

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

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MINING INSPECTION REPORT

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| Name of Operator: Larry Harris |
| Name of Mine: Midnight Mine |
| Address: Section 1, T 12S, R 9W (UTM 13S 0246416, 3687124) |
| Permit Number: SI007ME |
| Commodity: Gold, copper <u> </u> SURFACE <u>X</u> UNDERGROUND |
| Date of Inspection: January 17, 2006 |
| Time of On-Site Inspection: 12:00 pm to 1:00 pm |
| Weather Conditions: 45F, clear |
| Purpose of Inspection: Annual inspection |
| Inspector: Stephen Lucero |
| Present During Inspection: Clint Anderson, local landowner |
| ENFORCEMENT ACTION TAKEN: NOTICE OF VIOLATION: # <u> </u> YES: <u> </u> NO: <u>X</u> CESSATION ORDER: YES: <u> </u> NO: <u>X</u> |
| Time: On-Site: <u>1</u> Permit Review: <u>0.5</u> Travel: <u>4</u> Report Writing: <u>0.5</u> |
| TOTAL INSPECTION TIME: <u>6</u> HOURS |
| NOTE: Go past the St. Cloud office building and proceed up the creek bed until you get to Byers Run (left hand turn 1/4 mile past the USFS cattle grate). The road to the mine is the first one on the right that you come to while going up Byers Run. There is now a locked gate on the road before the site. Contact Clint Anderson for access: (505) 744-5693 or (505) 740-5693. |

Regular Annual Inspection – January 17, 2005~~6~~
Midnight Mine – Larry Harris

PERMIT UPDATE:

No new permitting activity at this time. The mine has remained inactive.

INSPECTION NARRATIVE:

I met with Clint Anderson at the junction of Byers run and South Fork drainages. Clint had informed me that the road through Byers run was washed out and not readily accessible to most vehicles. The road going up to the mine also was covered in ice from water in Byers run. Clint drove us up in a four-wheeler.

Clint informed me that he is working on purchasing the Midnight Mine at this time. I informed him of the transfer fee and also the amount of the annual fees. No new disturbance was noted at the site from the last inspection. The two RV 5th wheels are still there. No evidence of mining was noted (equipment, fresh stockpile material).

ACTION ITEMS:

MMD needs to keep in contact with Clint Anderson to provide him permit information and to keep apprised of any sale of the Midnight Mine. MMD also needs to look in to the permit language for this site, regarding any standby provisions.

PHOTOS:

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MAINTENANCE ITEMS

None

ENFORCEMENT ACTIONS TAKEN OR TO BE CONSIDERED

None

INSPECTOR'S SIGNATURE:

Stephen A. Luciw

DATE: 1-19-06