

St. Cloud Mining Company

P.O. Box 1670 TorC, NM 87901
(of) 505: 743-5215 (fax) 505: 743-3333 (email) stcloud@riolink.com

RECEIVED

AUG 25 2003

MINING & MINERALS
DIVISION

Aug. 22, 2003

To: Holland Shepherd, MMD

From: Pat Freeman

Re: Midnight Mine, Permit Transfer

Attached is your recent letter on the Midnight Mine permit fee and a copy of our 2002 Letter to MMD regarding sale and transfer of the property and permit to Mr. Larry Harris. MMD correspondence regarding the Midnight should be addressed to Mr. Harris.

I believe there have been subsequent MMD inspections of the property confirming Mr. Harris as the owner. There was no financial assurance in place for the Midnight as reclamation was completed prior to the sale.

Let me know if additional information is required.

Sincerely,



Patrick S Freeman, President



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Bill Brancard
Director

Mining and Minerals Division

August 14, 2003

Pat Freeman
St. Cloud Mining Company
P.O. Box 1670
Truth or Consequences, NM 87901

RE: Past Due Annual Permit Fees for Midnight Mine, Minimal Impact Existing Mining Operation, Permit No. SI007ME

Dear Mr. Freeman:

This letter is in reference to the annual fees that are due for each mine site that is permitted with the State of New Mexico, which is due by June 30th of each year. The New Mexico Mining Act Rules require that an annual permit fee be paid to the Mining and Minerals Division until the permitted site is released under the New Mexico Mining Act Pursuant to , 19.10.2.202 NMAC, New Mexico Mining Act Rules. The term of a New Mexico Mining Act Permit is established by 19.10.5.504.A NMAC, which states

The Permittee shall maintain a permit until financial assurance is released under 19.10.12 NMAC.

This letter shall serve as a friendly reminder that your annual fees are now overdue for your mine site. Please submit the required annual fees to MMD no later than September 6, 2003. Checks can be made payable to the State of New Mexico.

If you have any questions, please call me at (505) 476-3437.

Sincerely,

Holland Shepherd
Program Manager
Mining Act Reclamation Program



Cc: Karen W. Garcia, Chief, Mine Regulatory Bureau
Mickey Jojola, Permit Lead

File copy.

St. Cloud Mining Company

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Sept. 27, 2002

**Mr. Douglas Bland, Director
Mining and Minerals Division
1220 S. St. Francis Dr.
Santa Fe, NM 87505**

Re: Midnight Mine (Permit No. S1007ME), Permit Transfer

Dear Mr. Bland;

St. Cloud Mining Company has sold its rights and interests in the Midnight Mine property, consisting of four (4) patented mining claims to:

**Mr. Larry L. Harris
8000 Big Bend
El Paso, TX 79904**

Phone: 915: 778-0676

Although the new owner indicates he is purchasing the property for recreational purposes, he wishes to maintain the current minimal impact mining permit and assume the obligations thereunder. St. Cloud has provided Mr. Harris with copies of the permit and regulations and the various geological and exploration data. No production from the mine has occurred since 1993 and the less than 2 acre ramp portal site was previously safeguarded and reclaimed. No financial assurance is involved in this permit.

Mr. Harris is aware of the annual fee, inspection obligations and that additional notifications and or modifications would be required prior to any reactivation of the mine.

Under Section 802 of the Regulations, St. Cloud is requesting a permit transfer as described. Attached, as per Section 201G, is a check for \$150.00 for transferring a permit. Please let me know if additional information is required.

Sincerely,

Patrick S. Freeman, President

**Cc/ Fernando Martinez, Reclamation Program Manager
Mr. Larry Harris**