ NO:_X

Time: On-Site: 1 Permit Review: 0.5 Travel: 4 Report Writing: 0.5

TOTAL INSPECTION TIME: 6_HOURS

NOTE: Check in at the St. Cloud office building and proceed up the creek bed until you get to Byers Run. Road is now accessible and very drivable. There are no locked gates. The road to the mine is the first one on the right that you come to while going up Byers Run.

Regular Annual Inspection December 12, 2002 Midnight Mine St. Cloud Mining Company

PERMIT UPDATE:

There is a letter from St. Cloud transfuring the permit to Mr. Larry Harris

INSPECTION NARRATIVE:

The road from Byers Run up to the mine is intact and has not been seeded or ripped. The new owners have reworked the road to make it passable. The upper portion of the road has more vegetation than during the last site inspection. As you approach the mine, there is some erosion in the drainage way but is not too bad. The area surrounding the adit area has been covered with waste rock and contoured to a natural slope (over two years ago). There doesn't appear to be any erosion in this area. There is some vegetation of shrubs and grasses and it has increased in coverage since the last time the site was visited. There are now 2 fifth wheel RVs on the site.

The adit has been fenced and locked but at this time there is now plug. The new owners plan to mine recreationally in the old adit. The head frame that protects the entrance from falling rocks is still there and intact. There is a ventilation type structure near to the adit entrance, about three feet in diameter. A berm about 10-15 ft high encloses this area and prevents surface water from leaving the adit area.

There is a barbed wire fence above the site along its perimeter. The headwall is still about 30 ft high at its peak height. The fence looked to be intact but I did not inspect it thoroughly.

Digital photos were taken of the site. No GPS mapping was done.

ACTION ITEMS:

None at this time

PHOTOS:

Photos are on the L drive

MAINTENANCE ITEMS

None

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED

None

INSPECTOR'S SIGNATURE: DATE: 2/4/03

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