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HUGH NOWELL
CORPORATE COUNSEL

January 28, 2004

Mr. Martin Zeleznik
Ground Water Office WTR-0
US Environmental Protection Agency Region IX
Water Management Division (WTR-9)
75 Hawthorne Street
San Francisco, California 94105-3901

RE: MONITORING REPORT FOR UIC PERMIT NUMBER AZ396000001
FOURTH QUARTER 2003 REPORT

Dear Mr. Zeleznik,

This report is submitted in accordance with the reporting requirements of Parts II.G.2.(a) through (j) of the referenced permit. It pertains to monitoring activities conducted at the Florence In-Situ Mine Site from October 1 through December 31, 2003. Copies of records required by Part II.G.1 are maintained at the Mine Site along with other information that is summarized in the following:

(a) A map showing the current status of the mine

Figure 1 shows the current monitoring area including the Point of Compliance (POC) wells and the wellfield. Figure 2 shows the approximate layout of the wellfield and denotes the four well pairs. There are four injection/recovery wells and nine pumping wells. Five observation wells were installed to demonstrate net inward hydraulic gradient for the 90 days required by the permit. Solution injection began on October 31, 1997, and ceased on February 8, 1998.

(b) A table and graph showing daily cumulative injection flows and extraction flows in each active mine block over the reporting period.

Daily flowrates for each well have been recorded to show the relationship of flow into and out of the wellfield. The flow rates have been combined and are shown in Figure 1 of Attachment 1. Note that injection last occurred in early 1998 and that water has been continuously withdrawn since that time.

(c) A table and graph comparing average daily head in the four observation wells

Figures 2 through 5 of Attachment 1 and the supporting data compare the average daily water levels in the five observation wells with their nearest inward neighbor. Readings are either taken by continuous down-hole measurements recorded on the system computer or done manually. The figures show the hydraulic gradients were maintained throughout the quarter meeting the permit conditions.

(d) A table showing POC monitoring wells analytical results and alert levels

The attached report *Florence Project Quarterly Compliance Monitoring Report – Fourth Quarter 2003* by Brown and Caldwell and sealed by Ms. Tekla King, Registered Professional Geologist (Attachment 2), contains the POC monitoring records and results. Brown and Caldwell, along with Project personnel, conducted compliance sampling during the period October 13 through October 15, 2003.

Quarterly and biennial parameters were conducted for 29 of the 31 POC monitor wells. POC monitor wells M32-UBF and M33-UBF were dry and could not be sampled. All results were below the Alert Levels (ALs) or Aquifer Quality Limits (AQLs). The results are discussed in the report.

(e) Results of the monthly analyses of organic in the injectate

Organic analyses are not required because no solution was injected during the reporting period.

(f) Results of monitoring required by 40 CFR 146.33 (b)(1)

No solution was injected.

(g) Results of the mechanical integrity tests

No mechanical integrity test was required.

(h) Results of the annular conductivity monitoring

Although injection ceased in early 1998, annular conductivity measurements have continued to the present time. A graph showing measurement results for this reporting period is presented in Attachment 1, Figure 6. No unusual conditions were noted.

Mr. Martin Zeleznik

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(i) Well and core hole plugging and abandonment.

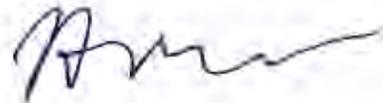
None of the existing wells and core holes were abandoned during the report period.

(j) A summary of closure operations during the reporting period.

There were no closure operations during the reporting period.

Florence Copper, Inc., believes that you will find this report complete and in compliance with all permit conditions. Please contact me at (404) 495-9577 should you have any questions regarding this report.

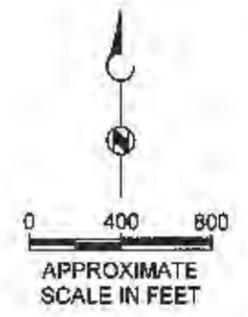
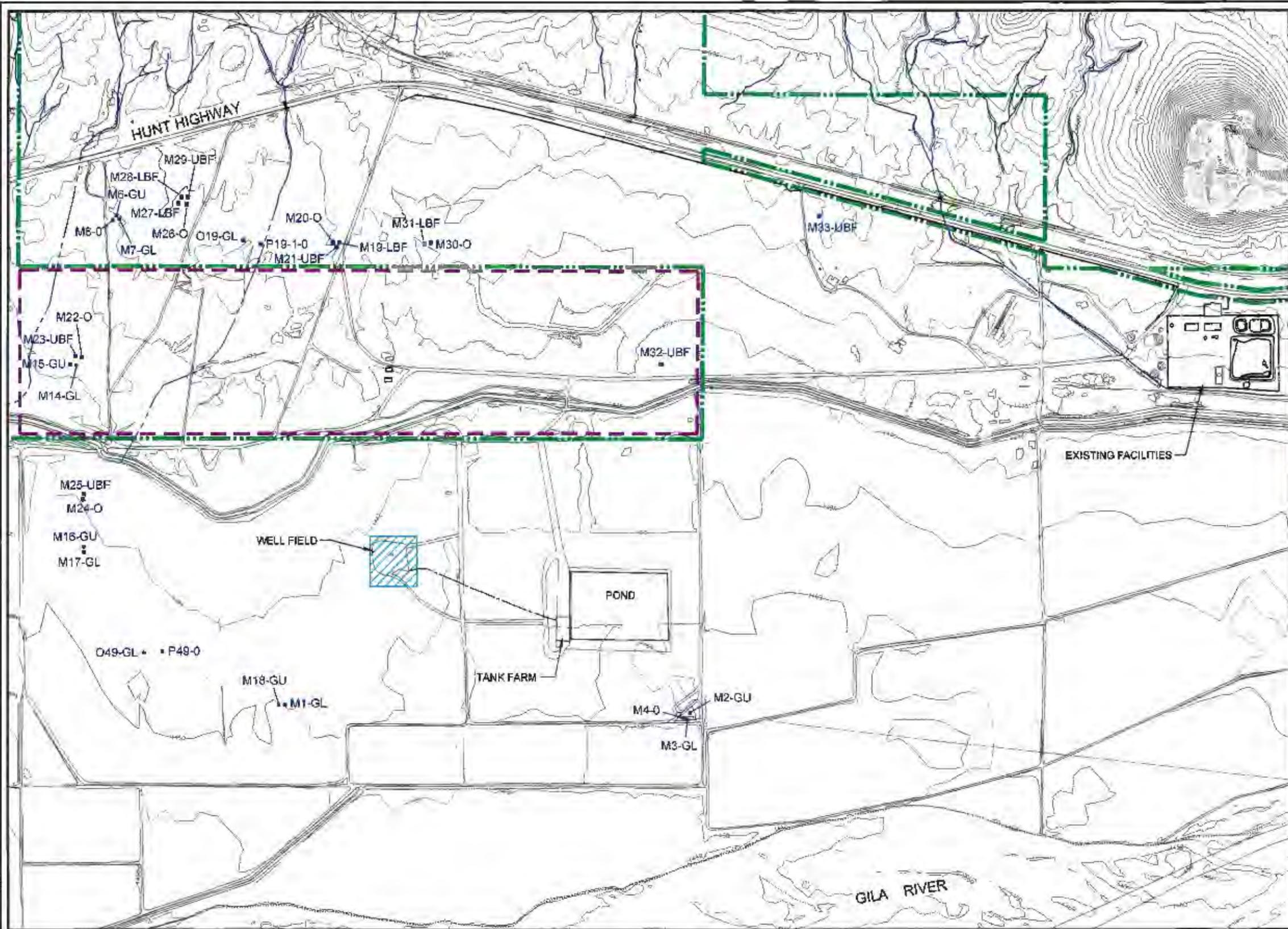
Sincerely,



Hugh Nowell
Corporate Counsel

BAS:lld
Attachments

cc: Florence Copper File

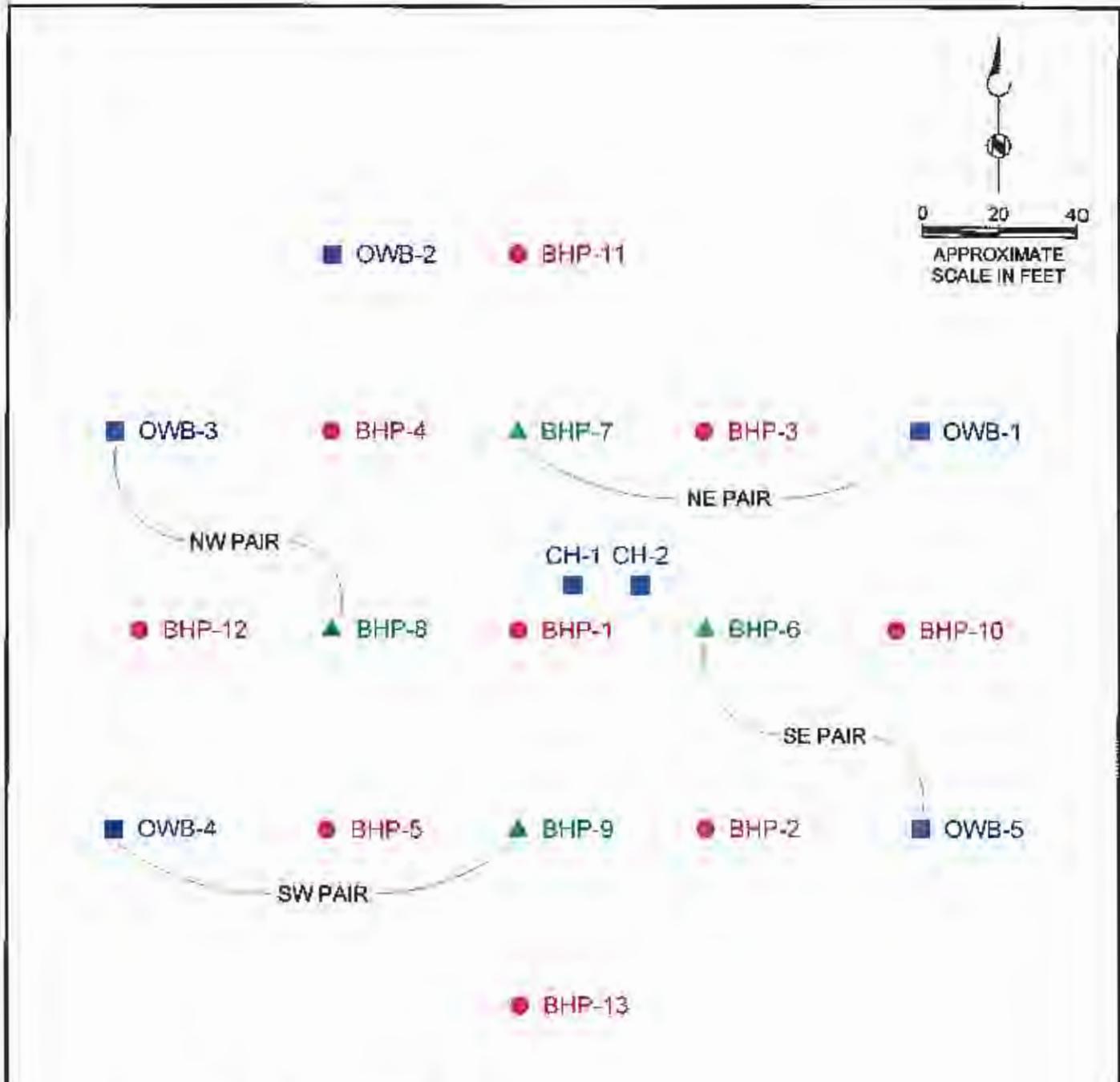


EXPLANATION

- - - APPROXIMATE PROPERTY BOUNDARY
- - - STATE LEASE LAND BOUNDARY
- O19-GL POC MONITORING WELL
- ENLARGED AREA ON FIGURE 2

**BROWN AND
CALDWELL**

**Figure 1
MONITORING AREA
MERRILL MINING, L.L.C.
FLORENCE, ARIZONA**



EXPLANATION

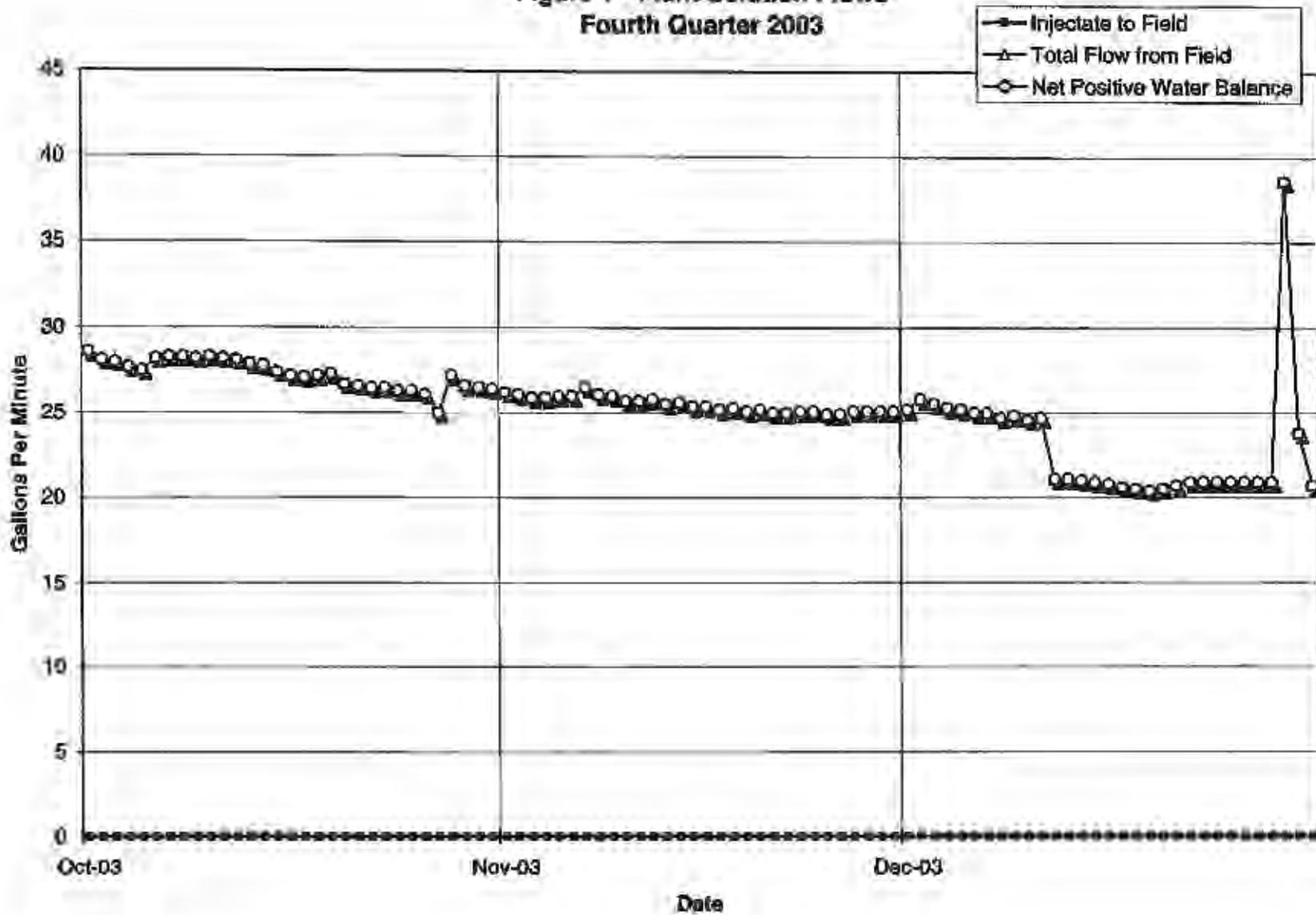
- BHP-10 PUMPING WELL (CURRENTLY INACTIVE)
- OWB-2 OBSERVATION WELL
- ▲ BHP-8 INJECTION / RECOVERY WELL (RECOVERY MODE SINCE 1998)

BROWN AND CALDWELL

Figure 2
WELLFIELD LAYOUT
 MERRILL MINING, L.L.C.
 FLORENCE, ARIZONA

ATTACHMENT 1
MINE OPERATIONS MONITORING

Figure 1 - Plant Solution Flows
Fourth Quarter 2003



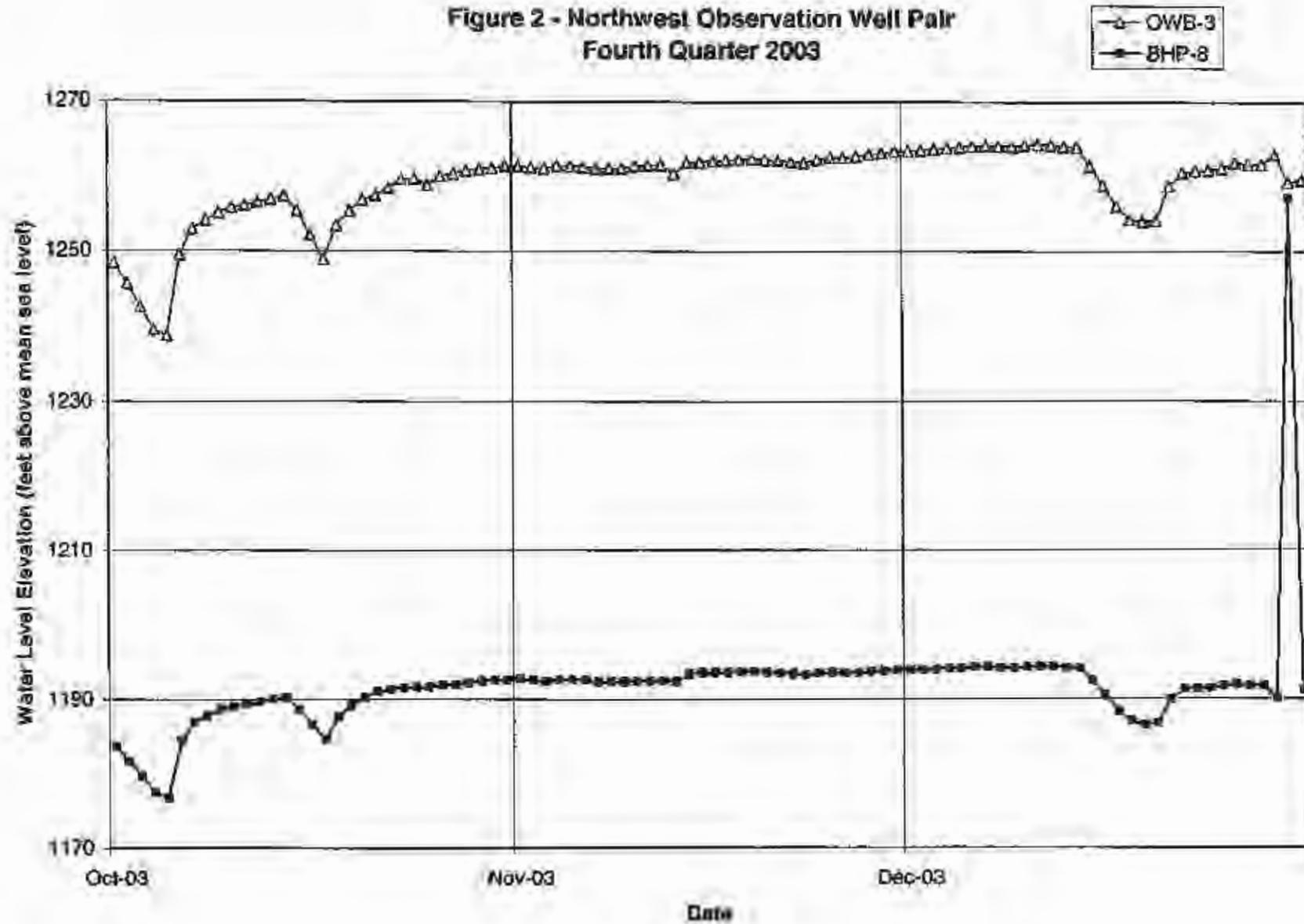
**Plant Solution Flows - Daily Averages
Fourth Quarter 2003**

Date	Injectate to Field (gpm)	BHP-6 (gpm)	BHP-7 (gpm)	BHP-8 (gpm)	BHP-9 (gpm)	Total Flow from Field (gpm)	Net Positive Water Balance (gpm)	Maintained Hydrologic Control (Yes/No)
10/1/2003	0	0.0	8.2	7.7	12.7	28.6	28.6	Yes
10/2/2003	0	0.0	7.9	7.6	12.6	28.1	28.1	Yes
10/3/2003	0	0.0	8.0	7.5	12.5	28.0	28.0	Yes
10/4/2003	0	0.0	8.0	7.4	12.3	27.7	27.7	Yes
10/5/2003	0	0.0	7.8	7.4	12.3	27.5	27.5	Yes
10/6/2003	0	0.0	7.8	7.7	12.7	28.2	28.2	Yes
10/7/2003	0	0.0	7.8	7.7	12.8	28.3	28.3	Yes
10/8/2003	0	0.0	7.8	7.7	12.8	28.3	28.3	Yes
10/9/2003	0	0.0	7.6	7.8	12.8	28.2	28.2	Yes
10/10/2003	0	0.0	7.6	7.8	12.9	28.3	28.3	Yes
10/11/2003	0	0.0	7.5	7.8	12.9	28.2	28.2	Yes
10/12/2003	0	0.0	7.3	7.9	12.9	28.1	28.1	Yes
10/13/2003	0	0.0	7.2	7.8	12.9	27.9	27.9	Yes
10/14/2003	0	0.0	7.0	7.9	12.9	27.8	27.8	Yes
10/15/2003	0	0.0	6.9	7.8	12.8	27.4	27.4	Yes
10/16/2003	0	0.0	6.6	7.8	12.8	27.2	27.2	Yes
10/17/2003	0	0.0	6.6	7.7	12.8	27.1	27.1	Yes
10/18/2003	0	0.0	6.6	7.8	12.8	27.2	27.2	Yes
10/19/2003	0	0.0	6.6	7.8	12.9	27.3	27.3	Yes
10/20/2003	0	0.0	5.8	7.9	13.0	26.7	26.7	Yes
10/21/2003	0	0.0	5.7	7.9	13.0	26.6	26.6	Yes
10/22/2003	0	0.0	5.6	7.9	13.0	26.5	26.5	Yes
10/23/2003	0	0.0	5.6	7.9	13.0	26.5	26.5	Yes
10/24/2003	0	0.0	5.4	7.9	13.0	26.3	26.3	Yes
10/25/2003	0	0.0	5.4	7.9	13.0	26.3	26.3	Yes
10/26/2003	0	0.0	5.2	7.9	13.0	26.1	26.1	Yes
10/27/2003	0	0.0	5.0	7.0	13.0	25.0	25.0	Yes
10/28/2003	0	0.0	5.2	9.0	13.0	27.2	27.2	Yes
10/29/2003	0	0.0	5.7	7.9	13.0	26.6	26.6	Yes
10/30/2003	0	0.0	5.7	7.9	12.9	26.5	26.5	Yes
10/31/2003	0	0.0	5.5	7.9	13.0	26.4	26.4	Yes
11/1/2003	0	0.0	5.3	7.9	13.0	26.2	26.2	Yes
11/2/2003	0	0.0	5.2	7.9	13.0	26.1	26.1	Yes
11/3/2003	0	0.0	5.0	7.9	13.0	25.9	25.9	Yes
11/4/2003	0	0.0	5.0	7.9	13.0	25.9	25.9	Yes
11/5/2003	0	0.0	5.1	7.9	13.0	26.0	26.0	Yes
11/6/2003	0	0.0	5.1	7.9	13.0	26.0	26.0	Yes
11/7/2003	0	0.0	5.6	7.9	13.0	26.5	26.5	Yes
11/8/2003	0	0.0	5.2	7.9	13.0	26.1	26.1	Yes
11/9/2003	0	0.0	5.1	7.9	13.0	26.0	26.0	Yes
11/10/2003	0	0.0	4.9	7.9	12.9	25.7	25.7	Yes
11/11/2003	0	0.0	4.8	7.9	13.0	25.7	25.7	Yes
11/12/2003	0	0.0	4.9	7.9	13.0	25.8	25.8	Yes
11/13/2003	0	0.0	4.7	7.9	12.9	25.5	25.5	Yes
11/14/2003	0	0.0	4.7	7.9	13.0	25.6	25.6	Yes
11/15/2003	0	0.0	4.5	7.9	13.0	25.4	25.4	Yes
11/16/2003	0	0.0	4.5	7.9	13.0	25.4	25.4	Yes
11/17/2003	0	0.0	4.3	7.9	13.0	25.2	25.2	Yes

**Plant Solution Flows - Daily Averages
Fourth Quarter 2003**

Date	Injectate to Field (gpm)	BHP-6 (gpm)	BHP-7 (gpm)	BHP-8 (gpm)	BHP-9 (gpm)	Total Flow from Field (gpm)	Net Positive Water Balance (gpm)	Maintained Hydrologic Control (Yes/No)
11/18/2003	0	0.0	4.4	7.9	13.0	25.3	25.3	Yes
11/19/2003	0	0.0	4.2	7.9	13.0	25.1	25.1	Yes
11/20/2003	0	0.0	4.3	7.9	13.0	25.2	25.2	Yes
11/21/2003	0	0.0	4.1	7.9	13.0	25.0	25.0	Yes
11/22/2003	0	0.0	4.1	7.9	13.0	25.0	25.0	Yes
11/23/2003	0	0.0	4.2	7.9	13.0	25.1	25.1	Yes
11/24/2003	0	0.0	4.2	7.9	13.0	25.1	25.1	Yes
11/25/2003	0	0.0	4.0	7.9	13.0	24.9	24.9	Yes
11/26/2003	0	0.0	4.0	7.9	13.0	24.9	24.9	Yes
11/27/2003	0	0.0	4.1	8.0	13.0	25.1	25.1	Yes
11/28/2003	0	0.0	4.1	7.9	13.1	25.1	25.1	Yes
11/29/2003	0	0.0	4.1	7.9	13.1	25.1	25.1	Yes
11/30/2003	0	0.0	4.1	7.9	13.1	25.1	25.1	Yes
12/1/2003	0	0.0	4.2	7.9	13.1	25.2	25.2	Yes
12/2/2003	0	0.0	4.8	7.9	13.1	25.8	25.8	Yes
12/3/2003	0	0.0	4.5	7.9	13.1	25.5	25.5	Yes
12/4/2003	0	0.0	4.3	7.9	13.1	25.3	25.3	Yes
12/5/2003	0	0.0	4.1	8.0	13.1	25.2	25.2	Yes
12/6/2003	0	0.0	4.0	7.9	13.1	25.0	25.0	Yes
12/7/2003	0	0.0	3.9	8.0	13.1	25.0	25.0	Yes
12/8/2003	0	0.0	3.6	8.0	13.1	24.7	24.7	Yes
12/9/2003	0	0.0	3.7	8.0	13.1	24.8	24.8	Yes
12/10/2003	0	0.0	3.5	8.0	13.1	24.6	24.6	Yes
12/11/2003	0	0.0	3.5	8.0	13.2	24.7	24.7	Yes
12/12/2003	0	0.0	0.0	8.0	13.1	21.1	21.1	Yes
12/13/2003	0	0.0	0.0	8.0	13.1	21.1	21.1	Yes
12/14/2003	0	0.0	0.0	7.9	13.1	21.0	21.0	Yes
12/15/2003	0	0.0	0.0	7.9	13.0	20.9	20.9	Yes
12/16/2003	0	0.0	0.0	7.8	13.0	20.8	20.8	Yes
12/17/2003	0	0.0	0.0	7.7	12.9	20.6	20.6	Yes
12/18/2003	0	0.0	0.0	7.7	12.8	20.5	20.5	Yes
12/19/2003	0	0.0	0.0	7.7	12.7	20.4	20.4	Yes
12/20/2003	0	0.0	0.0	7.7	12.8	20.5	20.5	Yes
12/21/2003	0	0.0	0.0	7.8	12.9	20.7	20.7	Yes
12/22/2003	0	0.0	0.0	7.9	13.0	20.9	20.9	Yes
12/23/2003	0	0.0	0.0	7.9	13.0	20.9	20.9	Yes
12/24/2003	0	0.0	0.0	7.9	13.0	20.9	20.9	Yes
12/25/2003	0	0.0	0.0	7.9	13.0	20.9	20.9	Yes
12/26/2003	0	0.0	0.0	7.9	13.0	20.9	20.9	Yes
12/27/2003	0	0.0	0.0	7.9	13.0	20.9	20.9	Yes
12/28/2003	0	0.0	0.0	7.9	13.0	20.9	20.9	Yes
12/29/2003	0	11.8	6.0	7.9	12.9	38.6	38.6	Yes
12/30/2003	0	11.0	0.0	0.0	12.8	23.8	23.8	Yes
12/31/2003	0	0.0	0.0	7.8	12.9	20.7	20.7	Yes

Figure 2 - Northwest Observation Well Pair
Fourth Quarter 2003



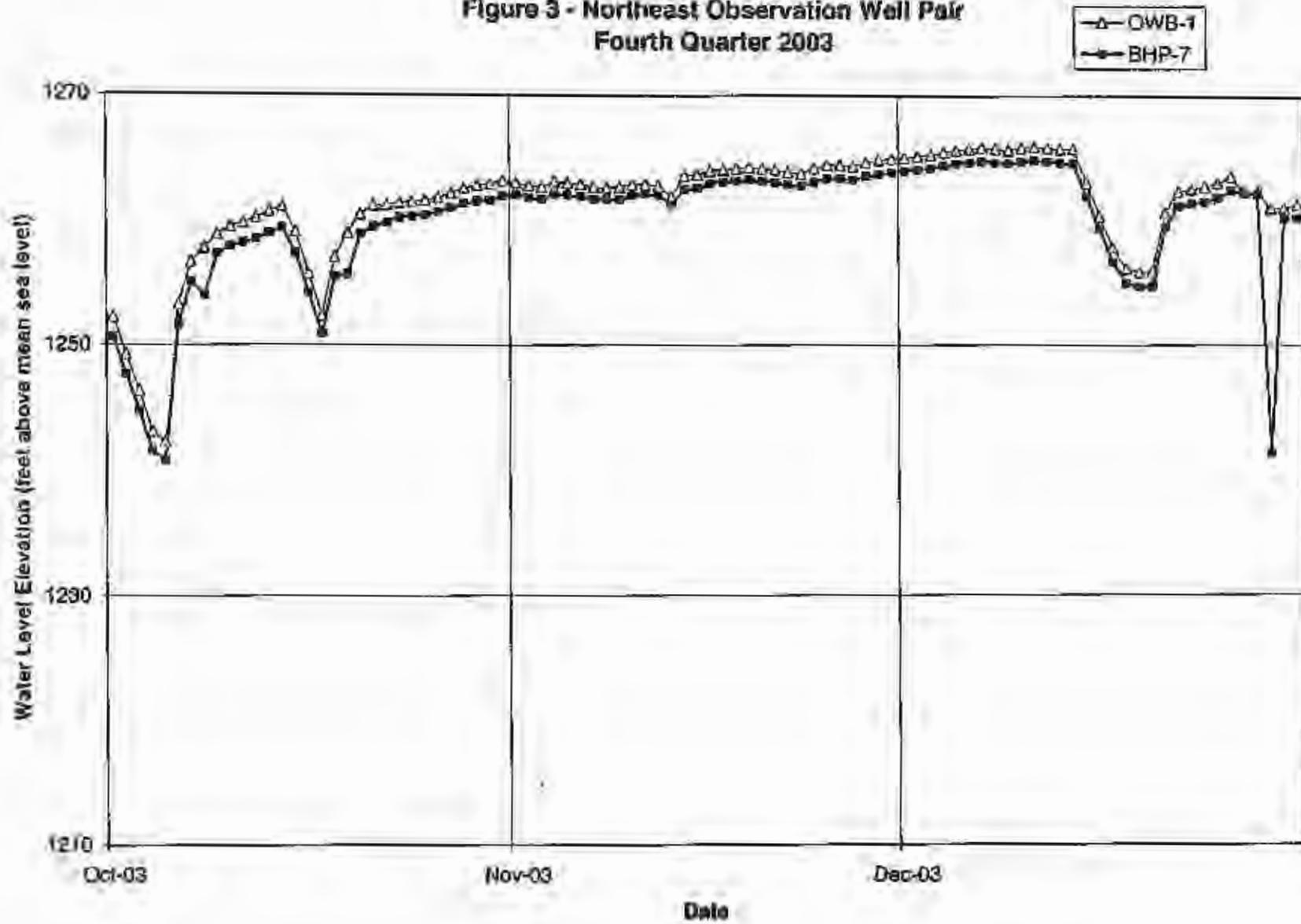
Northwest Observation Well Pair
Fourth Quarter 2003

Date	BHP-8	OWB-3	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
10/1/2003	1183.8	1248.4	-64.6	Yes
10/2/2003	1181.8	1245.7	-63.9	Yes
10/3/2003	1179.8	1242.6	-62.8	Yes
10/4/2003	1177.5	1239.5	-62	Yes
10/5/2003	1176.8	1238.7	-61.9	Yes
10/6/2003	1184.5	1249.5	-65	Yes
10/7/2003	1187.1	1252.9	-65.8	Yes
10/8/2003	1187.9	1254	-66.1	Yes
10/9/2003	1188.7	1255.1	-66.4	Yes
10/10/2003	1189.3	1255.7	-66.6	Yes
10/11/2003	1189.4	1256	-66.6	Yes
10/12/2003	1189.6	1256.4	-66.8	Yes
10/13/2003	1190	1256.9	-66.9	Yes
10/14/2003	1190.2	1257.3	-67.1	Yes
10/15/2003	1188.6	1255.3	-66.7	Yes
10/16/2003	1186.7	1252.1	-65.4	Yes
10/17/2003	1184.7	1248.9	-64.2	Yes
10/18/2003	1187.7	1253.4	-65.7	Yes
10/19/2003	1189.2	1255.3	-66.1	Yes
10/20/2003	1190.2	1256.8	-66.6	Yes
10/21/2003	1191	1257.4	-66.4	Yes
10/22/2003	1191.3	1258.4	-67.1	Yes
10/23/2003	1191.5	1259.6	-68.1	Yes
10/24/2003	1191.6	1259.7	-68.1	Yes
10/25/2003	1191.6	1258.8	-67.2	Yes
10/26/2003	1191.9	1260	-68.1	Yes
10/27/2003	1191.9	1260.4	-68.5	Yes
10/28/2003	1192.2	1260.8	-68.6	Yes
10/29/2003	1192.4	1261	-68.6	Yes
10/30/2003	1192.5	1261.1	-68.6	Yes
10/31/2003	1192.6	1261.4	-68.8	Yes
11/1/2003	1192.7	1261.4	-68.7	Yes
11/2/2003	1192.5	1261.2	-68.7	Yes
11/3/2003	1192.4	1261.1	-68.7	Yes
11/4/2003	1192.6	1261.5	-68.9	Yes
11/5/2003	1192.6	1261.4	-68.8	Yes
11/6/2003	1192.5	1261.3	-68.8	Yes
11/7/2003	1192.3	1261.1	-68.8	Yes
11/8/2003	1192.3	1261.1	-68.8	Yes
11/9/2003	1192.3	1261.1	-68.8	Yes
11/10/2003	1192.4	1261.4	-69	Yes
11/11/2003	1192.4	1261.5	-69.1	Yes
11/12/2003	1192.4	1261.6	-69.2	Yes
11/13/2003	1192.3	1260.4	-68.1	Yes
11/14/2003	1193.3	1261.9	-68.6	Yes
11/15/2003	1193.5	1261.9	-68.4	Yes

**Northwest Observation Well Pair
Fourth Quarter 2003**

Date	BHP-8	OWB-3	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
11/16/2003	1193.5	1262.1	-68.6	Yes
11/17/2003	1193.5	1262.2	-68.7	Yes
11/18/2003	1193.6	1262.3	-68.7	Yes
11/19/2003	1193.6	1262.4	-68.8	Yes
11/20/2003	1193.5	1262.3	-68.8	Yes
11/21/2003	1193.4	1262.2	-68.8	Yes
11/22/2003	1193.3	1262	-68.7	Yes
11/23/2003	1193.2	1261.9	-68.7	Yes
11/24/2003	1193.4	1262.3	-68.9	Yes
11/25/2003	1193.5	1262.6	-69.1	Yes
11/26/2003	1193.4	1262.6	-69.2	Yes
11/27/2003	1193.4	1262.7	-69.3	Yes
11/28/2003	1193.6	1263	-69.4	Yes
11/29/2003	1193.7	1263.2	-69.5	Yes
11/30/2003	1193.8	1263.4	-69.6	Yes
12/1/2003	1193.8	1263.5	-69.7	Yes
12/2/2003	1193.9	1263.6	-69.7	Yes
12/3/2003	1193.9	1263.7	-69.8	Yes
12/4/2003	1194	1263.9	-69.9	Yes
12/5/2003	1194	1264	-70	Yes
12/6/2003	1194.2	1264.1	-69.9	Yes
12/7/2003	1194.2	1264.2	-70	Yes
12/8/2003	1194.1	1264.1	-70	Yes
12/9/2003	1194	1264	-70	Yes
12/10/2003	1194.2	1264.2	-70	Yes
12/11/2003	1194.3	1264.3	-70	Yes
12/12/2003	1194.3	1264.3	-70	Yes
12/13/2003	1194.1	1264.1	-70	Yes
12/14/2003	1194	1264	-70	Yes
12/15/2003	1192.4	1261.4	-69	Yes
12/16/2003	1190.4	1258.8	-68.4	Yes
12/17/2003	1188.3	1256	-67.7	Yes
12/18/2003	1187	1254.3	-67.3	Yes
12/19/2003	1186.5	1254	-67.5	Yes
12/20/2003	1186.8	1254.1	-67.3	Yes
12/21/2003	1190	1258.8	-68.8	Yes
12/22/2003	1191.2	1260.5	-69.3	Yes
12/23/2003	1191.3	1260.8	-69.5	Yes
12/24/2003	1191.4	1260.9	-69.5	Yes
12/25/2003	1191.7	1261.2	-69.5	Yes
12/26/2003	1191.9	1261.9	-70	Yes
12/27/2003	1191.7	1261.7	-70	Yes
12/28/2003	1191.7	1261.7	-70	Yes
12/29/2003	1190.1	1263.0	-72.9	Yes
12/30/2003	1257.2	1259.3	-2.1	Yes
12/31/2003	1191.2	1259.6	-68.4	Yes

Figure 3 - Northeast Observation Well Pair
Fourth Quarter 2003



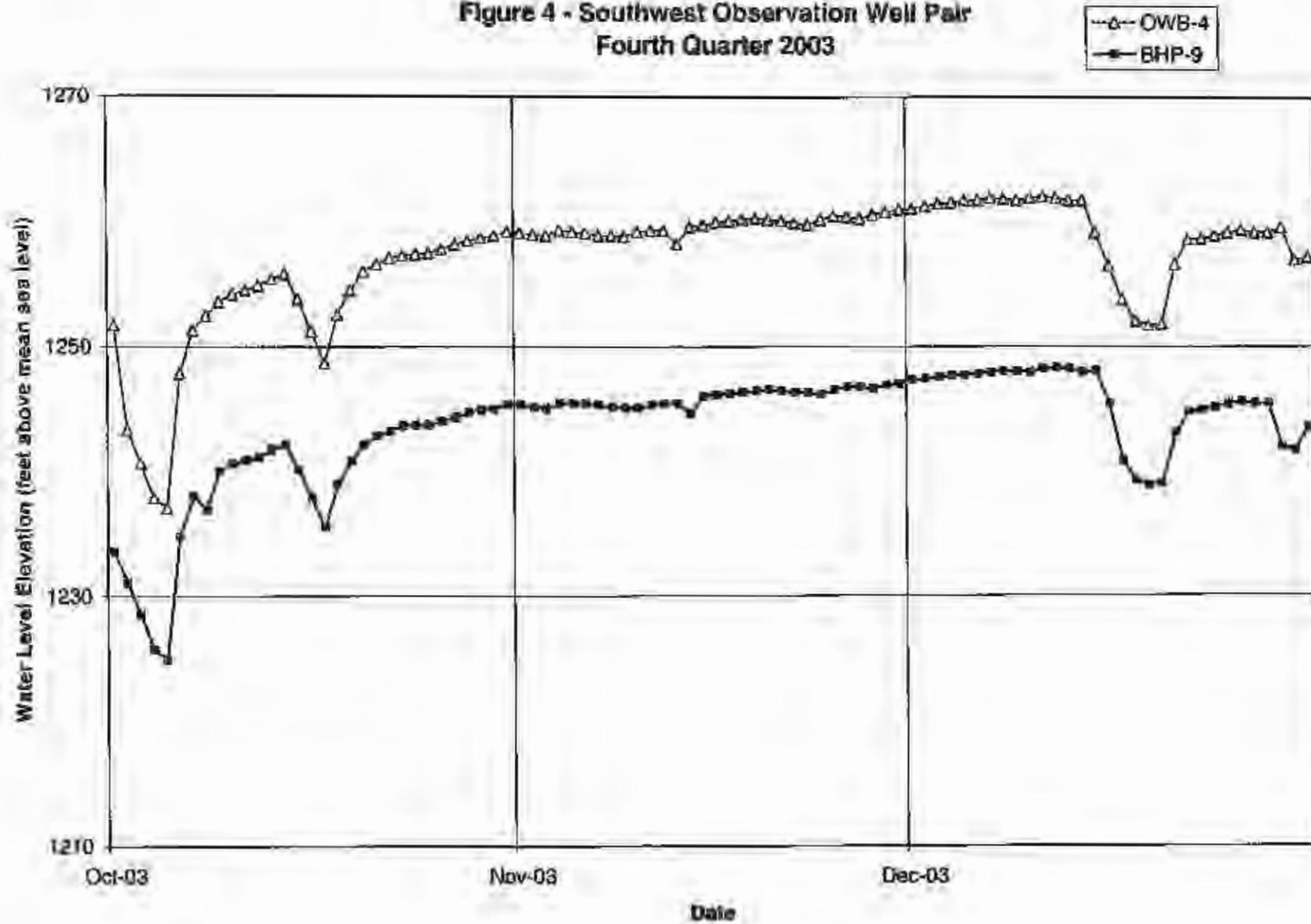
**Northeast Observation Well Pair
Fourth Quarter 2003**

Date	BHP-7	OWB-1	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
10/1/2003	1250.6	1252.2	-1.6	Yes
10/2/2003	1247.7	1249.3	-1.6	Yes
10/3/2003	1244.8	1246.4	-1.6	Yes
10/4/2003	1241.6	1243.2	-1.6	Yes
10/5/2003	1240.8	1242.4	-1.6	Yes
10/6/2003	1251.6	1253.2	-1.6	Yes
10/7/2003	1255	1256.6	-1.6	Yes
10/8/2003	1253.9	1257.7	-3.8	Yes
10/9/2003	1257.2	1258.8	-1.6	Yes
10/10/2003	1257.8	1259.4	-1.6	Yes
10/11/2003	1258.1	1259.7	-1.6	Yes
10/12/2003	1258.4	1260.1	-1.7	Yes
10/13/2003	1258.9	1260.6	-1.7	Yes
10/14/2003	1259.3	1261	-1.7	Yes
10/15/2003	1257.3	1259	-1.7	Yes
10/16/2003	1254.1	1255.7	-1.6	Yes
10/17/2003	1250.9	1252.3	-1.4	Yes
10/18/2003	1255.4	1257	-1.6	Yes
10/19/2003	1255.6	1258.9	-3.3	Yes
10/20/2003	1258.8	1260.4	-1.6	Yes
10/21/2003	1259.4	1261.1	-1.7	Yes
10/22/2003	1259.7	1261.1	-1.4	Yes
10/23/2003	1260.1	1261.3	-1.2	Yes
10/24/2003	1260.2	1261.4	-1.2	Yes
10/25/2003	1260.3	1261.5	-1.2	Yes
10/26/2003	1260.5	1261.7	-1.2	Yes
10/27/2003	1260.9	1262.1	-1.2	Yes
10/28/2003	1261.2	1262.5	-1.3	Yes
10/29/2003	1261.4	1262.7	-1.3	Yes
10/30/2003	1261.5	1262.8	-1.3	Yes
10/31/2003	1261.8	1263.1	-1.3	Yes
11/1/2003	1261.9	1262.9	-1	Yes
11/2/2003	1261.7	1262.7	-1	Yes
11/3/2003	1261.6	1262.6	-1	Yes
11/4/2003	1262	1263	-1	Yes
11/5/2003	1261.9	1262.9	-1	Yes
11/6/2003	1261.8	1262.8	-1	Yes
11/7/2003	1261.6	1262.6	-1	Yes
11/8/2003	1261.6	1262.5	-0.9	Yes
11/9/2003	1261.6	1262.6	-1	Yes
11/10/2003	1261.9	1262.8	-0.9	Yes
11/11/2003	1262	1262.8	-0.8	Yes
11/12/2003	1261.9	1262.7	-0.8	Yes
11/13/2003	1261.2	1261.8	-0.6	Yes
11/14/2003	1262.4	1263.5	-1.1	Yes
11/15/2003	1262.5	1263.6	-1.1	Yes

Northeast Observation Well Pair
Fourth Quarter 2003

Date	BHP-7	OWB-1	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
11/16/2003	1262.9	1263.9	-1	Yes
11/17/2003	1263	1264	-1	Yes
11/18/2003	1263.1	1264.1	-1	Yes
11/19/2003	1263.2	1264.2	-1	Yes
11/20/2003	1263.1	1264.1	-1	Yes
11/21/2003	1263	1264	-1	Yes
11/22/2003	1262.8	1263.8	-1	Yes
11/23/2003	1262.7	1263.7	-1	Yes
11/24/2003	1263	1264.1	-1.1	Yes
11/25/2003	1263.3	1264.4	-1.1	Yes
11/26/2003	1263.3	1264.4	-1.1	Yes
11/27/2003	1263.2	1264.3	-1.1	Yes
11/28/2003	1263.5	1264.6	-1.1	Yes
11/29/2003	1263.6	1264.8	-1.2	Yes
11/30/2003	1263.8	1264.9	-1.1	Yes
12/1/2003	1263.9	1265	-1.1	Yes
12/2/2003	1264	1265.1	-1.1	Yes
12/3/2003	1264.1	1265.2	-1.1	Yes
12/4/2003	1264.3	1265.4	-1.1	Yes
12/5/2003	1264.5	1265.6	-1.1	Yes
12/6/2003	1264.6	1265.7	-1.1	Yes
12/7/2003	1264.7	1265.8	-1.1	Yes
12/8/2003	1264.6	1265.7	-1.1	Yes
12/9/2003	1264.5	1265.6	-1.1	Yes
12/10/2003	1264.7	1265.8	-1.1	Yes
12/11/2003	1264.8	1265.9	-1.1	Yes
12/12/2003	1264.7	1265.8	-1.1	Yes
12/13/2003	1264.6	1265.7	-1.1	Yes
12/14/2003	1264.5	1265.7	-1.2	Yes
12/15/2003	1261.9	1263	-1.1	Yes
12/16/2003	1259.3	1260.3	-1	Yes
12/17/2003	1256.6	1257.8	-1.2	Yes
12/18/2003	1254.9	1256.07	-1.17	Yes
12/19/2003	1254.6	1255.8	-1.2	Yes
12/20/2003	1254.7	1255.9	-1.2	Yes
12/21/2003	1259.4	1260.6	-1.2	Yes
12/22/2003	1261.1	1262.3	-1.2	Yes
12/23/2003	1261.3	1262.5	-1.2	Yes
12/24/2003	1261.5	1262.7	-1.2	Yes
12/25/2003	1261.8	1263	-1.2	Yes
12/26/2003	1262.4	1263.5	-1.1	Yes
12/27/2003	1262.2	1262.3	-0.1	Yes
12/28/2003	1262.2	1262.3	-0.1	Yes
12/29/2003	1241.4	1261	-19.6	Yes
12/30/2003	1260.1	1261	-0.9	Yes
12/31/2003	1260.2	1261.3	-1.1	Yes

Figure 4 - Southwest Observation Well Pair
Fourth Quarter 2003



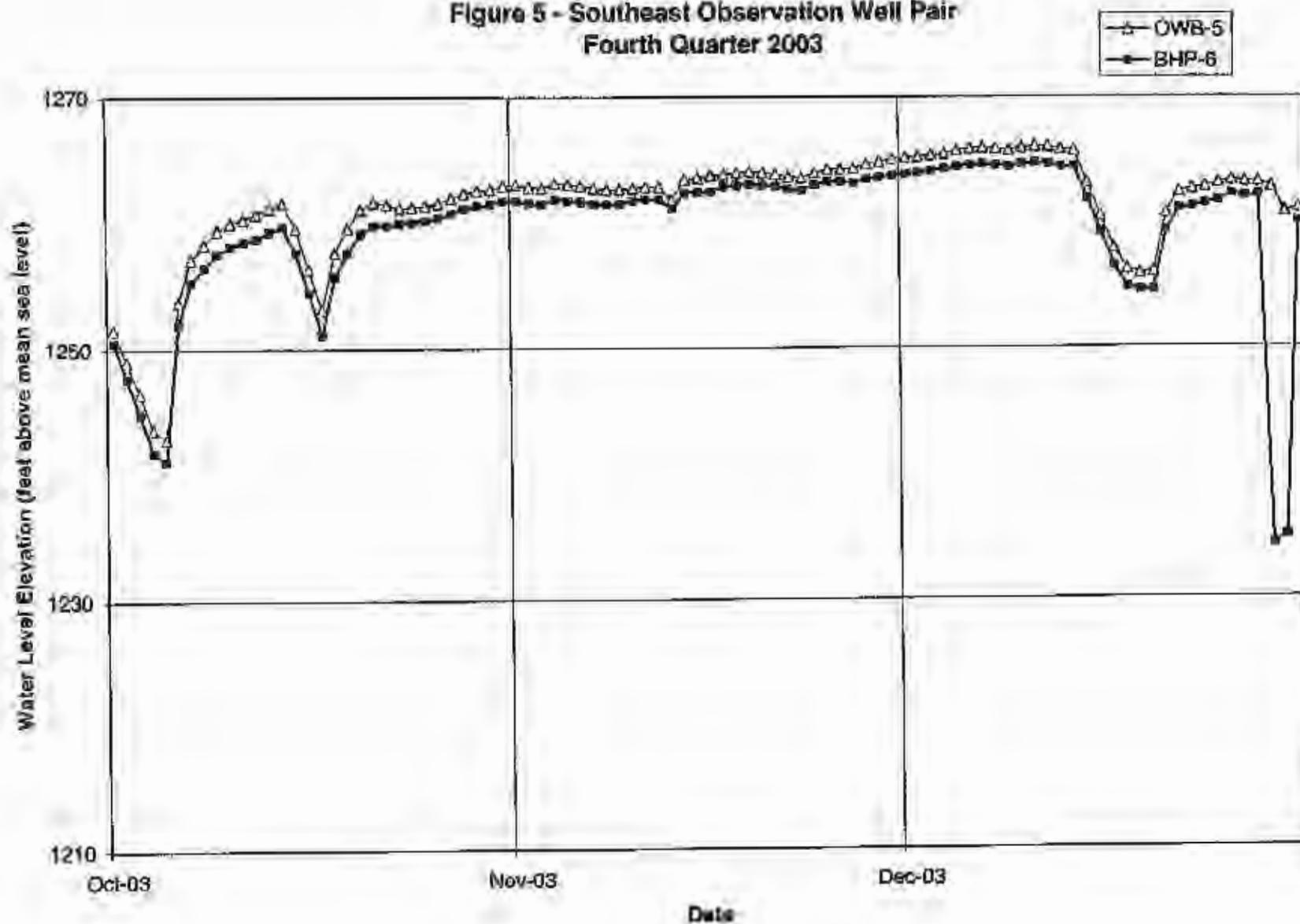
**Southwest Observation Well Pair
Fourth Quarter 2003**

Date	BHP-9	OWB-4	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
10/1/2003	1233.6	1251.7	-18.1	Yes
10/2/2003	1231.1	1243.4	-12.3	Yes
10/3/2003	1228.6	1240.7	-12.1	Yes
10/4/2003	1225.8	1237.9	-12.1	Yes
10/5/2003	1225	1237.1	-12.1	Yes
10/6/2003	1234.8	1247.9	-13.1	Yes
10/7/2003	1238	1251.3	-13.3	Yes
10/8/2003	1236.9	1252.4	-15.5	Yes
10/9/2003	1240.1	1253.5	-13.4	Yes
10/10/2003	1240.7	1254.1	-13.4	Yes
10/11/2003	1240.9	1254.4	-13.5	Yes
10/12/2003	1241.2	1254.8	-13.6	Yes
10/13/2003	1241.8	1255.3	-13.5	Yes
10/14/2003	1242.2	1255.7	-13.5	Yes
10/15/2003	1240.2	1253.7	-13.5	Yes
10/16/2003	1237.9	1251.2	-13.3	Yes
10/17/2003	1235.5	1248.7	-13.2	Yes
10/18/2003	1239	1252.5	-13.5	Yes
10/19/2003	1240.9	1254.4	-13.5	Yes
10/20/2003	1242.2	1255.9	-13.7	Yes
10/21/2003	1242.9	1256.5	-13.6	Yes
10/22/2003	1243.3	1257	-13.7	Yes
10/23/2003	1243.7	1257.2	-13.5	Yes
10/24/2003	1243.8	1257.3	-13.5	Yes
10/25/2003	1243.8	1257.4	-13.6	Yes
10/26/2003	1244.1	1257.7	-13.6	Yes
10/27/2003	1244.4	1258.1	-13.7	Yes
10/28/2003	1244.8	1258.4	-13.6	Yes
10/29/2003	1245	1258.6	-13.6	Yes
10/30/2003	1245.1	1258.8	-13.7	Yes
10/31/2003	1245.4	1259.1	-13.7	Yes
11/1/2003	1245.4	1259	-13.6	Yes
11/2/2003	1245.2	1258.9	-13.7	Yes
11/3/2003	1245.1	1258.8	-13.7	Yes
11/4/2003	1245.5	1259.2	-13.7	Yes
11/5/2003	1245.5	1259.1	-13.6	Yes
11/6/2003	1245.5	1259	-13.5	Yes
11/7/2003	1245.4	1258.8	-13.4	Yes
11/8/2003	1245.2	1258.8	-13.6	Yes
11/9/2003	1245.1	1258.7	-13.6	Yes
11/10/2003	1245.1	1259.1	-13.4	Yes
11/11/2003	1245.4	1259.2	-13.8	Yes
11/12/2003	1245.5	1259.2	-13.7	Yes
11/13/2003	1245.5	1258.1	-12.6	Yes
11/14/2003	1244.7	1259.5	-14.8	Yes
11/15/2003	1246.1	1259.6	-13.5	Yes

**Southwest Observation Well Pair
Fourth Quarter 2003**

Date	BHP-9	OWB-4	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
11/16/2003	1246.2	1259.9	-13.7	Yes
11/17/2003	1246.3	1260	-13.7	Yes
11/18/2003	1246.4	1260.1	-13.7	Yes
11/19/2003	1246.5	1260.2	-13.7	Yes
11/20/2003	1246.6	1260.1	-13.5	Yes
11/21/2003	1246.5	1260	-13.5	Yes
11/22/2003	1246.4	1259.8	-13.4	Yes
11/23/2003	1246.4	1259.7	-13.3	Yes
11/24/2003	1246.2	1260.1	-13.9	Yes
11/25/2003	1246.6	1260.4	-13.8	Yes
11/26/2003	1246.8	1260.3	-13.5	Yes
11/27/2003	1246.8	1260.2	-13.4	Yes
11/28/2003	1246.7	1260.5	-13.8	Yes
11/29/2003	1247	1260.7	-13.7	Yes
11/30/2003	1247.1	1260.9	-13.8	Yes
12/1/2003	1247.4	1261	-13.6	Yes
12/2/2003	1247.5	1261.2	-13.7	Yes
12/3/2003	1247.6	1261.4	-13.8	Yes
12/4/2003	1247.7	1261.5	-13.8	Yes
12/5/2003	1247.8	1261.7	-13.9	Yes
12/6/2003	1247.9	1261.7	-13.8	Yes
12/7/2003	1248	1261.9	-13.9	Yes
12/8/2003	1248.1	1261.8	-13.7	Yes
12/9/2003	1248.1	1261.7	-13.6	Yes
12/10/2003	1248	1261.9	-13.9	Yes
12/11/2003	1248.3	1262	-13.7	Yes
12/12/2003	1248.4	1261.9	-13.5	Yes
12/13/2003	1248.3	1261.7	-13.4	Yes
12/14/2003	1248	1261.7	-13.7	Yes
12/15/2003	1248.1	1259.1	-11	Yes
12/16/2003	1245.5	1256.4	-10.9	Yes
12/17/2003	1240.9	1253.7	-12.8	Yes
12/18/2003	1239.2	1252	-12.8	Yes
12/19/2003	1238.9	1251.7	-12.8	Yes
12/20/2003	1239	1251.8	-12.8	Yes
12/21/2003	1243.1	1256.5	-13.4	Yes
12/22/2003	1244.8	1258.5	-13.7	Yes
12/23/2003	1245	1258.6	-13.6	Yes
12/24/2003	1245.2	1258.8	-13.6	Yes
12/25/2003	1245.5	1259.1	-13.6	Yes
12/26/2003	1245.7	1259.3	-13.6	Yes
12/27/2003	1245.5	1259.1	-13.6	Yes
12/28/2003	1245.5	1259.1	-13.6	Yes
12/29/2003	1242	1259.5	-17.5	Yes
12/30/2003	1241.8	1256.9	-15.1	Yes
12/31/2003	1243.6	1257.1	-13.5	Yes

Figure 5 - Southeast Observation Well Pair
Fourth Quarter 2003



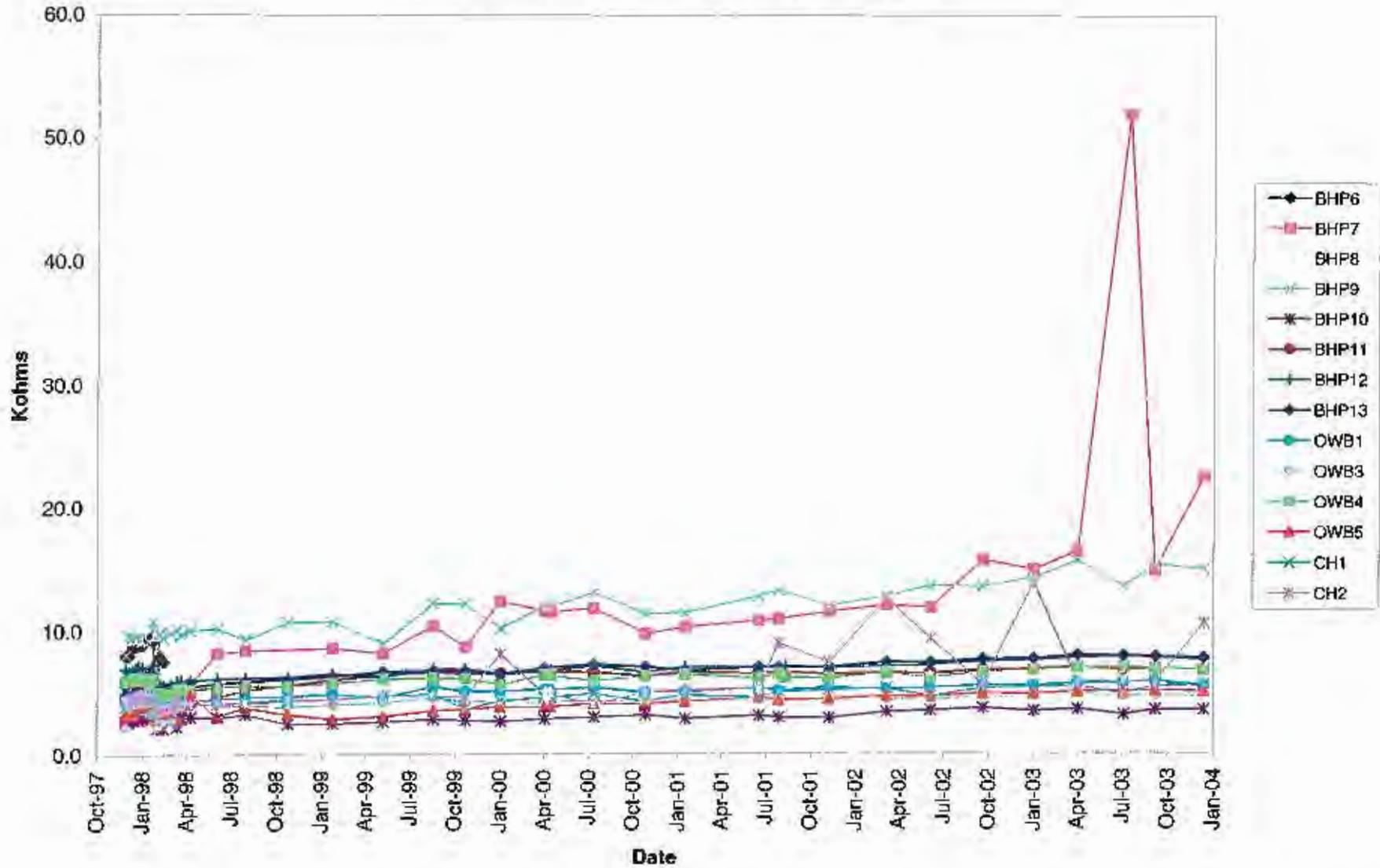
**Southeast Observation Well Pair
Fourth Quarter 2003**

Date	BHP-6	OWB-5	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
10/1/2003	1250.5	1251.5	-1	Yes
10/2/2003	1247.7	1249	-1.3	Yes
10/3/2003	1244.9	1246.5	-1.6	Yes
10/4/2003	1241.9	1243.7	-1.8	Yes
10/5/2003	1241.1	1242.9	-1.8	Yes
10/6/2003	1251.9	1253.7	-1.8	Yes
10/7/2003	1255.3	1257.1	-1.8	Yes
10/8/2003	1256.4	1258.2	-1.8	Yes
10/9/2003	1257.5	1259.3	-1.8	Yes
10/10/2003	1258.1	1259.9	-1.8	Yes
10/11/2003	1258.4	1260.2	-1.8	Yes
10/12/2003	1258.7	1260.6	-1.9	Yes
10/13/2003	1259.2	1261.1	-1.9	Yes
10/14/2003	1259.6	1261.5	-1.9	Yes
10/15/2003	1257.6	1259.5	-1.9	Yes
10/16/2003	1254.4	1256.3	-1.9	Yes
10/17/2003	1251.1	1253.1	-2	Yes
10/18/2003	1255.7	1257.6	-1.9	Yes
10/19/2003	1257.6	1259.5	-1.9	Yes
10/20/2003	1259.1	1261	-1.9	Yes
10/21/2003	1259.7	1261.6	-1.9	Yes
10/22/2003	1259.7	1261.4	-1.7	Yes
10/23/2003	1259.9	1261.1	-1.2	Yes
10/24/2003	1260	1261.2	-1.2	Yes
10/25/2003	1260.1	1261.3	-1.2	Yes
10/26/2003	1260.3	1261.5	-1.2	Yes
10/27/2003	1260.7	1261.9	-1.2	Yes
10/28/2003	1261.1	1262.3	-1.2	Yes
10/29/2003	1261.3	1262.5	-1.2	Yes
10/30/2003	1261.4	1262.6	-1.2	Yes
10/31/2003	1261.7	1262.9	-1.2	Yes
11/1/2003	1261.7	1263	-1.3	Yes
11/2/2003	1261.5	1262.8	-1.3	Yes
11/3/2003	1261.4	1262.7	-1.3	Yes
11/4/2003	1261.8	1263.1	-1.3	Yes
11/5/2003	1261.7	1263	-1.3	Yes
11/6/2003	1261.6	1262.9	-1.3	Yes
11/7/2003	1261.4	1262.7	-1.3	Yes
11/8/2003	1261.4	1262.6	-1.2	Yes
11/9/2003	1261.4	1262.6	-1.2	Yes
11/10/2003	1261.7	1262.7	-1	Yes
11/11/2003	1261.8	1262.8	-1	Yes
11/12/2003	1261.8	1262.8	-1	Yes
11/13/2003	1261	1261.7	-0.7	Yes
11/14/2003	1262.3	1263.4	-1.1	Yes
11/15/2003	1262.4	1263.5	-1.1	Yes

**Southeast Observation Well Pair
Fourth Quarter 2003**

Date	BHP-6	OWB-5	Difference in Gradient	Maintained Hydrologic Control
	Water Level Elevation (feet AMSL)	Water Level Elevation (feet AMSL)	(feet)	(Yes/No)
11/16/2003	1262.4	1263.7	-1.3	Yes
11/17/2003	1262.8	1263.8	-1	Yes
11/18/2003	1262.9	1263.9	-1	Yes
11/19/2003	1263	1264	-1	Yes
11/20/2003	1262.9	1263.9	-1	Yes
11/21/2003	1262.8	1263.8	-1	Yes
11/22/2003	1262.6	1263.6	-1	Yes
11/23/2003	1262.5	1263.5	-1	Yes
11/24/2003	1262.9	1263.9	-1	Yes
11/25/2003	1263.2	1264.2	-1	Yes
11/26/2003	1263.2	1264.2	-1	Yes
11/27/2003	1263.1	1264.3	-1.2	Yes
11/28/2003	1263.4	1264.6	-1.2	Yes
11/29/2003	1263.5	1264.8	-1.3	Yes
11/30/2003	1263.7	1265	-1.3	Yes
12/1/2003	1263.8	1265.1	-1.3	Yes
12/2/2003	1263.9	1265.2	-1.3	Yes
12/3/2003	1264	1265.3	-1.3	Yes
12/4/2003	1264.2	1265.4	-1.2	Yes
12/5/2003	1264.4	1265.7	-1.3	Yes
12/6/2003	1264.5	1265.8	-1.3	Yes
12/7/2003	1264.6	1265.9	-1.3	Yes
12/8/2003	1264.5	1265.8	-1.3	Yes
12/9/2003	1264.4	1265.7	-1.3	Yes
12/10/2003	1264.6	1265.9	-1.3	Yes
12/11/2003	1264.7	1266	-1.3	Yes
12/12/2003	1264.6	1266	-1.4	Yes
12/13/2003	1264.4	1265.8	-1.4	Yes
12/14/2003	1264.4	1265.7	-1.3	Yes
12/15/2003	1261.8	1263.1	-1.3	Yes
12/16/2003	1259.2	1260.5	-1.3	Yes
12/17/2003	1256.5	1257.9	-1.4	Yes
12/18/2003	1254.8	1256.2	-1.4	Yes
12/19/2003	1254.5	1255.9	-1.4	Yes
12/20/2003	1254.6	1256	-1.4	Yes
12/21/2003	1259.3	1260.7	-1.4	Yes
12/22/2003	1261	1262.4	-1.4	Yes
12/23/2003	1261.2	1262.6	-1.4	Yes
12/24/2003	1261.4	1262.8	-1.4	Yes
12/25/2003	1261.7	1263.1	-1.4	Yes
12/26/2003	1262.2	1263.3	-1.1	Yes
12/27/2003	1262	1263.2	-1.2	Yes
12/28/2003	1262.1	1263.2	-1.1	Yes
12/29/2003	1234.2	1262.8	-28.6	Yes
12/30/2003	1234.9	1260.8	-25.9	Yes
12/31/2003	1260	1261.1	-1.1	Yes

Figure 6 - Annular Resistivity in Kohms



ATTACHMENT 2

POC QUARTERLY COMPLIANCE MONITORING REPORT

**FLORENCE MINE PROJECT
QUARTERLY COMPLIANCE MONITORING REPORT
FOURTH QUARTER 2003**

Primary Sampling Activities

Quarterly compliance monitoring was conducted for the Florence Mine project on October 13 through October 15, 2003 (Fourth Quarter 2003). Groundwater sampling and analysis was conducted in accordance with the requirements of Aquifer Protection Permit (APP) Permit Number 101704, Part II.E.3.d (Compliance Monitoring). Quarterly parameters, as listed in Part IV Table III.B of the APP were analyzed from the designated Point of Compliance (POC) wells. The quarterly parameters are magnesium, sulfate, fluoride, and total dissolved solids (TDS).

During the Fourth Quarter 2003 sampling event, 29 POC wells were sampled and a total of 116 constituents were analyzed. Two POC wells, M32-UBF and M33-UBF, were dry and could not be sampled. Of the 116 constituents analyzed, none had reported concentrations exceeding the approved alert levels (ALs).

Analyses of the samples were conducted by Aerotech Environmental Laboratories (Aerotech) formerly Precision Analytical Laboratory (PAL). Analytical results for the POC wells for the quarterly parameters are provided in Table 1 and field parameters measured during sampling are indicated in Table 2.

AL Exceedances and Verification Sampling

Part II.F.4 of the APP (AL, Aquifer Quality Limit [AQL], and Discharge Limit [DL] Contingencies) requires verification sampling for an AL exceedance. There were no AL exceedances during this quarterly sampling. No verification sampling was required.

Contingency Sampling Plan to be Implemented During First Quarter 2004

There were no AL exceedances verified during this quarterly sampling. No contingency sampling plan is required during the First Quarter of 2004.

Results of Contingency Sampling Plan Implemented from Third Quarter 2003

There were no AL exceedances during the Third Quarter 2003. Therefore, no contingency sampling plan was implemented.

Issues

There were no other issues to report during the Fourth Quarter 2003.



TABLE 1. SUMMARY OF ANALYTICAL RESULTS, QUARTERLY PARAMETERS

Well ID	Sample Date	Magnesium		Sulfate		Fluoride		Total Dissolved Solids	
		Concentration	Alert Level	Concentration	Alert Level	Concentration	Alert Level	Concentration	Alert Level
M1-GL	Oct 15 2003	19.0	31	91	109	0.73	1.3	630	1028
M2-GU	Oct 14 2003	22.0	39	130	275	0.89	1.4	710	1496
M3-GL	Oct 14 2003	20.0	36	140	187	0.78	1.3	640	1157
M3-GL (Dup)	Oct 14 2003	19.0	36	140	187	0.76	1.3	660	1157
M4-O	Oct 14 2003	4.0	15	54	405	2.6	5.1	400	1072
M6-GU	Oct 14 2003	2.7	5.1	48	86	0.67	1.3	340	620
M7-GL	Oct 14 2003	<0.25	1	34	82	0.82	1.7	260	464
M8-O	Oct 14 2003	<0.25	1	70	122	1.9	3.6	349	609
M14-GL	Oct 14 2003	1.9	23	54	144	0.61	1.4	380	874
M15-GU	Oct 14 2003	22.0	44	69	126	0.52	1.2	680	1359
M16-GU	Oct 15 2003	29.0	52	160	248	0.62	1.1	900	1635
M17-GL	Oct 15 2003	5.4	9.3	120	209	0.17	1.6	420	831
M18-GU	Oct 15 2003	16.0	36	150	288	0.99	1.6	650	1323
M18-GU (Dup)	Oct 15 2003	16.0	36	140	288	0.99	1.6	650	1323
M19-LBF	Oct 13 2003	11.0	21	66	89	0.47	1	440	794
M20-O	Oct 13 2003	8.5	14	64	112	0.74	1.7	430	309
M21-UBF	Oct 13 2003	30.0	87	230	487	0.72	1.1	990	2867
M21-UBF (Dup)	Oct 13 2003	30.0	87	240	487	0.72	1.1	1000	2867
M22-O	Oct 14 2003	5.6	8.6	49	86	0.68	1.3	390	1094
M23-UBF	Oct 14 2003	38.0	69	250	411	0.74	1.3	1300	2392
M24-O	Oct 15 2003	10.0	19	740	1364	1.2	2.5	1300	2363
M25-UBF	Oct 15 2003	33.0	76	230	387	0.76	1.6	1100	2683
M26-O	Oct 13 2003	<0.25	1	59	105	1.6	3.4	300	556
M27-LBF	Oct 13 2003	30.0	51	120	179	0.43	1	930	1745
M28-LBF	Oct 13 2003	1.6	2.6	45	81	0.77	1.6	330	610
M29-UBF	Oct 13 2003	41.0	84	270	465	0.88	1.1	1300	2751
M30-O	Oct 13 2003	11.0	18	56	102	0.75	1.6	330	824
M31-LBF	Oct 13 2003	26.0	46	230	330	0.72	1.3	900	1665
O19-GL	Oct 15 2003	9.7	17	54	99	0.6	1.4	420	770
O49-GL	Oct 13 2003	9.5	18	74	159	0.64	1	550	849
P19-I-O	Oct 15 2003	5.8	12	60	107	1.4	2.8	440	767
P49-O	Oct 13 2003	3.4	6.2	180	181	1.0	2	470	801
Laboratory Detection Limit		0.25		2		0.4		10	
Arizona Aquifer Water Quality Standard		-		-		4		-	
All results in milligrams per liter (mg/l)									
< = less than the laboratory practical quantitation limit									

TABLE 2. SUMMARY OF QUARTERLY FIELD PARAMETERS

Well ID	Sample Date	Temperature (°C)	Temperature (°F)	pH	Conductivity (µmhos/cm)
M1-GL	Oct 15 2003	22.2	72.0	7.51	1031
M2-GU	Oct 14 2003	19.9	67.8	7.48	1147
M3-GL	Oct 14 2003	21.8	71.2	7.51	1074
M4-O	Oct 14 2003	23.6	74.5	7.47	640
M6-GU	Oct 14 2003	25.2	77.4	8.48	684
M7-GL	Oct 14 2003	24.6	76.3	9.37	493
M8-O	Oct 14 2003	29.4	84.9	8.79	667
M14-GL	Oct 14 2003	27.4	81.3	8.46	803
M15-GU	Oct 14 2003	25.1	77.2	7.53	1275
M16-GU	Oct 15 2003	24.1	75.4	7.43	1544
M17-GL	Oct 15 2003	28.1	82.6	8.31	826
M18-GU	Oct 15 2003	19.5	67.1	7.49	842
M19-LBF	Oct 13 2003	23.1	73.6	7.42	771
M20-O	Oct 13 2003	23.8	74.8	7.33	755
M21-UBF	Oct 13 2003	22.4	72.3	6.93	1540
M22-O	Oct 14 2003	28.1	82.6	7.92	774
M23-UBF	Oct 14 2003	27.6	72.7	7.15	2149
M24-O	Oct 15 2003	30.5	86.9	7.76	1953
M25-UBF	Oct 15 2003	21.4	70.5	7.21	1704
M26-O	Oct 13 2003	29.0	84.2	8.39	577
M27-LBF	Oct 13 2003	23.5	74.3	7.29	1546
M28-LBF	Oct 13 2003	26.2	79.2	8.14	661
M29-UBF	Oct 13 2003	22.5	72.5	6.87	2081
M30-O	Oct 13 2003	24.4	75.9	7.24	777
M31-LBF	Oct 13 2003	22.5	72.5	7.04	1406
O19-GL	Oct 15 2003	24.1	75.4	7.75	753
O49-GL	Oct 13 2003	25.9	78.6	7.40	925
P19-1-O	Oct 15 2003	24.6	76.3	7.64	727
P49-O	Oct 13 2003	27.9	82.2	7.39	779