TRANSFER OF PERMIT No. S1007ME MIDNIGHT MINE MINIMAL IMPACT EXISTING MINING OPERATION

MINING AND MINERALS DIVISION ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

Permit Transfer Approval of Permit No. SI007ME is issued by the Director of the Mining and Minerals Division (MMD) of the New Mexico Energy, Minerals and Natural Resources Department to:

Mr. Larry Harris P.O. Box 27169 El Paso, Texas 79926 (Transferee)

From:

St. Cloud Mining Company
P.O. Box 1670
Truth or Consequences, NM 87901
(Transferor)

for the Midnight Mine located as described below:

Section 1. MINE LOCATION

The Midnight Mine permit area encompasses portions of Section 1, Township 12 South, Range 9 West in Sierra County, New Mexico as delineated in the Permit Application Package (PAP).

Section 2. FINDINGS OF FACT

- 1. The Applicant is not required to provide financial assurance in accordance with §19.10.3.303.F of the Rules, because the disturbance is less than two acres.
- 2. Pursuant to §19.10.8.802.D.(2), the applicant agrees to continue to conduct the operations involved in full compliance with the Act, this Part, and the terms and conditions of the original permit, unless and until the applicant has obtained a new, revised or modified permit.
- 3. Pursuant to §19.10.8.802.D.(3), for existing or new mining operations, the applicant is eligible to receive a permit for new mines in accordance with Section 69-36-12.B(5).
- 4. Pursuant to §19.10.8.802.D.(4) and §19.10.2.201.(G), the applicant has paid the permit transfer fee of \$150.
- 5. Pursuant to §19.10.8.802.F, the applicant has provided notice to the Director of the consummation of the transfer of the permit.

Transfer of Permit No. SI007ME – Midnight Mine Page 2 of 4

Section 3. AGREEMENT OF RESPONSIBLE PARTIES

Agreement by Transferee:

The foregoing instrument is agreed upon as shown below by signatures of authorized representatives. In addition, the applicant agrees to continue to conduct the operations involved in full compliance with the Act, this Part, and the terms and conditions of the original permit, unless and until the applicant has obtained a new, revised or modified permit.

Signature of Authorized Agent of Transferee

LARRY L. HARRIS

Printed Name and Title of Authorized Agent of Transferee

Acknowledgement of Authorized Agent of Transferee:



On this 2nd day of March, 2004, before me appeared Larry L. Harris to me personally known, who, being by me dually sworn, did depose and say that he signed the attached Agreement and acknowledged said Agreement to be a free act and deed.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Notar Public

My commission expires: July 28, 2007

Transfer of Permit No. SI007ME – Midnight Mine Page 3 of 4

Agreement by Transferor:

The foregoing instrument is agreed upon s shown below by signatures of authorized representatives.

Paris 5. Fundamental Signature of Authorized Agent of Transferor

PATRICU 5. FREEMAN, PRES-Printed Name and Title of Authorized Agent of Transferor

Acknowledgement of Authorized Agent of the Transferor:

On this 10th day of March, 2004, before me appeared Potrack S. Francou to me personally known, who, being by me dually sworn, did depose and say that he signed the attached Agreement and acknowledged said Agreement to be a free act and deed.

In witness whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

NOTARY PUBLIC S

Notary Public

My commission expires: Och. 27, 2006

Transfer of Permit No. SI007ME – Midnight Mine Page 4 of 4

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that the Permit Transfer of the Midnight Mine (Permit No. SI007ME), located in Sierra County, New Mexico, is approved. Larry Harris is approved as the Permittee and may continue mining, exploration, or reclamation operations in accordance with the permit.

By Order of the Director, Mining and Minerals Division, Energy, Minerals and Natural Resources Department, of the State of New Mexico.

Mining and Minerals Division

The State of New Mexico

By:

Bill Brancard, Director

Bill Bd

Mining and Minerals Division

Energy, Minerals and Natural Resources Department

DATED: March 9,2004