FILE COPY
SURNAME:

500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

HFKeller
Kinkle
~~Hedges~~
Selfridge

DEC 4 1952

Mr. Henry P. Ehrlinger
Bonita Mining & Developing Co.
Box 186
Silverton, Colorado

for

Re: Docket No. DMA-280X (Lead-Zinc)
Minnehaha and Minnehaha No. 2
Claims
San Juan County, Colorado

Dear Mr. Ehrlinger:

I regret to advise you that the subject application, which has been held inactive for several months, has been denied.

Sincerely yours,

(signed) FRANK E. JOHNSON (for)

ACTING Administrator

HFKeller/bjl (written 12/2/52)

S.H.
12-4-52

Copy to: Docket
Admr. R. File
Op. Committee
H. F. Keller (2)
Mr. Bishop
Mr. Kinkle
Reg. IV (2)
Chron.

280

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
NOV 2 - 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

November 19, 1952

Memorandum

To: Frank E. Johnson, Chairman, Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Henry P. Ehrlinger Contracts and Applications

This is in reply to your letter dated November 17, 1952, regarding the contracts and applications of Mr. Ehrlinger.

We recommend that Docket DMA 280X and Docket DMA 1279 be cancelled. Your attention is called to the Judgment and Order of Probation of the United States District Court, three copies of which were sent to Mr. Mittendorf, regarding the case of the United States of America versus Henry P. Ehrlinger, Defendant.

Regarding Docket DMA 434X, Contract I-DMA-E15, Lead Carbonate Mines, Inc., we sent Mr. Mittendorf a memorandum on October 28, 1952, to which was attached a copy of a mining subcontract between the Bonita Mining and Developing Company and the Cement Creek Lease. A copy of our letter dated October 24 to Mr. Ehrlinger was also attached to this memorandum. At that time we requested a legal opinion regarding the title of the Lead Carbonate Mine. The question of title was later clarified in a letter from Mr. Ehrlinger dated October 27, 1952, copies of which were sent to Mr. Mittendorf on October 30. We requested the Washington office to review this subcontract and return it to this office with their recommendations.

On October 28 we also requested a legal opinion regarding the rights of the Government to all ore shipped from the Lead Carbonate Mine inasmuch as all the underground workings were made accessible by the expenditure of $4,000 in project funds in rehabilitating the portal of the tunnel.

We received a letter from Mr. Ehrlinger dated November 5 regarding rewriting the subcontract which had been sent to the Washington office previously. Copies of this letter, with our reply to Mr. Ehrlinger, were sent to the Washington office on November 12.

We are enclosing a copy of a subcontract between the Lead Carbonate Mines, Inc. and Glenn E. Rhodes for performing certain work under the terms of Exploration Project Contract I-DMA-E15. We would like a legal opinion as to the acceptability of this subcontract

which is similar to the one sent to the Washington office on October 28, 1952, and which we requested be returned to this office. We believe that this subcontract conflicts with Article 15 of Form MF-200 (April 1951) which states as follows: "Without the written consent of the Government the operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder". Article 8 of the enclosed subcontract gives a distribution of the proceeds from ores shipped from the present workings of the mine. This distribution does not provide for any Government royalty. If we are correct in our assumption that the Government is entitled to royalty from all ores produced from this mine after a Certification of Discovery has been made and that the operator is liable for the repayment of royalties on any ore shipped from the mine after the date of the contract, the Government royalties should be included in Article 8 of this subcontract.

We question the acceptability of a subcontract as complicated as this one. We doubt if it would be possible to administer the Exploration Project Contract if this subcontract were approved. We believe that the only type of subcontract that the operator could enter into would be for the performance of work stipulated under the Exploration Project Contract at an agreed rate per units of work performed. The enclosed subcontract makes commitments regarding track and pipe and supplies which might conflict with the DMEA contract.

Please review the correspondence referred to above, along with the enclosed subcontract, and expedite a reply because any further payments to the operator will have to be held up in this office pending approval of the enclosed subcontract.

for John F. Shaw
W. H. King

Enclosure

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

NOV 17 1952

[illegible]

[illegible] Henry [illegible] Brillinger, [illegible]

Dear Mr. [illegible]

[illegible] your recent [illegible] the [illegible] will be [illegible]

		Date of termination
[illegible] 2	[illegible]	[illegible] 30, 1951
[illegible] 4347	[illegible] Inc.	[illegible] Terminated
[illegible] 4737	[illegible]	[illegible] 30, 1951
[illegible]-11[illegible]	[illegible]	[illegible] 31, 1951

[illegible] to [illegible] the [illegible] status [illegible] have [illegible] whether it should be [illegible] certificate of [illegible].

[illegible] been [illegible] and [illegible].

[illegible] Chief [illegible]
[illegible] Alaska Tribal [illegible], Inc.

[illegible] are still in the active file. We believe that the [illegible] pertaining to these two [illegible] should be closed and removed from the active file, but we would appreciate your recommendation before taking such a step.

Sincerely yours,

Frank E. Johnson

Chairman, [illegible] Committee

A.H.
11-17-52

[illegible] H. Reagos

[illegible], [illegible] Lines

E. J. McKnight

[illegible], Geological Survey

HKeller/bw
(written 11/13/52)
Copy to:
Docket (6)
Adm. File
Sp. Com.
H. F. Keller (7)
Mr. Bishop
Mr. McKnight
Chron.

Docket

500

224 New Customhouse
Denver 2, Colorado

October 30, 1952

Dma-280
(file in Docket)

Memorandum

To: Paul Zinner, Chief of Minerals Branch, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Judgment and Order of Probation, Henry P. Ruslinger

Enclosed for your information are two copies of Judgment and Order of Probation in the matter of Henry P. Ruslinger, Defendant.

W. H. King

Enclosures (2)

cc:

Judgment and Order of Probation (Revised 2-17-49) Cr. Form No. 101-A

UNITED STATES DISTRICT COURT
FOR THE

DISTRICT OF COLUMBIA

United States of America

v. No. 13191

Henry P. Ehrlinger,
Defendant

On this 22nd day of October, 1952, came the attorney for the government and the defendant appeared in person, and by counsel

It is adjudged that the defendant has been convicted upon his plea of guilty on 9/15/52

of the offense of making false statements in a matter within the jurisdiction of a Department or Agency of the U. S., 18 USC 1001

as charged in the indictment

and the court having asked the defendant whether he has anything to say why judgment should not be pronounced, and no sufficient cause to the contrary being shown or appearing to the court,

It is adjudged that the defendant is guilty as charged and convicted.

It is adjudged that the defendant pay to the United States of America a fine of Two Thousand Dollars ($2,000.00), and that he stand committed to a common jail until payment of said fine or until he is otherwise discharged as provided by law; and it is further ordered that the defendant be granted a stay of execution for a period of ten (10) days from October 22, 1952;

It is further adjudged that imposition of sentence is hereby suspended as to imprisonment, and the defendant is placed on probation for a period of three (3) years from and after this date on the Indictment herein.

It is Further Ordered that during the period of probation the defendant shall conduct himself as a law-abiding, industrious citizen and observe such conditions of probation as the Court may prescribe. Otherwise the defendant may be brought before the court for a violation of the court's orders.

It is Further Ordered that the clerk deliver two certified copies of this judgment and order be delivered to the probation officer of this court, one of which shall be delivered to the defendant by the probation officer.

_____ United States District Judge.

_____ Clerk.

A True Copy Certified this_____day of _____,19____

(Signed)_____ Clerk. (By)_____ Deputy Clerk.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

File under 280

May 15, 1952

Memorandum

To: C. O. Mittendorf

From: Regional Director, Region IV

Subject: Grand Jury case of Henry P. Ehrlinger

I am attaching a clipping showing the action of the Grand Jury in the case of Henry P. Ehrlinger. I am sure that you and John Hofflund will be interested in it.

J. H. East, Jr.

Enclosure

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 19 1952

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
DENVER, COLORADO

224 New Customhouse
Denver 2, Colorado

Region IV

May 15, 1952

Memorandum

To: C. O. Mittendorf

From: Regional Director, Region IV

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J. H. East, Jr.

J. H. East, Jr.

Enclosure

JHE:ftm

Hollands Go Free on Bond In Tax Case

By AL NAKKULA
Rocky Mountain News Writer

Marion L. Holland and his wife, Ethel, operators of the Holland House in Golden, were released on $3000 bonds each after being arraigned yesterday before U. S. Commissioner Harold S. Oakes on charges of making fraudulent income tax returns.

Ivan J. Joss, operator of the Joss Mortuary, 2775 S. Broadway and Arapahoe County coroner, was served with an arrest warrant and court order to appear before the U. S. commission at 2 p. m. today for arraignment on similar charges.

INDICTED BY JURY

The charges against the Hollands and Coroner Joss stemmed from federal grand jury indictments returned against them Monday before U. S. District Judge Lee Knous.

Mr. and Mrs. Holland, who operate the Holland House hotel and restaurant in Golden, are charged with trying to defeat and evade income taxes for the years 1946, 1947 and 1948. Mrs. Holland is charged in another indictment with aiding and abetting her husband in preparation of a false income tax return.

Coroner Joss is charged in one indictment with attempting to defeat and evade income taxes by allegedly filing a return April 15, 1948, claiming his net income for 1947 was $4008.80 and paying only $510 in taxes. The government alleges Mr. Joss earned $17,948.18 during 1947 and owed $5390.39 in taxes.

PENALTY 5 YEARS

The Hollands are charged with evading taxes on more than $70,000 in unreported income. The maximum penalty on conviction of each count is five years in prison and $10,000 fine.

Assistant U. S. Attorney Henry L. Lutz said they claimed an income of $15,336.93 for 1946 and taxes of $3980.39. The government claims they earned $38,471.03 and owe taxes of $15,688.75.

In 1947, he said, they claimed a net income for that year of $5717.57 and paid taxes of 851.74. Mr. Lutz charges they earned $34,631.97 and owe the government $13,846.99 in taxes.

MINING MAN INDICTED

They reported an income of $10,211.42 for 1948 and a tax of $1532.52, Mr. Lutz said. The government claims they had a net income of $29,948.16 and should have paid $7518.88 in taxes.

In another indictment returned by the grand jury, Henry P. Ehringler, manager of the Bonita Mining and Development Co. in Silverton, Colo., was charged with making a false statement in a matter within the jurisdiction of a federal agency.

Mr. Lutz said Mr. Ehringler made the statement when obtaining a payment from the Bureau of Mines under a government contract to search for strategic materials. The federal attorney said Mr. Ehringler filed a bill claiming he had done certain work amounting to $513.50, and claimed a payment from the government for 50 percent of the expense under his federal contract.

Flood Relief Expended

Swimming Fee for Denver

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phine st., at an estimated cost of $100,000. To date $2916 has been spent on architect's fees for the project.

A bid on construction was taken Oct. 19, 1950, but five days later the National Production Authority put a stop order on construction. Construction of the pool is still prohibited under the authority's regulation.

Mr. Schlupp said seven more new pools are needed in Denver, according to a recent recreational survey made by the City Planning Office. At present public swimming opportunities in outdoor pools in Denver are limited to a small cross section of the city's 67 square miles.

LOCATIONS STUDIED

"Ideally," he said, "a public pool should be within one mile walking distance of every home."

The planning office recommended that new pools be built in east Denver, east of Colorado blvd. and south of E. Colfax ave.; another in east Denver, west of Colorado blvd. and south of E. Colfax ave.; in south Denver in the Rosedale Park vicinity.

In southwest Denver, west of Federal blvd. and south of W. Alameda ave.; in the Houston Lake section east of Federal blvd. and south of W. Alameda ave., and in Barnum Park, west of Federal blvd. and south of W. Eighth ave.

ON INSURED
SAVINGS

CURRENT RATE PER ANNUM,
COMPOUNDED TWICE YEARLY

higher rate paid on the FULL
nt...no minimum or maxi-
restrictions.

account INSURED to $10,000
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money AVAILABLE as
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IENDLY place for your in-
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OFFICE OF THE ADMINISTRATOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

January 23, 1952

Memorandum

To: D. E. Moulds, Acting Chief, Base Metals Division, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Docket DMA 280X, Bonita Mining & Development Company, Silverton, Colorado

This will acknowledge your letter dated January 7, 1952, which was received in this office while I was in Washington, regarding the above docket. This application was one of H. P. Ehrlinger's with whom we have had previous experience on Dockets DMA 22, Pride of Bonita; DMA 434 Lead Carbonate Mines, Inc.; DMA 473, Emma-Oregon-Galena; and DMA 1180, Cement Creek Leasing Company. This is the operator that made fraudulent claims on two of the contracts and collected payment of the same. He subsequently gave us checks to cover Government payments to him.

We are now attempting to have this man prosecuted by the Justice Department and this is the reason that we have recommended that no further action be taken on Mr. Ehrlinger's application, DMA 280X.

We will appreciate receiving notice of your action on this application.

J. H. East, Jr.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 28 1952

[illegible]

[illegible]

[illegible] Docket No. [illegible]
[illegible], Colorado [illegible] Development Co.
[illegible], Colorado

Dear Mr. [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]/mch
[illegible]
cc to: Mr. [illegible]
[illegible] Office
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Mr. [illegible]
Docket

[illegible]
[illegible] Division
Reference [illegible] Operation
Administration

500

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Moulds
Mittendorf

JAN 7 1952

Mr. J. H. East, Jr.
Executive Officer, Region IV
DMEA Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA 280X
Bonita Mining & Development Co.
Silverton, Colorado

Dear Mr. East:

Review of the subject docket indicates that on July 31, 1951 the applicant was requested by Tom Lyon to submit six copies of lease and six copies of MF-202. Also, on July 27, 1951 your office was requested to supply omitted information asked for in memo of February 6, 1951, signed by Otto Herres. We have no record of receipt of this information.

It is our understanding that you have recommended in previous correspondence, withdrawal of all contracts and applications in the name of Bonita Mining & Development Company. To clarify the situation, we will appreciate your advising if the applicant has requested withdrawal of this application; if such action is recommended by your office and the applicant has been advised; or, if the application is still open for future action.

We are attempting to close some of the applications which are indicated as pending in our files.

Sincerely yours,

SIGNED cc 1-7-52

D. E. Moulds, Acting Chief
Base Metals Division
Defense Minerals Exploration
Administration

DEMOULDS/meh
1/5/52
cc to: Adm. R. File
Mails & Files
Mr. Mittendorf
Mr. Moulds
Mr. Bishop
Mr. Mote
Region IV
Docket

ja.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 3, 1952

Bonita Mining and Developing Company,
Silverton, Colorado
Exploration loan, $19,780
Lead, zinc

Memorandum

To: Mr. C. O. Mittendorf

From: Mr. E. T. McKnight

Subject: Ascertaining status of subject docket

On July 31, 1951, in a letter signed by Mr. Tom Lyon, the applicant was asked to submit six copies of the lease contract and six copies of Form MF-202. There has been no reply to our knowledge.

On July 27, 1951, in a telephone conversation by Arnold Brokaw, Jack East was requested to supply omitted information which was asked in a memo of February 6, 1951, signed by Mr. Otto Herres. Before the docket is closed, the field team ought to be asked the status.

E. T. McKnight

E. T. McKnight
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 3, 1952

Bonita Mining and Developing Company,
Silverton, Colorado
Exploration loan, $19,780
Lead, zinc

Memorandum

To: Mr. C. O. Mittendorf

From: Mr. E. T. McKnight

Subject: Ascertaining status of subject docket

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Edwin T. McKnight

E. T. McKnight
Geologist

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 280-X

Commodity Lead-zinc

Total Amount $19,780

Govt. Participation 50%

1. Name and Address of Applicant Bonita Mining and Developing Co., Inc. Box 186, Silverton, Colorado

2. Location of Property Minnehaha and Minnehaha #2 Claims ~~Mines~~ Eureka Mining District, San Juan County, Colorado.

3. Mineral or metal Lead-zinc Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good See attached report by W.S. Burbank

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? No

Does the lease have sufficient time to run to cover a future productive period? ~~Copy~~ Copies of lease ~~last~~ have been requested of applicant 7/27/51

*question numbers are those of MF-103

Dma
280

Other applications of Kilinger have been approved
can be held for present.

[illegible]
[illegible] asked
in our letter of Feb. 6, 1951

[illegible]

Dma 280

[illegible]

Dnu 280

June 25, 1951

Docket: 280 x

Applicant: Bonita Mining and Developing Company, Inc.

Location: Minnehaha Mine, Eureka Mining District, San Juan County, Colorado.

4 a. The application has been reviewed by W. S. Burbank, U.S.G.S., who states that this mine has excellent chances of finding ore at depth.

16. It is recommended that the project be approved after the necessary information is obtained from the applicant, in concurrence with the recommendation of W. S. Burbank.

A.J.Bodenlos

7. Are subordination agreements necessary? Yes.

a) MF-201? _____

b) MF-202 Forms sent to applicant 7/27/51

8. From the data presented, does the proposed project appear feasible from the point of view of: Application was made on Form NSRB-14

a) Available manpower Yes.

b) Equipment and supplies Yes.
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes.

d) Water (question 13)* Yes.

e) Power (question 13)* Yes.

Is a field check needed on any of these points? No.

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

_____

Is a field check needed on this point? _____

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes [illegible]

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

_____

_____

_____

10. Proposed draft, exhibits to accompany Form N.F. 200
Exploration Project Contract.
Requirements and Costs.

Time-Schedule, five months for acquiring surface approach and drifting 190 feet, including installation of necessary timber for about 50 feet.

Estimate Cost of Project.

Labor by Contractor "Exhibit J"	$ 9800.00
Insurance and payroll taxes	750.00
Supervision and Engineering, Exhibit	1000.00
Equipment to be purchased, Exhibit "C"	2200.00
Equipment to be rented, Exhibit "D"	2300.00
Materials and supplies	1800.00
Contingencies	1000.00
	$ 19650.00

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? See attached draft.

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? Yes. If so, attach a draft.

e) Are the cost estimates reasonable? Revised.

f) Should more information be requested from applicant? No.

g) Is a field examination necessary to complete Exhibit A? Has been made

11. Exhibit B (question 23-d)*

a) Is it applicable? Not applicable.

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed?_____

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Condo: yes. Co-op: not applicable

b) Sufficient data? Yes. If so, attach a draft.

c) Are rents and charges reasonable? Revised - see draft

d) Is a field check needed? No.

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes.

b) Is the schedule adequate for the work proposed? Yes.

c) Is the schedule excessive for the work proposed? No.

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No.

[illegible]

[illegible]

Rock drill [illegible]

[illegible] and [illegible] horse $1500.00

[illegible] gas compressed air [illegible]

[illegible] and [illegible] for [illegible]

[illegible]

Equipment [illegible]

Tamping [illegible]

Loading machine [illegible]

[illegible]

3. [illegible] D.

[illegible] to be performed in [illegible]

[illegible] the [illegible] [illegible] the [illegible]

[illegible] the [illegible]

4 Miners @ [illegible] per day [illegible]

Profit [illegible] per day $[illegible]

Supervision and Engineering $300 [illegible]

14. Exhibit E (question 23-c)*

a) Is it applicable? Not applicable.

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? Yes.

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?

Reviewed by: AJ Bodnilo 6/25/51

H S Hanson DMA

Date 7/27/51

97692

is this project is an admirable one and upon by portions of the Board from an engineering standpoint it appears feasible. The review recommends approval of an exploration contract in the amount of $9,850.00 of which the Government share would be $9,825.00. It is also recommended that consideration be given as rapidly as possible since the summer work season in the high altitude where the property is situated is rapidly drawing to a close.

Respectfully,

[illegible]

Memorandum:

To: Executive Officer, Field Team Region V

From: Lead-Zinc Branch DMA.

Subject: DMA-280

Peerless Mining and Development Co.
Henry E. Gilchrist, Manager
Minnehaha Mine,
Silverton, Colorado.

Reference is made to the original reference of subject docket in connection of February 5, 1951, reply by W.M. Spurr, Jr. of Land Division, and in connection with an inspection of Field Examiner [illegible] on [illegible] specific information was asked.

In view of the low-grade nature of the deposit, as shown in Spurr's letter, the possibility that the proposed beneficiation with open-cut [illegible] better grade [illegible] would be known whether [illegible] be mined and marketed at a profit. The following recommendations with reference to the following should be considered.

Mining methods and costs
Milling practices and costs
Markets for the concentrate, including
Equipment and facilities on the property
New equipment and installations
Adequacy of the requested amount to do the job proposed.

It is hoped that your reply to these

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Billings
Hanna
O'Leary
(F.A. Mote)
Jim Knight

July 31, 1951

In reply please refer to:
DMA 280X

Bonita Mining and Developing Co., Inc.
Box 186, Silverton, Colorado

Gentlemen:

Your application for an exploration loan in the amount of $19,780.00 (Government Share $9,890.00) has been reviewed but, before a final decision can be made in the case, it will be necessary that you supply certain information.

Please send us six copies of your lease contract on the property (copies may be either certified or photostated).

Also, please execute and forward to us six copies of form MF-202 which are enclosed.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

Enclosure

ETMCKNIGHT:jb

cc: Reports & Record Unit
Lyon
Mote
McKnight
Billings
Files

July 31, 1951

In reply please refer to:
DV 230X

Bonita Mining and Developing Co., Inc.
Box 136, Ellverton, Colorado

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Tom Lyon

Tom Lyon, Director
Supply Division

Enclosure

ETMCKNIGHT:jb

cc: Reports & Record Unit
Lyon
Mote
McKnight
Billings
Files

Dma-280

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver, Colorado

June 13, 1951

Memorandum

To: Coordinating Committee, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA Docket 280, Minnehaha mine, Bonita Mining and Developing Company, Inc., H. P. Ehrlinger, applicant

Under date of February 6, 1951 the above docket was submitted to the field to determine whether the proposed work could be classed as exploration. The snow was finally removed and an examination limited by caving in the adit was made. The enclosed memorandum report from W. M. Traver, Jr. indicates that the work can be classed as exploration.

In reviewing the original brochure and the analyses by Wilbur Burbank, it appears that all of the information required to complete a contract is available. The applicant has indicated previously his willingness to participate on a matching basis to the extent of 50 percent.

We recommend that the application be approved.

The original brochure is being returned.

P. T. Allsman, Alternate

A. H. Koschmann

Attachments

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 18 1951
LANSON F. STROBEL
Executive Secretary

8. Output from the use of funds applied for will be for the following purposes:

a. For the following principal prime defense contracts (if any) with the United States Government:

Date of contract (a)	Contracting Government Agency (b)	Program symbol (2 digits) or other contract identification (c)	Materials or services (d)	Delivery date(s) (e)	Amount *(Dollars)* (f)
	We have no Government Contracts				

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

Date of contract (a)	Materials or services (b)	Supplied to *(Give name and address of firm)* (c)	Delivery date(s) (d)	(e) Government agency receiving end product or services (f) Program symbol (2 digits) or other contract identification	Amount *(Dollars)* (g)
	We have no Government Sub-Contracts			(e) (f)	
				(e) (f)	
				(e) (f)	

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

We are a basic industry and as such only produce concentrates of zinc, lead and copper which are sold to Custom Smelters. These will be sold by these smelters to Contractors who have defense contracts but we are not able to ascertain who they are or the contracts they have.

9. **Feasibility**

(a) Estimate anticipated requirements for manpower, equipment, raw materials, energy, fuel, transportation facilities, water supply, housing, community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

The manpower required is five men and these men are available, the mine equipment is available for rental in Silverton at the present time, the other items such as timber, ties etc. are available at the property and there will be no time lost in preparation. The Company and the Miners have a vehicle for transportation to and from the mine and ore hauling is done by contract.

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

As stated above all requirements are on hand or readily available.

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

Date of application (a)	Government file number (b)	(Estimated) Total of facilities in dollars on each application (c)	(d) If final action has been taken, give date of	
			Issuance	Denial
~~None have been requested as this is not applicable.~~				

11. **Recent Efforts to Obtain Credit**

(a) Banks—List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

CITIZENS STATE BANK, Ouray, Colorado. *
FIRST NATIONAL BANK, Durango, Colorado *

11. **Recent Efforts to Obtain Credit** - Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE.- Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

On January 2, 1951 the Citizens State Bank of Ouray, Colorado was advised of our desire to borrow funds for the development of this property and was advised of the amount and use of said funds. They reported that they would not loan money for a mining enterprise under any circumstances with or without government participation. The First National Bank of Durango, Colorado stated that they could not loan the funds to us for this purpose because of banking restrictions but that they would loan funds on government guarantee at 4% per annum interest. The RFC was contacted prior to this request to the Banks but they could not loan money with probable ore returns for the security.

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

No other applications have been made for Government assistance and we plan no such move.

13. **HISTORY, MANAGEMENT, LEASED AGREEMENTS, INSURANCE, ETC.** (See appended Report)

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the Applicant to perform in accordance with expressed purpose of the application. If plant was purchased, state price, form and terms of payment, date of purchase, from whom and under what circumstances purchase was made. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether Applicant, or the business or plant, has been in receivership, bankruptcy, Chapter X, XI or XII, in hands of creditors, committee, or whether Applicant has effected a compromise with creditors, and if so, discuss fully. Indicate whether business is conducted in leased premises and whether any facilities are leased from others and describe terms of any lease agreements. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting Applicant.

MINNEHAHA MINE

The Minnehaha Mine consists of two lode Mining Claims known as the Minnehaha and Minnehaha No. 2 both U.S. Mineral Survey No. 14425 located in the Eureka Mining District of San Juan County, Colorado. They cover about 19.1 acres of mineral bearing land on the brow of Los Mountain and are adjacent to the Lead Carbonate Mine and the Golden Monarch property on the North and the Blackhawk and Big Indian properties on the South.

The present operating Company is the Bonita Mining & Developing Co., Inc., of Silverton, Colorado. They are purchasing it on a lease and option agreement from Ernest S. Hoffman and George L. Zanoni of Silverton, Colorado on a Lease and Option basis with a total price of $ 20,000.00 of which over $ 2,000.00 has been paid on down and royalty payments. These two men own 22/24ths of the property and the owners of the other 2/24ths are co-partners with the Bonita Mining & Developing Company, Inc. in the operations of the property.

There is evidence of quite a production record in the past from this property from the upper levels and from old maps, records, assays of the shipments and statistics we have determined that some 3,000 tons of ore were removed up to and including the years 1898 to 1907. Due to the fact that there were no roads into this area at that time and all of the ore had to be packed out these former operators hand sorted it and reduced this tonnage to about 300-350 tons. The average assays of the sorted ore shipped to the Durango and Salida Smelters show that this sorted ore averaged 30% Lead and 22% Zinc.

In 1907-1908 under the direction of the owner Mr. Cotton a second level was opened up and some 50 tons of ore were shipped from this level which ran over 30% lead but the zinc content was so high that the penalty on this metal reduced the returns to just about enough to pay the freight and they gave up the operations. There has been nothing done on the mine since 1908 until the present operators took over.

Since the Bonita Mining & Developing Company, Inc. took over the property, August 1950, they have opened up the portal on No. 2 Level, retimbered the manway and short Chute and have done considerable stoping and sampling of the mine to ascertain what can be expected of it and the ore reserves available. During the months of September-November 1950 the following production was effected with the clean-up and development work:

LOT NO.	TONS	Au.	Ag.	Pb.	Cu.	Zn.	Fe.
MH-1	60.507	.02	2.0	2.7	.70	3.4	5.8
MH-2	20.495	.02	2.8	2.0	.75	3.5	11.5
MH-3	54.600	.025	4.3	1.7	.42	3.4	7.2
MH-4	69.117	.02	3.0	2.8	.91	2.9	13.4
MH-5	65.134	.03	5.7	3.0	.75	4.4	8.2
MH-6	98.670	.01	3.8	1.9	.65	3.9	7.7
	368.523						

The above listed production was from development work only for it was necessary to cut another chute pocket, prepare a stope and remove some of the old ore from the manway and raise to the No. 1 level. Only two men were employed in this work on a labor contract.

The following prints are attached to show all previous known work on the property; the work done by the present operators in 1950 and the proposed development work for which this loan is requested. Observation of the plan showing the present No. 2 Level tunnel will clearly indicate that the haulage problem with all of the bends and twists in the track is not a small one .

Before operations were suspended at the end of November sampling was done on the faces of the stope from both entries with the following results:

SAMPLE NO.	Au.	Ag.	Pb.	Cu.	Zn.	Fe.
MH-101	.02	3.6	2.4	1.2	5.1	7.7
MH-102	.02	4.6	6.1	1.2	10.5	5.2
MH-103	.02	2.0	2.7	.8	3.4	9.8

These samples, at the time, were somewhat of a disappointment to us due to the low gold values and the high zinc values. There is no profit in zinc for the custom mill pays us for less than 50% of its value and as the treatment charges are extremely high at the Smelter we receive only about 4¢ per pound for this metal on the present 17½¢ market.

Since this property is primarily a zinc producing one and the zinc picture has changed materially in the past three months we have deceided to prepare our development program and if government assistance is available with a guaranteed price on zinc for the period of the loan, we could open this property up and make a substantial contribution of zinc to the National Defense program. We feel, however, that to do this work ourselves with an unknown future zinc market might result in a loss and we can't afford to stand a loss at this time.

The planned development program is based on the assumption that this vein goes down at least 150' and all indications point to this to be a fact and to further substantiate it the ore deposits at the adjacent Lead Carbonate mine are found at this level and the base metal values have increased. In the Gold King tunnel some 1'560' below this level strong lead-zinc veins are encountered so it would appear that this premise has some merit.

To get to a lower level we have two alternatives, one sinking on the vein and then hoisting the ore or driving in another crosscut to the vein from a lower elevation on the hillside. The latter presents the best plan for the haulageway on Level 2 is not the best and the hoisting of ore would be quite an expense. We have established that we would drive a crosscut in to the intersection of the vein structure and stope from there to the present level.

The ore reserves in this property have been calculated as follows, based on the present development work that has been done and from the ore attending the present ore body on the No. 2 Level we can safely assume a depth of 150' of ore below that level. No estimate is made of the ore above the No. 1 Level for we have not been able to get up there so far in our work.

Measured Ore	5,330 Tons
Indicated Ore	4,500 Tons
Inferred Ore	18,990 Tons
	28,820 Tons

The estimated costs for labor, supplies, working capital, tools etc., to complete this project are listed as follows:

490' Drifting, 50' Timbered	$ 9,800.00
Drifter, Steel Etc.,	$ 1,500.00
Compressor Rental Mucker Rental?	$ 1,200.00 240 $5/mo. 5 mo.
Air Line, Track, Ties, etc.	$ 1,480.00
Comp. Insurance etc.	$ 750.00
General Supplies, Powder etc.	$ 1,800.00
Supervision & Engineering	$ 1,500.00
Working Capital	$ 1,750.00
	$ 19,780.00

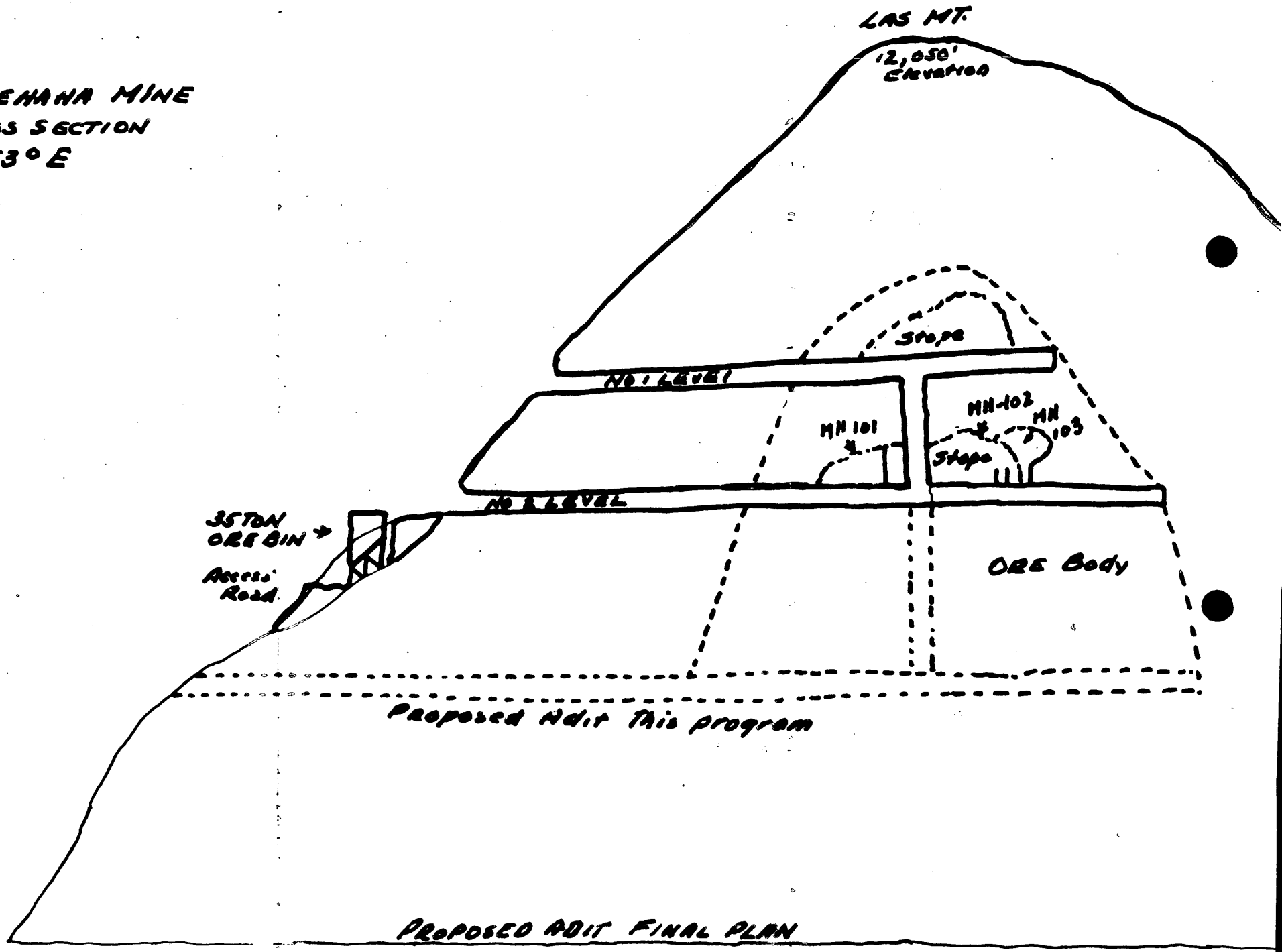
The only equipment that will be needed to do this work is a Drifter as we have the track, timber, ties etc. available locally and we can rent a compressor and mucking machine at a very nominal cost. Up until we shut down in November we had three men on the payroll who would be able to do this work and at the present writing they are unemployed. These men have a labor contract on the property and would, no doubt, want to drive the drift. At the time of the drifting men would be employed in the stopes on level No. 2 and production would go on at the same time. This would mean that we would have a total force of from five to six men on the property.

The ore will have to be milled and the only Custom Mill in the area is that of the Shenandoah-Dives Mining Company. The trucking rate from the mine to the mill has been $ 3.00 per ton of ore hauled. This mill is about 10 miles from the mine.

We feel sure that when the proposed work has been completed that we will be able to produce from 50-75 tons of ore per working day and that we could produce 25 tons per working day while this work was being done.

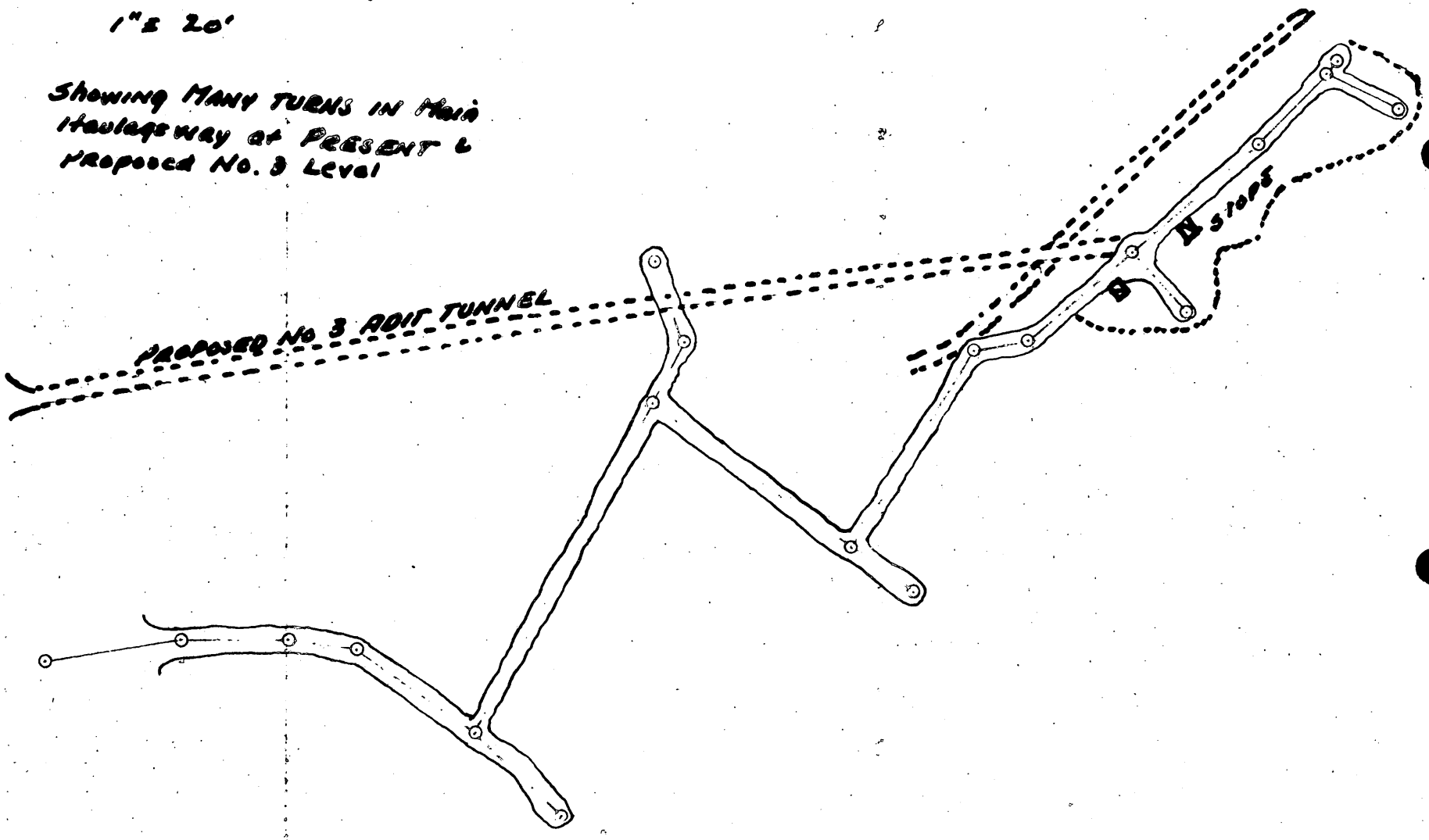
It is our opinion that this property presents very good prospects of becoming a productive mine of zinc, lead and copper and that all that is required to make it such at the present time is this proposed crosscut to get to the ore and a return on the zinc produced that will make the mining operations profitable.

MINNEHAHA MINE
CROSS SECTION
N 53° E



MINNEHAHA MINE
NO 2 LEVEL PLAN
1" = 20'

Showing MANY TURNS IN Main Haulageway at PRESENT & Proposed No. 3 Level



COPY

June 4, 1951

Memorandum

To: Chief, Mining Division, Region IV

From: W. M. Traver, Jr.

Subject: DMA Docket 280, Bonita Mining and Developing Company (Minnehaha)

Reference is made to your memorandum of April 25, 1951, to the Region IV Field Team from which the following is quoted: "The docket DMA 280, Minnehaha mine, Silverton, Colorado, will be examined to determine whether the proposed work may be considered as exploration." Mr. H. P. Ehrlinger, vice president and general manager of the Bonita Mining and Developing Company, the applicant, had San Juan county equipment remove the snow from one quarter mile of the road to the Minnehaha mine from the junction with the Lead Carbonate mine road in order that I could make an examination when I was in Silverton on May 25 and 26. It was found, after opening the road, that the number 2 adit was caved about 50 feet from the portal and the vein where worked on that level could not be examined.

The project proposed by the applicant for the Minnehaha mine, if approved, can be completed without the reopening of this adit as it calls for driving a new number 3 adit level about 70 feet lower in elevation than the number 2 level with the objective of exploring the vein in this lower level and mining the ore developed in the block between the number 2 and number 3 levels as well as that remaining above the number 2 level.

The applicant's samples, confirmed by those mentioned in W. S. Burbank's memorandum report under date of January 17, 1951, indicates the possibility of developing a sizable body of ore by the exploration.

My obserbation on the ground and a study of Burbank's report leads me to believe that the proposed application can definitely be classed as exploration.

It would appear that this docket could be approved for a $19,780.00 participating fifty-fifty loan without field examination as readily as the one on Docket 473, Emma-Oregon-Galena mine.

/s/ W. M. Traver, Jr.

May 17, 1951

Mr. Henry P. Ehrlinger
Bonita Mining & Developing Co., Inc.
Box 186
Silverton, Dolorado

Subject: Application for Access Road, AR-23

My dear Mr. Ehrlinger:

Receipt is acknowledged of your application of May 3, 1951, for an access road from So. Mineral Creek Rd., to Emma Mine a distance of three miles.

The application was assigned docket number AR-23 and referred to Mr. Stanley Walker, Acting Chief, Housing and Utility Branch.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:bh
Copy to: Mr. Walker, Room 2465
Mr. Strobel(2)
Files

AR-23

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OFFICE OF
REGIONAL DIRECTOR

REGION IV

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

May 11, 1951

Memorandum

To: Landon Strobel, Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: Access road, DMA Docket 473, Emma-Oregon-Galena mine, San Juan County, Colorado. H. P. Ehrlinger, applicant

According to Procedural Instruction No. 8, we are attaching two copies of the application for an access road to the above property. Since DMA, Washington, has already indicated that they expect to approve the exploration project, the access road undoubtedly will be justified. However, it will be some time in June before an actual field investigation by the DMA Field Team and Bureau of Public Roads can be made.

Our recommendations will be submitted as soon as possible.

P. T. Allsman, Alternate

A. H. Koschmann

A. H. Koschmann

Attachments

Form MF-105
(April 1951)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1054.
Approval expires March 31, 1952.

Docket No. AR 23
(Leave blank)

Application For Access Road

Instructions to Applicant: Complete five copies of this form, keeping one copy for your files and sending original and three copies to:

BONITA MINING & DEVELOPING CO., INC., BOX 186, SILVERTON, COLORADO

NOTICE.—If you have already filed Defense Minerals Administration Form MF-100 or MF-103, give date filed January 15, 1951, Docket No., if available DMA-473, and do not answer questions 3 to 7, inclusive. Then return signed forms to Defense Minerals Administration, Department of the Interior, Requirements Division, Washington 25, D. C. If more space is needed, attach additional sheets of the same size, indicating item being answered.

1. Location of project: State COLORADO County SAN JUAN
   Mining district ICE LAKE Nearest town SILVERTON
2. Name of mine or plant EMMA-OREGON-GALENA Other identifying data (previous names, etc.) EMMA MINE
3. Principal metal or mineral produced (or to be produced) ZINC, LEAD, COPPER, SILVER ORES
4. Subordinate metals or minerals COPPER WILL BE THE SUBORDINATE METAL
5. Present average daily production NONE
6. Estimated future average daily production 100 Tons per day
7. Estimated ore reserves or life of the mine 64,500 Tons, Life indeterminate
8. Access road requested from So. Mineral Creek Rd to Emma Mine Length 3 Miles
   To be a new road? one half or improvement of existing road? one half
9. Number of trucks by type and size 1-6x6 Army 2 Ton Total trips per day (1-way) 4-5
10. To the best of your knowledge, does any Federal, State, or county agency have jurisdiction over this road? No Which agency? Forest Service may have from So. Mineral Creek (to Golden Horn Mill)
    Have you been refused assistance by this agency? No
11. Have you applied for a Federal loan for your mining or milling operation? Yes
    If so, on what date and to what Government agency? DMA on January 15, 1951
12. Do you have Government contracts for any of your production? No If so, with what agency? ____ For what amount? ____

CERTIFICATION.—The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and the attached papers is correct and complete to the best of their knowledge and belief.

BONITA MINING & DEVELOPING CO., INC.
(Name of company)

By HENRY P. EHRLINGER
(Signature of authorized official)

VICE PRESIDENT & GENERAL MANAGER
(Title)

BOX 186, SILVERTON, COLORADO.
(Address)

MAY 3, 1951
(Date)

NOTE.—Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—64017-1

April [illegible], [illegible]

Mr. Henry [illegible] Hellinger
[illegible] Development [illegible], Inc.
[illegible] 105
Silverton, Colorado

Dear Mr. Hellingers

This will acknowledge receipt of your four letters [illegible], that your company is willing to proceed with [illegible] of exploration bonds on four of your properties.

[illegible] the grade of [illegible], [illegible] the land [illegible] the [illegible] properties [illegible] to be referred [illegible] field. [illegible] referred to the field [illegible] certain phases of the proposed exploration.

[illegible] the [illegible], this problem is complicated by the [illegible] road, [illegible] the lack of [illegible]. As the [illegible] road is an [illegible], I do not believe it will be feasible to [illegible] exploration of your property in the [illegible] road. The [illegible] supplies and tools [illegible] for [illegible] the exploration. If the exploration [illegible], I hope that the [illegible] prepared [illegible] the [illegible] phase [illegible]. Meanwhile, [illegible] will [illegible] the application for the [illegible] road [illegible].

[illegible] I [illegible] of [illegible], [illegible] should be filled out [illegible] to [illegible], Jr., [illegible] Denver 2, Colorado.

[illegible] further help, please let [illegible].

Very truly yours,

Otto Herres
[illegible], Chief
[illegible] Branch

[illegible]:[illegible]:[illegible]:[illegible]
[illegible] 4/[illegible]/[illegible]
Copies to: J. [illegible] Jr., [illegible] (2)
Chief, [illegible] Br.
[illegible] Knight [illegible]
[illegible] Moon
[illegible] Strobel

C.[illegible] Bittenbenz
Files

file copy

F. C. BRIGHTLY, JR., President
H. P. EHRLINGER, Vice Pres. & Gen. Mgr.
A. COHN, Vice President
V. G. RINN, Secretary
H. P. EHRLINGER, Treasurer

BONITA MINING & DEVELOPING CO., INC.
BOX 186
SILVERTON, COLORADO

OPERATIONS
PRIDE OF BONITA MINE
LAST HOPE MINE
EMMA-GALENA MINE
MINNEHAHA MINE
LEAD CARBONATE MINE
LEAD CARBONATE MILL

April 19, 1951

DMA 280

Defense Minerals Administration,
United States Department of the Interior,
Washington 25, D.C.

Attention: Mr. Otto Herres, Lead-Zinc Division.

Gentlemen:

We refer you to our application for exploration aid in our MINNEHAHA mine which you have listed as DOCKET No. DMA-280, under the original date of November 4, 1950. Since our preparation of this request and the subsequent preparation on your Form NSRB-146 there has been no change in our intentions and the general plan of proceedure on the development of this particular property.

In our letter to you of February 7, 1951 we most strongly emphasised the fact that we would contribute dollar for dollar with the Government on this development work and reiterate it herein so that there will be no misunderstanding on this matter. We had also had the thought in mind of an over market price for the lead and zinc so as to insure us profitable removal of the ore to repay the loan but we will waive that under the present circumstances.

May we remind you that we look upon this loan as one which has to be repaid and not as a gift. We feel that there is an orebody in this property that will make this possible and this has been substantiated by the opinion of Mr. W. S. Burbank of the USGS. We now contemplate concurrent operations of mining on the 2nd level at the same time that we do this development work and I assure you we will use all of the income from these operations to not only offset our participation fees but will reduce the Government participation when we have any excess and we also intend to accelerate the repayment of the loan from the mining operations over the figures quoted in your recent bulletin.

The Denver Office of the USBM has this request at hand at the present time but their examination has been delayed by our having to have the road plowed out to the property by the San Juan County road patrol and they are working on the project at this time. We hope to get this completed by the end of this week and then hope that this matter can be expedited as we have the men ready to go to work on it now.

Very truly yours,

HENRY P. EHRLINGER
General Manager

HPE:m
cc-Denver Office, USBM.

APR 25 1951

FILE COPY
SURNAME:

McKnight
Mote
Ferres

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

February 16, 1951

Re: Docket DMA-280

J. H. East

Memorandum

To: Executive Officer of Field Team, Region IV

From: Lead-Zinc Branch, DMA

Subject: Docket DMA-280
Zonita Mining & Developing Co., Inc.
(Minnehaha Mine)
Box 186
Silverton, Colorado

The attached documents should be made a part of the original application referred to the field team.

/s Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch, DMA

Approved:
DMA Operating Committee

/s C. O. Mittendorf
Chairman

/s Jarrell B. Moore
~~J. H. Hedges~~

/s Olaf N. Rove
Olaf N. Rove

ETMcKnight:emp
G-2-16-51
Copies to: Chief, Lead-Zinc Branch
Geological Survey - McKnight
J. H. Hedges
R.H. Mote
2 copies to Executive Officer
Regional Field Team, Region IV
Strobel
Mittendorf
Files

FILE COPY
SURNAME:

McKnight for Jerry
Thayer for Rowe

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

J. H. East

February 6, 1951

Memorandum

To: Executive Officer of Field Team, Region IV

From: Lead-Zinc Branch, DMA Re: Docket DMA-280

Subject: Docket DMA-280
Bonita Mining and Development Company, Inc.
Henry P. Ehrlinger, Manager
Minnehaha and Minnehaha No. 2
Silverton, Colorado

Review of the subject docket by the Lead-Zinc Branch with the assistance of W. S. Burbank reveals the following pertinent facts:

Applicant proposes to drive a crosscut 590 feet to intersect the vein 70 feet lower than existing exposures in a crooked tunnel, at a cost of $19,780. After this development is made, he proposes to mine the ore at a rate of 50-75 tons per day, and truck it to the Shenandoah-Dives mill for beneficiation. His request is for a Government loan of the amount stated, to finance the crosscutting. Applicant is experienced and capable, and has already constructed an access road.

The reserve figures stated by the applicant are believed by Burbank to be conservative. The ore should run 2% lead, 4% zinc, 0.5% copper, with some silver. On the basis of the reserve estimate, we believe that the project should be considered for encouragement of exploration when this program has been worked out. Before a recommendation can be made, additional information is needed on certain engineering phases of the proposed operation, including mining methods and costs, milling practice and costs, marketing, equipment and facilities already installed, new equipment and facilities needed, adequacy of requested amount to do the job proposed, etc. The information needed is outlined in the latter part of the "Outline for Report and Recommendation of Commodity Committee on Application for Government Assistance," copy of which, dated January 26, has been previously sent you. Most of the information from G 3 to the end of the outline will have to be furnished by the field team, although some of this information is given in the original application and in Burbank's comments, which are enclosed.

Docket DMA 280

In addition to filling in information indicated in the outline, the overall recommendation of the field team will be welcome.

OTTO HERRES, Chief
Lead-Zinc Branch, DMA

Approved:
DMA Operating Committee

_____
Chairman

_____
J. H. Hedges

_____
Clar N. Rove

ETMcKnight:jeh
C-2/6/51

copy to: Chief, Lead-Zinc Branch
Geological Survey - McKnight
J. H. Hedges
R. H. Mote
2 copies to Executive Officer,
Regional Field Team, Region IV
Strobel
Mittendorf
Files

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

McKnight for Herres
Westerling
Thayer for Lowe

February 6, 1951

Re: Docket DMA-280

Mr. Henry P. Ehrlinger, Manager
Bonita Mining and Development Company, Inc.
Box 186
Silverton, Colorado

Dear Mr. Ehrlinger:

Your application (Docket DMA-280) for a Government loan under the provisions of the Defense Production Act of 1950 has been reviewed by the Lead-Zinc Branch of the Defense Minerals Administration. Before final decision can be taken on your request it will be necessary to obtain additional information on your property. Your application, therefore, has been referred to the appropriate field office with the request that the needed information be supplied to us.

Yours very truly,

S. H. Williston, Director
Supply Division
Defense Minerals Administration

ETMcKnight:jeh
G-2/6/51

copy to:
Chief, Lead-Zinc Branch
Geological Survey - McKnight
J. H. Hodges
R. H. Mote
2 copies to Executive Officer,
Regional Field Team, Region IV
Strobel
Mittendorf
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

January 17, 1951

Memorandum

To: E. T. McKnight

From: W. S. Burbank

Subject: Application for Government aid, Minnehaha and Minnehaha No. 2, Bonita Mining and Developing Co. Inc., Box 186, Silverton, Colorado.

A review of the application leads to the following pertinent facts:

1. Location and history.

Minnehaha mine is located at an altitude of 11,800 feet in Minnehaha basin, about 1/2 mile east of Gladstone, which is about 6 miles north of Silverton, Colorado.

Past records indicate a production from two short levels aggregating several hundred feet of workings. This was 300-500 tons of culled lead-zinc ore, packed from property during first part of century. It contained about 30% lead and 22% zinc. A further increase in zinc content (local average Zn/Pb is 2/1) caused shut-down in 1907-08. Property was not reopened until present operation began in August, 1950.

2. Production.

Besides above historical record, production in 1950 was as follows:

Lot No.	Tons	Au	Ag	Pb	Cu	Zn
MH-1	60.5	.02	2.0	2.7	.7	3.4
MH-2	20.5	.02	2.78	1.95	.75	3.5
MH-3	54.6	.025	4.29	1.70	.42	3.35
MH-4	65.1	.035	5.67	2.95	.75	4.35
	200.7			2 to 3	.7	3 to 4

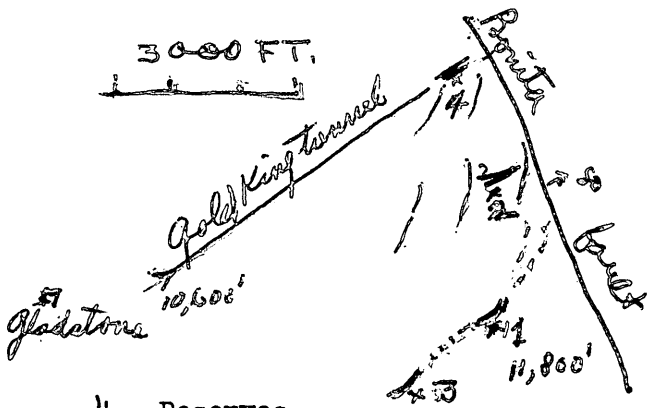
3. Nature of deposit.

Deposit is a fissure vein of N. 50 E. strike of about 60 degrees west dip. Width 6 to 10 feet, consisting of valuless pyrite on footwall, high-grade zinc-lead 6 in. to 2 ft., 1 to 3 ft. of quartz low metal values, and

another band of high-grade zinc-lead on hanging wall.

It is located about 1000 feet in the footwall of the Bonita fault of NW trend, and in a favorable position for possible enrichment in the footwall of this fault about 1000 feet to the northeast beneath the glacial cover of Minnehaha Basin (Reviewer's opinion. See memorandum and maps on developments in footwall of Bonita fault).

Mineralized vein exposed for about 600 feet at surface on ridge between heavily covered glacial basins. Vertical range of exposures, about 300 feet. (Data from geologic map by reviewer).



1. Minnehaha
2. Lead Carbonate
3. Golden Monarch property
4. Gold King

4. <u>Reserves.</u>

The reserves are estimated by applicant as follows:

Measured ore	5,330 tons -?
Indicated ore	4,500 tons
Inferred ore	14,990 tons

The reviewer believes these are conservatively estimated on the actual developed ore shoot. The inferred ore is based on assumption that the ore shoot will continue to proposed extension of another level about 70 feet below present operations.

As the vein quartz crops out near summit of ridge, 12,050 ft. altitude, and extends below level of talus on slopes of ridge, it has a vertical range of at least 300 feet. From local developments on nearby veins, there is good geologic evidence that the possible vertical range of vein is not less than 800 feet, and possibly as much as 1500 or 2,000 feet. The outcropping vein is wide and strong, forming an altered zone with quartz and sulfides locally as much as 30 feet wide. The length of exposed quartz on ridge is about 500 feet, and there is good chance that vein will extend 500 to 1000 feet either side of outcrop. Hence geological inference is that potential reserves may be many times the inferred reserves estimated by applicant.

5. Equipment and facilities.

The company has built an access road, retimbered old workings, built a 35-ton ore bin, and installed pipe, track, timbered manways and chutes. The mine is equipped with tools. Additional equipment needed is listed under loan application.

6. Men employed.

Most of work to date was done by 2 men.

7. Nature of application.

Loan of $19,780 is requested for costs of labor, supplies, working capital, etc., as follows:

490 ft. drifting, 50 ft. timbered	$ 9,800.
Supervision and engineering	1,500.
Drifter, steel, etc.	1,500.
Compressor rental	1,200.
Air line, tracks, ties, etc.	1,480.
Insurance	750.
General supplies	1,800.
Working capital	1,750.
	$ 19,780.

Company has attempted to obtain loan through local banks and RFC with no success, since security is required. Ore and equipment are inadequate for this security. Company does not have sufficient capital of its own, and it would require several years to finance development at present output and rate of progress possible.

8. Prices of metals needed.

Under present labor conditions 18¢ lead and 17½¢ zinc should be adequate to make operation profitable. Margin of return on zinc ore is very slim at this price. On lot MH-3, 3.35% Zn, the company received $0.0459 per pound of zinc contained in ore.

9. Treatment of ore.

The proposal is to send all ore to the Shenandoah-Dives custom mill. Trucking rate ~~of~~ to mill is $3.09 per wet ton.

Reviewer calls attention to possibility that successful development of this property together with the Lead Carbonate, Bonita, and others, would eventually justify enlargement of the 50-ton Lead Carbonate mill to treat ore from all properties contiguous to Gladstone. This would reduce trucking distance to about 1/2 mile as against 10 miles to Shenandoah-Dives mill. The Lead Carbonate mill is under same management, but not entirely same ownership. ±/mi/t

Deep-level development of all properties from Gold King tunnel at 10,600 feet altitude would also permit milling at tunnel portal near Gladstone.

10. Time required to complete proposed development.

It is estimated by applicant that program should not exceed about 5 months' time to put property into full operating capacity.

11. Estimated output of metals.

The applicant believes property would average 50 to 75 tons of ore per working day after development. Possibly 1 or 2 additional men would be required part-time to complete this work, but applicant makes no estimate of additional manpower needs. With 2 men they have already achieved about 35 tons per working day.

Annual output of lead, zinc, and copper is estimated by reviewer as follows, based upon 2% lead, 4 percent zinc, and .5 percent copper, for about 300 working days:

Zinc - 600-800 tons per year
Lead - 300-400 tons per year
Copper - 75-100 tons per year

Reserves and potential reserves appear adequate for several years production with development from upper basin. Snow conditions in severe winters may temporarily suspend work until roads are cleared. Road to within a few thousand feet of property is kept clear for all-year operation of the Lead Carbonate mine.

12. Management.

Mr. Henry P. Erhlinger of the Bonita Mining and Development Company is manager of this property, which is now operated under lease and option from the Hoffman and Zanoni group (which owns 22/24ths of property). Purchase price of property was $20,000, of which $2,000 has been paid in down payment and royalties.

The reviewer is acquainted with Mr. Ehrlinger, who has very successfully operated the nearby Lead Carbonate mine. He has an excellent reputation as a mine operator. He has been engaged in mining and milling operations since 1925 with exception of time spent in the Army before and during the last war.

DMA-280

Form NSRB-146
(Nov. 1950)

UNITED STATES GOVERNMENT

FORM APPROVED
BUDGET BUREAU NO. 25-R002

APPLICATION FOR GOVERNMENT LOAN
UNDER SEC. 302 OF
DEFENSE PRODUCTION ACT OF 1950

AMOUNT OF LOAN REQUESTED
$ 19,780.00

TERMS OF LOAN REQUESTED
$ 10,000.00 at Starting Date,
$ 2,500.00 per Month for 3½ Mos. if needed

DATE OF APPLICATION
January 13th, 1951

NAME AND ADDRESS OF APPLICANT (Street, City, Zone, State)

BONITA MINING & DEVELOPING CO. INC.
(MINNEHAHA MINE)
BOX 186,
SILVERTON, COLORADO.

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)	COMM.
	AGRIC.
	INT.
	D.T.A.
FILE NO.	

INSTRUCTIONS

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

1. PURPOSE OF LOAN

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement

To develop and produce minerals containing Zinc, Lead and Copper in that order from an operating mine and by this loan to increase the output of said mine 300 to 400% over the present rate. Nothing is involved in this process except the capital needed to do the development work that will make these minerals available.

NATURE OF EXPENDITURE	AMOUNT
Driving 490' Drift with 50' Timbered, Purchase of a Drill, Steel etc., Rental of a Compressor, Purchasing and installation of airline, track, ties etc. for the removal of the ore, general supplies, supervision and engineering and working capital (See Appended Report)	$ 19,780.00
Total amount applied for	

5

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

Repayment will be made by royalty payments on each ton of ore mined at the rate of $ 1,00 per ton on the first 5,000 tons removed and then at the rate of $ 1.50 per ton until the note and all accrued interest has been paid in full.

3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

This Company is engaged in the Mining Business producing concentrates containing zinc, lead and copper metal which are sold to Custom Smelters. There is nothing involved in this work outside of labor and materials as the processes involved are old and well established.

4. Relationship to National Defense. Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

Newspaper and Periodical reports indicate that there is a shortage of Zinc and Copper at the present time and that the Lead supply is not too strong.

(b) What evidence exists as to future shortages of the materials or services to be produced?

From Newspapers and Periodicals it would appear that there are not sufficient new mines to replace the depletion of the present ones and hence at this rate of consumption that we now have these shortages will exist for some time to come.

(c) Are such shortages, if any, regional or national in scope?

They are Regional, National and International in scope.

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

It will put much needed metals on the market for defense use.

4. Relationship to National Defense - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

The funds requested herein will be used to explore, develop and produce concentrates containing the metals zinc, lead and copper which in turn will be used by those agencies which have defense contracts.

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

There are no available alternatives to this type of work. The ore must be developed before it can be mined and placed on the market.

5. Maximum Designed Production

List separately materials or services identified in item 3 (a)	Unit of measure (b)	Maximum designed production with existing facilities (c)	Average percentage of maximum designed production used in quarter preceding filing of application (d)	Maximum designed production including use of funds applied for (e)
Zinc-Lead-Copper Ore	Tons	20-25 Tons/Day	100%	75-100 Tons/Day

6. Employment

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

Up until December 1, 1950 3 men were on the payroll.

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

Six men, three on production, three on this work.

(2) Multiple shift operation (specify how many shifts).

Multiple shifts would not help due to the fact that ventilation will be poor and much time will be lost in blowing out.

(c) Estimated additional employees required by the use of the funds applied for.

Twelve men will be maximum required for the estimated tonnage production.

7. Timing

(a) On what date(s) are the requested funds needed? Immediately upon approval of the project we should have the working capital and the funds to purchase the supplies. At the end of each 30 days we should be able to draw funds to meet the payrolls. Since labor will probably be the only expense we should have these funds arranged for.

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

Output will commence from the upper workings on the date of approval and advance of working capital and in 120 days full production may be expected.

14. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.

NAME AND ADDRESS (a)	Official title (If officer is also director indicate by "D") (b)	Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c)	Estimated net worth outside of Applicant (d)	Number of shares held in applicant: Common (e)	Number of shares held in applicant: Preferred (f)	Life insurance carried for benefit of Applicant: Amount (g)	Life insurance carried for benefit of Applicant: Net cash surrender value after loans (h)
Fred C. Brightly	Pres. D	Nothing	50,000.00	5556	None	None	None
H. P. Ehrlinger	V.P. & G.M. D.	Nothing	50,000.00	16666	None	50,000	U
Al Cohn	V.P. D	Nothing	100,000.00	16667	None	None	None
Vincent G. Rinn	Secty. D	Nothing	50,000.00	5556	None	None	None
John D. Owens	D	Nothing	250,000.00	5555	None	None	None
	Total	Nothing	x x x x x	50,000	None	x x x	x x x

15. CAPITAL STOCK ISSUES

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par value (c)	Number of shares outstanding (d)	Dividend rate last paid (e)
Common stock	$ 50,000.00	$ 50,000.00	$ None	50,000	None
Preferred stock	$ None	$	$		

16. PURCHASE AND SALES RELATIONS WITH OTHERS

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

No

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

No

17. COMPENSATION SCHEDULE

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

17. COMPENSATION SCHEDULE - Continued

The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation paid during previous fiscal year (c)	Present compensation (d)
Henry P. Ehrlinger	V. President & General Manager	Nothing	Nothing

18. COLLATERAL

(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

Description (a)	Date acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* value (e)
Property now held: Mining Claims listed in the report are held in escrow pending full payment on royalty basis. Ore Bin, Car, Track etc. is in mine and is not suitable collateral.				
To be acquired: The only collateral that can be offered at this time is potential ore which we have every reason to believe exists in the quantity and grade indicated herein. A conservative estimate reveals that this will net about $ 10.00 per ton after all costs have been paid. We propose to pay $ 1.00 per ton on the first 5000 tons to liquidate the loan and then $ 1.50 per ton on each ton of ore removed thereafter until the loan and accrued interest thereon has been fully paid.				

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)
No appraisal has been made on this property.		

(b) Describe existing liens, if any, on property listed above.

There are no liens of any nature against the property or the equipment.

Form NSRB-146 (Nov. 1950) | Name and address: Minnehaha Mine, Silverton, Colorado |

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of December 31st, 1951

(Date not more than 30 days prior to date of application)

ASSETS

CURRENT ASSETS			
1. Cash			$ 110.80
2. Notes receivable		$ 0.00	
Less reserve for doubtful notes		0.00	
3. Accounts receivable:			
Current	$ 3,100.00		
Past due not over 4 months	0.00		
Past due over 4 months	0.00	$ 3,100.00	
Less reserve for doubtful accounts		0.00	3,100.00
4. Inventories:			
Raw materials (Crude Ore)	$ 0.00		
Work in process (Ore in Process)	0.00		
Finished goods (Concentrates)	0.00	$ 0.00	
Less reserve for inventory losses		0.00	0.00
5. Other current assets (describe) Prepaid Insurance			155.65
TOTAL CURRENT ASSETS			$ 3,366.45
FIXED AND OTHER ASSETS			
6. Plant used in business:			
Land	$ 42,000.00		
Buildings	1,100.00		
7. Machinery	0.00		
8. Equipment, furniture, and fixtures	2,600.00	$ 45,700.00	
Less reserve for depreciation		457.00	45,243.00
9. Investments—stocks and bonds			0.00
10. Investments in affiliated companies			12,000.00
11. Receivables due from affiliated companies			0.00
12. Real estate not used in business			0.00
13. Due from officers, directors, employees, stockholders			0.00
14. Deferred charges			0.00
15. Other assets			0.00
TOTAL ASSETS			$ 63,975.00

LIABILITIES

CURRENT LIABILITIES			
16. Notes payable (see schedule 1, page 10):			
Banks		$ 0.00	
Trade creditors		0.00	
Officers, stockholders, relatives		0.00	
Insurance companies		0.00	$ 0.00
17. Accounts payable			1,384.34
18. Other current liabilities:			
Delinquent taxes — Real estate		$ 0.00	
Delinquent taxes — Federal		0.00	
Wages and salaries		0.00	
Due officers		0.00	
Accrued interest, rent, taxes, wages, etc		0.00	
		0.00	0.00
TOTAL CURRENT LIABILITIES			$ 1,384.34
FIXED AND OTHER LIABILITIES			
19. Machinery liens			0.00
20. Mortgage debts (see schedule 2, page 10)			0.00
21. Bonds or debentures (see schedule 2, page 10)			0.00
22. Other liabilities			0.00
NET WORTH			
23. Common stock (if Applicant is incorporated)		$ 50,000.00	
24. Preferred stock (if Applicant is incorporated)		0.00	
25. Surplus (if Applicant is incorporated)		12,591.56	62,591.56
26. Capital and Surplus Account (if Applicant is partnership or individual)			
TOTAL LIABILITIES			$ 63,975.90
27. Contingent liabilities (explain)			$ None

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

SCHEDULE I - Notes Payable (in detail)

Name and address	Maturity	Amount	State amount and character of collateral	Name of guarantor(s) and/or endorser(s)
NONE				

SCHEDULE 2 - Mortgage Debt (real estate and/or chattels) or Bond Issue

Names and addresses of holders	Date of maturity	Interest rate	Unpaid principal amount	Date to which interest is paid
NONE			$	
TOTAL	X X X X X X X	X X X X X X	$	X X X X X X X X X X X X X X X X

If mortgage secures a bond issue, state whether bonds are principally held by management and/or stockholders or by others, and attach copy of mortgage indenture.

EXHIBIT B - CONDENSED COMPARATIVE STATEMENT OF INCOME AND EXPENSES

For years ended December 31st, 1950
(Insert date of end of fiscal year)
(000.00 omitted)

	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
1. Net sales				1,204.41
2. Cost of goods sold				3,291.33
3. Gross profit on sales (line 1 minus line 2)				2,086.92
4. Other income (itemize)				0.00
5. Total (line 3 plus line 4)				2,086.92
6. Salaries (officers or partners)*				0.00
7. Selling and all other expenses				0.00
8. Total of lines 6 and 7				0.00
9. Profit or loss before depreciation and Federal taxes (line 5 minus line 8)				2,086.92
10. Depreciation				0.00
11. Federal Income and Excess Profits Taxes				0.00
12. Net profit or loss (line 9 minus lines 10 and 11)				2,086.92
ANALYSIS OF SURPLUS				
13. Total surplus at beginning of period				14,678.48
14. Net profit or loss for period				2,086.92
15. Line 13 plus line 14 if profit; line 13 minus line 14 if loss				12,591.56
Add:				
16. Surplus paid in during period				0.00
17. Surplus resulting from revaluation of assets				0.00
18. Other additions to surplus (itemize)				0.00
19. Total of lines 15 to 18, inclusive				12,591.56
Deduct:				
20. Dividends				0.00
21. Other charges to surplus (itemize)				0.00
22. Total of lines 20 and 21				0.00
23. Surplus at end of period (line 19 less line 22), MUST AGREE WITH SURPLUS AS SHOWN IN BALANCE SHEETS				12,591.56

* To include all payments of any kind (commissions, bonuses, withdrawals) to officers or partners.

NOTE—If years included in the above tables are not adequately representative of applicant's financial experience, information may be submitted for additional years.

Form NSRB-146 (Nov. 1950) | Name and address Minnehaha Mine, Silverton, Colorado. |

EXHIBIT - CONDENSED COMPARATIVE STATEMENT OF CONDITION

For years ended December 31st, 1950
(Insert date of end of fiscal year)

(000.00 omitted. Use figures to nearest thousand. For instance, the figure $3,489.36 should be written as 3; the figure $3,689.36 should be written as 4)

ASSETS	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
CURRENT ASSETS: Operations commenced in 1950				
1. Cash				110.80
2. Receivables (after deducting reserves)				3,100.00
3. Inventories				0.00
4. Other current assets:				
				0.00
				155.65
				0.00
TOTAL CURRENT ASSETS				3,366.45
FIXED AND OTHER ASSETS:				
5. Plant accounts (before depreciation):				
Machinery, equipment, etc.				0.00
Delivery equipment				0.00
Real estate and buildings used in business				45,243.00
6. Other assets (as investments, real estate not used in business, etc.):				
				12,000.00
				0.00
				0.00
TOTAL ASSETS				63,975.90
LIABILITIES				
CURRENT LIABILITIES:				
8. Notes payable				0.00
9. Accounts payable				1,384.34
10. Accrued liabilities				0.00
11. Other current liabilities:				
				0.00
				0.00
				0.00
TOTAL CURRENT LIABILITIES				1,384.34
FIXED AND OTHER LIABILITIES:				
12. Mortgage debts				0.00
13. Debentures				0.00
14. Other fixed liabilities:				
				0.00
				0.00
				0.00
RESERVES:				
15. Reserve for depreciation				0.00
16. Other reserves:				
				0.00
				0.00
				0.00
NET WORTH:				
17. Common stock (issued) (if Applicant is incorporated)				50,000.00
18. Preferred stock (issued) (if Applicant is incorporated)				0.00
19. Surplus (if Applicant is incorporated)				12,591.56
20. Capital and surplus account (if Applicant is partnership or individual)				
TOTAL LIABILITIES				63,975.90

NOTE— If years included in the above table are not adequately representative of applicant's financial experience, condition statements may be submitted for additional years.

Form NSRB-146
(Nov., 1950)

UNITED STATES GOVERNMENT

APPLICATION FOR GOVERNMENT LOAN UNDER SEC. 302 OF DEFENSE PRODUCTION ACT OF 1950

FORM APPROVED
BUDGET BUREAU NO. 25-R002

AMOUNT OF LOAN REQUESTED
$ 19,700.00

TERMS OF LOAN REQUESTED
$ 10,000.00 at Starting Date,
$ 2,500.00 per Month for 3½ Mos.
If needed

DATE OF APPLICATION
January 13th, 1951

NAME AND ADDRESS OF APPLICANT (Street, City, Zone, State)
[illegible] & [illegible] CO. INC.
([illegible])
BOX 206,
[illegible], COLORADO.

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)

COMM.
AGRIC.
INT.
D.T.A.

FILE NO.

INSTRUCTIONS

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

1. PURPOSE OF LOAN

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement

To develop and produce minerals containing Zinc, Lead and Copper in the order from an operating mine and by this loan to increase the output of said mine 300 to [illegible] over the present rate. Nothing is involved in this process except the capital needed to do the development work that will make these minerals available.

NATURE OF EXPENDITURE	AMOUNT
Driving 190' Drift with 50' Timbered, Purchase of a Drill, Steel etc., Rental of a Compressor, Purchasing and Installation of airline, track, bins etc. for the removal of the ore, general supplies, supervision and engineering and working capital (See Appended Report)	$ 19,700.00
Total amount applied for	

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

Repayment will be made by royalty payments on each ton of ore mined at the rate of $ 1.00 per ton on the first 5,000 tons removed and then at the rate of $ 1.50 per ton until the note and all accrued interest has been paid in full.

3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

This Company is engaged in the Mining business producing concentrates containing zinc, lead and copper metal which are sold to Custom Smelters. There is nothing involved in this work outside of labor and materials as the processes involved are old and well established.

4. Relationship to National Defense. Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

Newspaper and Periodical reports indicate that there is a shortage of Zinc and Copper at the present time and that the Lead supply is not too strong.

(b) What evidence exists as to future shortages of the materials or services to be produced?

From Newspapers and Periodicals it would appear that there are not sufficient new mines to replace the depletion of the present ones and hence at this rate of consumption that we now have these shortages will exist for some time to come.

(c) Are such shortages, if any, regional or national in scope?

They are Regional, National and International in scope.

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

It will put much needed metals on the market for defense use.

4. Relationship to National Defense - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

The funds requested herein will be used to explore, develop and produce concentrates containing the metals zinc, lead and copper which in turn will be used by those agencies which have defense contracts.

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

There are no available alternatives to this type of work. The ore must be developed before it can be mined and placed on the market.

5. Maximum Designed Production

List separately materials or services identified in item 3 (a)	Unit of measure (b)	Maximum designed production with existing facilities (c)	Average percentage of maximum designed production used in quarter preceding filing of application (d)	Maximum designed production including use of funds applied for (e)
Zinc-Lead-Copper Ore	Tons	20-25 Tons/Day	100%	75-100 Tons/Day

6. Employment

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

Up until December 1, 1950 3 men were on the payroll.

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

Six men, three on production, three on this work.

(2) Multiple shift operation (specify how many shifts).

Multiple shifts would not help due to the fact that ventilation will be poor and much time will be lost in blowing out.

(c) Estimated additional employees required by the use of the funds applied for.

Twelve men will be maximum required for the estimated tonnage production.

7. Timing

(a) On what date(s) are the requested funds needed? Immediately upon approval of the project we should have the working capital and the funds to purchase the supplies. At the end of each 30 days we should be able to draw funds to meet the payrolls. Since labor will probably be the only expense we should have these funds arranged for.

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

Output will commence from the upper workings on the date of approval and advance of working capital and in 120 days full production may be expected.

8. Output from the use of funds applied for will be for the following purposes:
a. For the following principal prime defense contracts (if any) with the United States Government:

Date of contract (a)	Contracting Government Agency (b)	Program symbol (2 digits) or other contract identification (c)	Materials or services (d)	Delivery date(s) (e)	Amount (Dollars) (f)
	To have no Government Contracts				

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

Date of contract (a)	Materials or services (b)	Supplied to (Give name and address of firm) (c)	Delivery date(s) (d)	(e) Government agency receiving end product or services (f) Program symbol (2 digits) or other contract identification	Amount (Dollars) (g)
	To have no Government Sub-Contracts			(e) (f)	
				(e) (f)	
				(e) (f)	

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

We are a basic industry and as such only produce concentrates of zinc, lead and copper which are sold to Custom Smelters. These will be sold by these smelters to Contractors who have defense contracts but we are not able to ascertain who they are or the contracts they have.

9. **Feasibility**

(a) Estimate anticipated requirements for manpower, equipment, raw materials, energy, fuel, transportation facilities, water supply, housing, community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

The manpower required is five men and these men are available, the mine equipment is available for rental in Silverton at the present time, the other items such as timber, ties etc. are available at the property and there will be no time lost in preparation. The Company and the Miners have a vehicle for transportation to and from the mine and ore hauling is done by contract.

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

As stated above all requirements are on hand or readily available.

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

Date of application (a)	Government file number (b)	(Estimated) Total of facilities in dollars on each application (c)	(d) If final action has been taken, give date of	
			Issuance	Denial
None have been requested as this is not applicable.				

11. **Recent Efforts to Obtain Credit**

(a) Banks— List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

CITIZENS STATE BANK, Ouray, Colorado. *

FIRST NATIONAL BANK, Durango, Colorado *

11. **Recent Efforts to Obtain Credit** - Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE. - Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

On January 2, 1951 the Citizens State Bank of Ouray, Colorado was advised of our desire to borrow funds for the development of this property and was advised of the amount and use of said funds. They reported that they would not loan money for a mining enterprise under any circumstances with or without government participation. The First National Bank of Durango, Colorado stated that they could not loan the funds to us for this purpose because of banking restrictions but that they could loan funds on government guarantee at 4% per annum interest. The RFC was contacted prior to this request to the Banks but they could not loan money with probable ore returns for the security.

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

No other applications have been made for Government assistance and no plan no such move.

13. **HISTORY, MANAGEMENT, LEASED AGREEMENTS, INSURANCE, ETC.** (See appended Report)

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the Applicant to perform in accordance with expressed purpose of the application. If plant was purchased, state price, form and terms of payment, date of purchase, from whom and under what circumstances purchase was made. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether Applicant, or the business or plant, has been in receivership, bankruptcy, Chapter X, XI or XII, in hands of creditors, committee, or whether Applicant has effected a compromise with creditors, and if so, discuss fully. Indicate whether business is conducted in leased premises and whether any facilities are leased from others and describe terms of any lease agreements. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting Applicant.

MINNEHAHA MINE

The Minnehaha Mine consists of two lode Mining Claims known as the Minnehaha and Minnehaha No. 2 both U.S. Mineral Survey No. 1[illegible]9 located in the Eureka Mining District of San Juan County, Colorado. They cover about 19.1 acres of mineral bearing land on the brow of Red Mountain and are adjacent to the Lead Carbonate Mine and the Golden Tower I property on the North and the Blackhawk and Big Indian properties on the South.

The present operating Company is the Bonita Mining & Developing Co., Inc., of Silverton, Colorado. They are purchasing it on a lease and option agreement from Ernest S. Hoffman and George L. Aldoni of Silverton, Colorado on a lease and option basis with a total price of $ 20,000.00 of which over $ 2,000.00 has been paid on down and royalty payments. These two own 2/3 rds of the property and the owners of the other 2/3 rds are co-partners with the Bonita Mining & Developing Company, Inc. in the operations of the property.

There is evidence of quite a production record in the past from this property from the upper levels and from old maps, records, assays of the shipments and shovelfuls we have determined that some 3,000 tons of ore were removed up to and including the years 1898 to 1907. Due to the fact that there were no roads into this area at that time and all of the ore had to be packed out there former operators hand sorted it and we need this tonnage to about 300-350 tons. The average assays of the sorted ore shipped to the Durango and Colorado smelters show that the sorted ore averaged 30% Lead and 22% Zinc.

In 1907-1908 under the direction of the owner Mr. Dobson a second level was opened up and some 50 tons of ore were shipped from this level which ran over 30% lead but the zinc content was so high that the penalty on this metal reduced the returns to just about enough to pay the freight and they gave up the project one. There has been nothing done on the mine since 1908 until the present operators took over.

Since the Bonita Mining & Developing Company, Inc. took over the property, August 1950, they have opened up the portal on No. 2 level, re-timbered the raises and short chute and have done considerable sorting and sampling of the mine so that they have contacted of 15 and the ore reserves are intact. During the months of September-November 1950 the following production was extracted when the clean-up on level was completed:

DAY No.	LBS	Au.	Ag.	Pb.	Cu.	Zn.	Fe.
[illegible]-1	69.507	.02	2.0	2.7	.70	3.4	5.0
[illegible]-2	20.495	.02	2.0	1.0	.75	3.5	11.5
[illegible]-3	5[illegible].000	.005	4.3	1.7	.02	3.4	7.7
[illegible]-4	39.117	.02	3.0	2.0	.1	2.9	13.4
[illegible]-5	65.131	.03	5.7	2.0	.75	2.4	6.2
[illegible]-6	90.670	.01	.0	1.9	.05	2.9	7.7
	308.523						

The above listed production was from development work only for it was necessary to cut another chute pocket, prepare a stope and remove some of the old ore from the nearby area back to the No. 1 level. Only two men were employed in this work on a labor contract.

The following prints are attached to show all previous known work on the property; the work done by the present operators in 1950 and the proposed development work for which this loan is requested. Observation of the plan showing the present No. 2 level tunnel will clearly indicate that the haulage problem with all of the bends and twists in the track is not a small one .

Before operations were suspended at the end of November sampling was done on the faces of the stope from both entries with the following results:

SAMPLE NO.	Au.	Ag.	Pb.	Cu.	Zn.	Fe.
MM-101	.02	3.6	2.4	1.2	5.1	7.7
MM-102	.02	4.6	6.1	1.2	10.5	5.2
MM-103	.02	2.0	2.7	.8	3.4	9.[illegible]

These samples, at the time, were somewhat of a disappointment to us due to the low gold values and the high zinc values. There is no profit in zinc for the custom mill pays us for less than 50% of its value and as the treatment charges are extremely high at the smelter we receive only about 4¢ per pound for this metal on the present 17¢ market.

Since this property is primarily a zinc producing one and the zinc picture has changed materially in the past three months we have decided to prosecute our development program and if government assistance is available with a guaranteed price on zinc for the period of the loan, we can open this property up and make a substantial contribution of zinc to the National Defense program. We feel, however, that to do this work ourselves with an unknown future zinc market might result in a loss and we can't afford to go and a loss at this time.

The planned development program is based on the assumption that this vein goes down at least 150' and all indications point to this to be a fact and to further substantiate it the ore deposits at the adjacent [illegible] Mine are found at this level and the base metal values have increased. In the Gold King tunnel some 1'500' below this level strong lead-zinc veins are encountered so it would appear that this promise has some merit.

To get to a lower level we have two alternatives, one sinking on the vein and then hoisting the ore or driving in another crosscut to the vein from a lower elevation on the hillside. The latter presents the best plan for the haulageway on level 2 is not the best and the hoisting of ore would be quite an expense. We have established that we could drive a cross cut in to the intersection of the vein otherwise and stope from there to the present level.

The ore reserves in this property have been estimated as follows, based on the present development work that has been done and from the ore attending the present ore body on the No. 2 level we can safely assume a depth of 150' of ore below that level. No estimate is made of the ore above the No. 1 level for we have not been able to get up there so far in our work.

Measured Ore	5,330 Tons
Indicated Ore	4,500 Tons
Inferred Ore	18,990 Tons
	28,820 Tons

The estimated costs for labor, supplies, working capital, tools etc., to complete this project are listed as follows:

490' Drifting, 50' Timbered	$ 9,000.00
Drifter, Steel Etc.,	1,500.00
Compressor Rental	1,200.00
Air Line, Track, Ties, etc.	1,400.00
Comp. Insurance etc.	750.00
General Supplies, Powder etc.	1,000.00
Supervision & Engineering	1,500.00
Working Capital	1,750.00
	$ 19,700.00

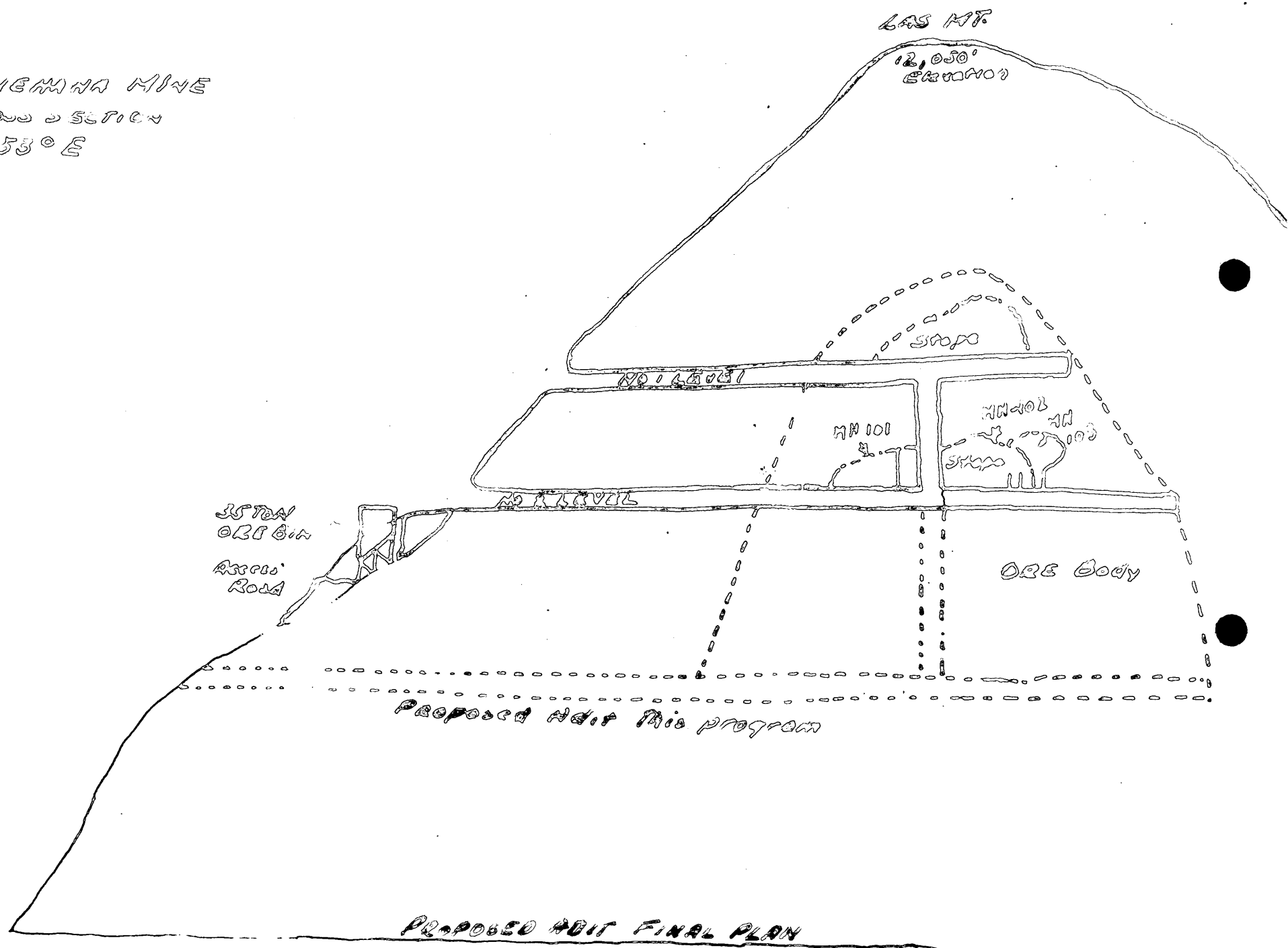
The only equipment that will be needed to do this work is a drifter as we have the track, timber, ties etc. available locally and we can rent a compressor and mucking machine at a very nominal cost. Up until we shut down in November we had three men on the payroll who would be able to do this work and at the present writing they are unemployed. These men have a labor contract on the property and would, no doubt, want to drive the drift. At the time of the drifting men would be employed in the stopes on level No. 2 and production would go on at the same time. This would mean that we would have a total force of from five to six men on the property.

The ore will have to be milled and the only custom mill in the area is that of the Shenandoah-Dives Mining Company. The trucking rate from the mine to the mill has been $ 3.0 per ton of ore hauled. This mill is about 10 miles from the mine.

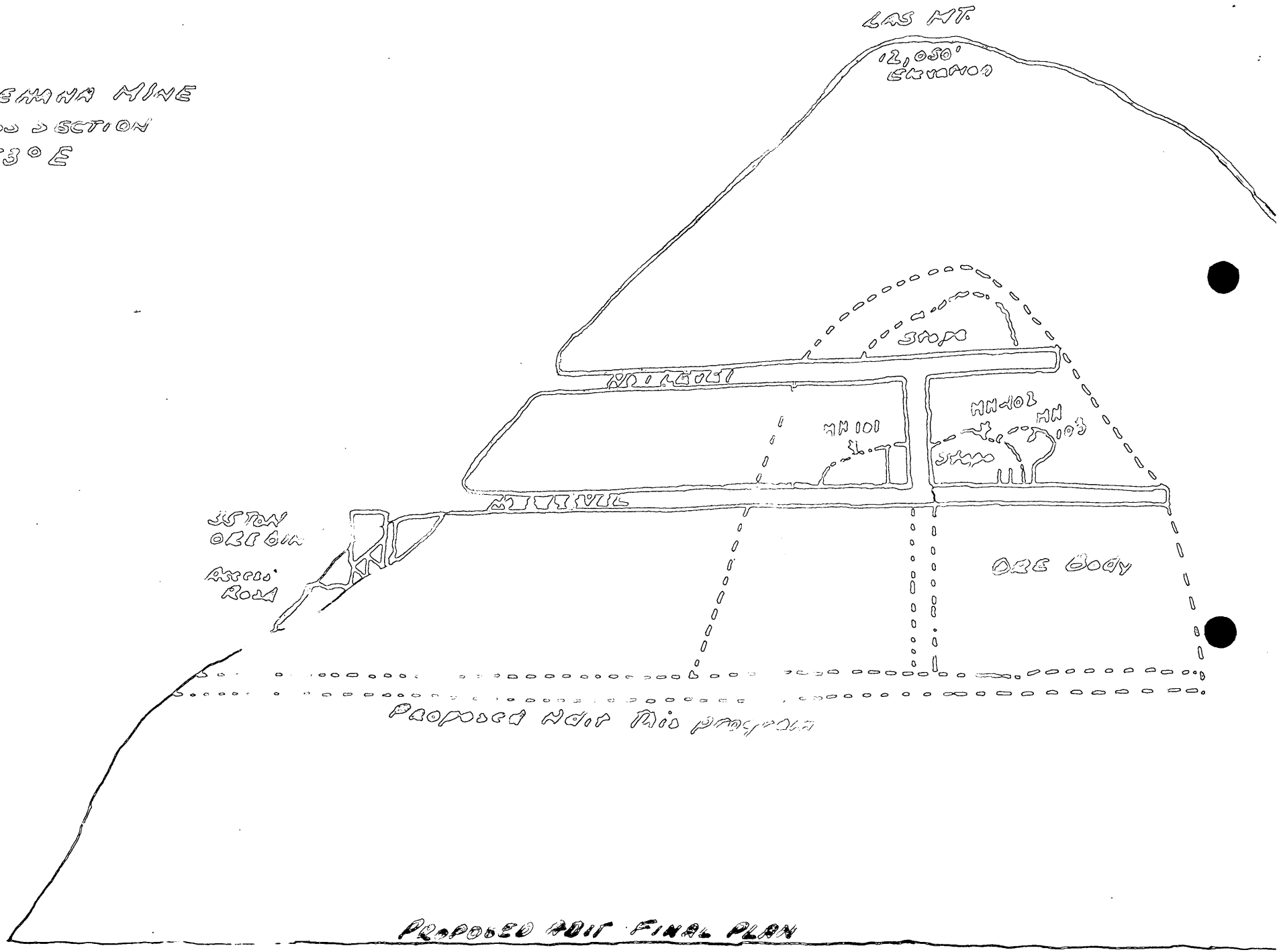
We feel sure that when the proposed work has been completed that we will be able to produce from 50-75 tons of ore per working day and that we could produce 25 tons per working day while this work was being done.

It is our opinion that this property presents very good prospects of becoming a productive mine of zinc, lead and copper and that all that is required to make it such at the present time is this proposed crosscut to get to the ore and a ~~r sum~~ on the zinc produced that will make the mining operations profitable.

MINNEHAHA MINE
CROSS SECTION
N 53° E

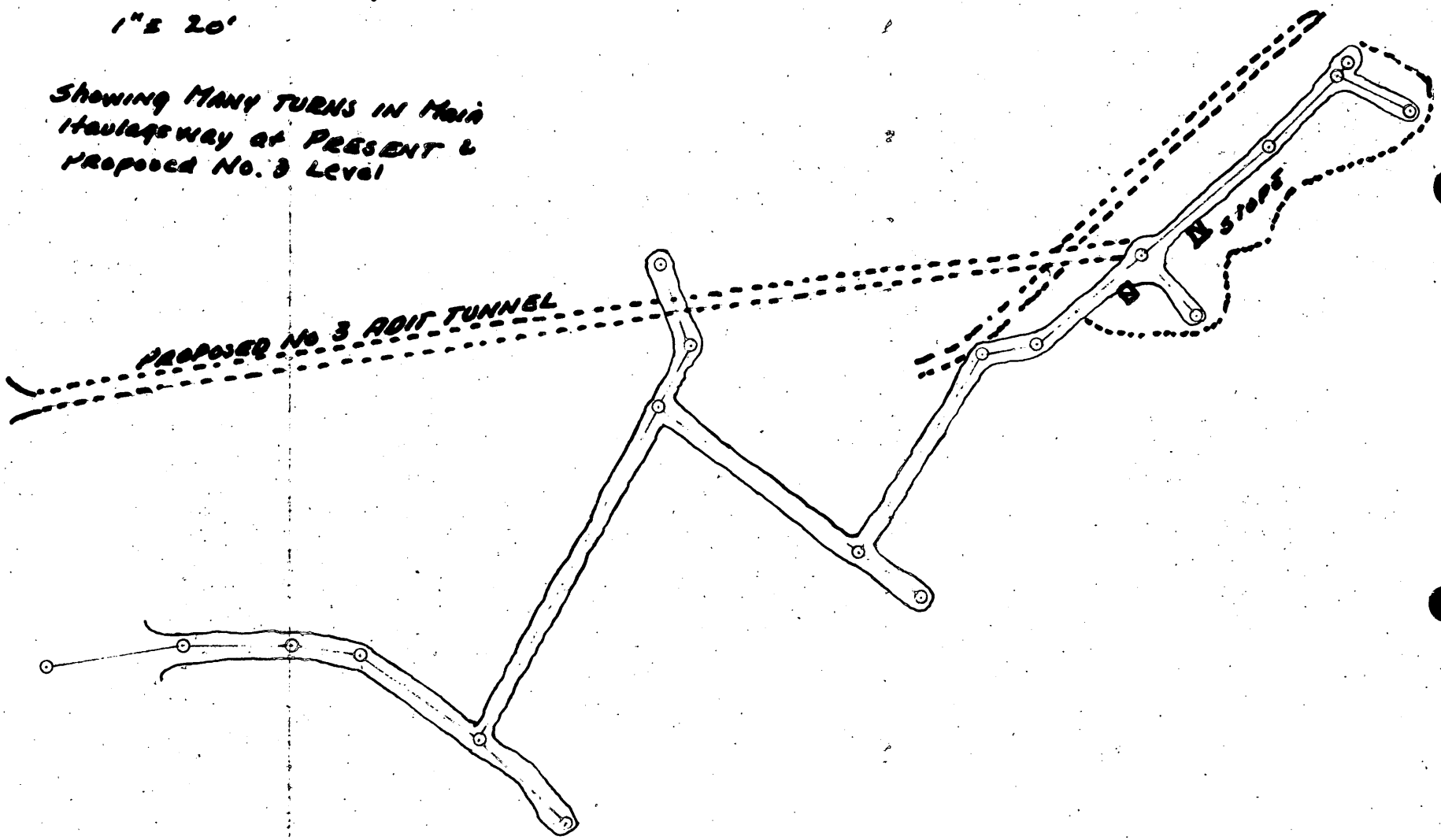


MINNEHAHA MINE
CROSS SECTION
N 53° E



MINNEHAHA MINE
NO 2 LEVEL PLAN
1" = 20'

Showing MANY TURNS IN Main Haulageway at PRESENT & Proposed No. 3 Level



14. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.

NAME AND ADDRESS (a)	Official title (If officer is also director indicate by "D") (b)	Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c)	Estimated net worth outside of Applicant (d)	Number of shares held in applicant: Common (e)	Number of shares held in applicant: Preferred (f)	Life insurance carried for benefit of Applicant: Amount (g)	Life insurance carried for benefit of Applicant: Net cash surrender value after loans (h)
Fred C. Brightly	Pres. D	Nothing	50,000.00	5556	None	None	None
E. P. Ehrlinger	V.P. & G.M. D.	Nothing	50,000.00	16666	None	50,000	U
Al Cohn	V.P. D	Nothing	100,000.00	16667	None	None	None
Vincent G. Zinn	Secty. D	Nothing	50,000.00	5556	None	None	None
John B. Orono	D	Nothing	250,000.00	5555	None	None	None
	Total	Nothing	x x x x x	50,000	None	x x x	x x x

15. CAPITAL STOCK ISSUES

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par value (c)	Number of shares outstanding (d)	Dividend rate last paid (e)
Common stock	$ 50,000.00	$50,000.00	$ None	50,000	None
Preferred stock	$ None	$	$		

16. PURCHASE AND SALES RELATIONS WITH OTHERS

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

No

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

No

17. COMPENSATION SCHEDULE

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

17. **COMPENSATION SCHEDULE** - Continued

The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation paid during previous fiscal year (c)	Present compensation (d)
Henry P. Ehrlinger	V. President & General Manager	Nothing	Nothing

18. **COLLATERAL**

(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

Description (a)	Date acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* value (e)
Property now held: Mining Claims listed in the report are held in escrow pending full payment on royalty basis. Ore Bin, Car, Track etc. is in mine and is not suitable collateral.				
To be acquired: The only collateral that can be offered at this time is potential ore which we have every reason to believe exists in the quantity and grade indicated herein. A conservative estimate reveals that this will net about $ 10.00 per ton after all costs have been paid. We propose to pay $ 1.00 per ton on the first 5000 tons to liquidate the loan and then $ 1.50 per ton on each ton of ore removed thereafter until the loan and accrued interest thereon has been fully paid.				

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)
No appraisal has been made on this property.		

(b) Describe existing liens, if any, on property listed above.

There are no liens of any nature against the property or the equipment.

Form NSRB-146 (Nov. 1950)	Name and address: [illegible]	Page 9 of 12 pages

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of December 31st, 1951

(Date not more than 30 days prior to date of application)

ASSETS

CURRENT ASSETS			
1. Cash			$ 110.30
2. Notes receivable		$ 0.00	
Less reserve for doubtful notes		0.00	
3. Accounts receivable:			
Current	$ 3,100.00		
Past due not over 4 months	0.00		
Past due over 4 months	0.00	$ 3,100.00	
Less reserve for doubtful accounts		0.00	3,100.00
4. Inventories:			
Raw materials (Crudo Oro)	$ 0.00		
Work in process (Oro in Proceso)	0.00		
Finished goods (Concentrado)	0.00	$ 0.00	
Less reserve for inventory losses		0.00	0.00
5. Other current assets (describe) Prepaid Insurance			155.65
TOTAL CURRENT ASSETS			$ 3,366.45
FIXED AND OTHER ASSETS			
6. Plant used in business:			
Land	$ 42,000.00		
Buildings	1,100.00		
7. Machinery	0.00		
8. Equipment, furniture, and fixtures	2,600.00	$ 45,700.00	
Less reserve for depreciation		457.00	45,243.00
9. Investments—stocks and bonds			0.00
10. Investments in affiliated companies			12,000.00
11. Receivables due from affiliated companies			0.00
12. Real estate not used in business			0.00
13. Due from officers, directors, employees, stockholders			0.00
14. Deferred charges			0.00
15. Other assets			0.00
TOTAL ASSETS			$ 63,975.00

LIABILITIES

CURRENT LIABILITIES			
16. Notes payable (see schedule 1, page 10):			
Banks		$ 0.00	
Trade creditors		0.00	
Officers, stockholders, relatives		0.00	
Insurance companies		0.00	$ 0.00
17. Accounts payable			1,304.34
18. Other current liabilities:			
Delinquent taxes — Real estate		$ 0.00	
Delinquent taxes — Federal		0.00	
Wages and salaries		0.00	
Due officers		0.00	
Accrued interest, rent, taxes, wages, etc.		0.00	
		0.00	0.00
TOTAL CURRENT LIABILITIES			$ 1,304.34
FIXED AND OTHER LIABILITIES			
19. Machinery liens			0.00
20. Mortgage debts (see schedule 2, page 10)			0.00
21. Bonds or debentures (see schedule 2, page 10)			0.00
22. Other liabilities			0.00
NET WORTH			
23. Common stock (if Applicant is incorporated)		$ 50,000.00	
24. Preferred stock (if Applicant is incorporated)		0.00	
25. Surplus (if Applicant is incorporated)		12,591.56	62,591.56
26. Capital and Surplus Account (if Applicant is partnership or individual)			
TOTAL LIABILITIES			$ 63,975.90
27. Contingent liabilities (explain)			$ None

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

SCHEDULE I - Notes Payable (in detail)

Name and address	Maturity	Amount	State amount and character of collateral	Name of guarantor(s) and/or endorser(s)
NONE				

SCHEDULE 2 - Mortgage Debt (real estate and/or chattels) or Bond Issue

Names and addresses of holders	Date of maturity	Interest rate	Unpaid principal amount	Date to which interest is paid
NONE			$	
TOTAL	X X X X X X X	X X X X X X	$	X X X X X X X X X X X X X X X X

If mortgage secures a bond issue, state whether bonds are principally held by management and/or stockholders or by others, and attach copy of mortgage indenture.

EXHIBIT B - CONDENSED COMPARATIVE STATEMENT OF INCOME AND EXPENSES

For years ended December 31st, 1950
(Insert date of end of fiscal year)
(000.00 omitted)

	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
1. Net sales				1,201.11
2. Cost of goods sold				1,201.33
3. Gross profit on sales (line 1 minus line 2)				[illegible]
4. Other income (itemize)				0.00
5. Total (line 3 plus line 4)				[illegible]
6. Salaries (officers or partners)*				0.00
7. Selling and all other expenses				0.00
8. Total of lines 6 and 7				0.00
9. Profit or loss before depreciation and Federal taxes (line 5 minus line 8)				[illegible]
10. Depreciation				0.00
11. Federal Income and Excess Profits Taxes				0.00
12. Net profit or loss (line 9 minus lines 10 and 11)				[illegible]
ANALYSIS OF SURPLUS				
13. Total surplus at beginning of period				14,670.18
14. Net profit or loss for period				[illegible]
15. Line 13 plus line 14 if profit; line 13 minus line 14 if loss				12,591.56
Add:				
16. Surplus paid in during period				0.00
17. Surplus resulting from revaluation of assets				0.00
18. Other additions to surplus (itemize)				0.00
19. Total of lines 15 to 18, inclusive				12,591.56
Deduct:				
20. Dividends				0.00
21. Other charges to surplus (itemize)				0.00
22. Total of lines 20 and 21				0.00
23. Surplus at end of period (line 19 less line 22), MUST AGREE WITH SURPLUS AS SHOWN IN BALANCE SHEETS				12,591.56

* To include all payments of any kind (commissions, bonuses, withdrawals) to officers or partners.

NOTE—If years included in the above tables are not adequately representative of applicant's financial experience, information may be submitted for additional years.

Form NSRB-146 (Nov. 1950) | Name and addre[illegible] |

EXHIBIT C - CONDENSED COMPARATIVE STATEMENT OF CONDITION

For years ended December 31st, 1950
(Insert date of end of fiscal year)

(000.00 omitted. Use figures to nearest thousand. For instance, the figure $3,489.36 should be written as 3; the figure $3,689.36 should be written as 4)

ASSETS	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
CURRENT ASSETS: Operations commenced in 1950				
1. Cash				110.00
2. Receivables (after deducting reserves)				3,100.00
3. Inventories				0.00
4. Other current assets:				
				0.00
				155.65
				0.00
TOTAL CURRENT ASSETS				3,366.45
FIXED AND OTHER ASSETS:				
5. Plant accounts (before depreciation):				
Machinery, equipment, etc.				0.00
Delivery equipment				0.00
Real estate and buildings used in business				16,243.00
6. Other assets (as investments, real estate not used in business, etc.):				
				12,000.00
				0.00
				0.00
TOTAL ASSETS				63,975.90
LIABILITIES				
CURRENT LIABILITIES:				
8. Notes payable				0.00
9. Accounts payable				1,384.35
10. Accrued liabilities				0.00
11. Other current liabilities:				
				0.00
				0.00
				0.00
TOTAL CURRENT LIABILITIES				1,384.35
FIXED AND OTHER LIABILITIES:				
12. Mortgage debts				0.00
13. Debentures				0.00
14. Other fixed liabilities:				
				0.00
				0.00
				0.00
RESERVES:				
15. Reserve for depreciation				0.00
16. Other reserves:				
				0.00
				0.00
				0.00
NET WORTH:				
17. Common stock (issued) (if Applicant is incorporated)				50,000.00
18. Preferred stock (issued) (if Applicant is incorporated)				0.00
19. Surplus (if Applicant is incorporated)				12,591.55
20. Capital and surplus account (if Applicant is partnership or individual)				
TOTAL LIABILITIES				63,975.90

NOTE— If years included in the above table are not adequately representative of applicant's financial experience, condition statements may be submitted for additional years.

[illegible]

TIME, is the essence of this request for a loan. If funds are made available immediately to start this program the road can be opened up before the heavy snows and drifting make this impossible. The drift crew is available and ready to go to work. If there is much further delay in processing this then it may be impossible to get to the property until April or May of this year. Further if this drift crew is not employed within a reasonable time they will move on to other employment out of the District and we may not have the men available at the time of starting.

The Corporation has expended all of the funds that they have available on the development of this property and there isn't sufficient income from development ore alone to pay for further work. Money is not available from the Banks and the Stockholders and Directors are restricted at this time by their failure to get zinc to carry on their galvanizing and die Casting businesses. Winter is the ideal time to start this work as the ground will be frozen and the driving thru the loose rock and ground will be expedited.

This property has been examined by representatives of both the U.S. Bureau of Mines and the Geological Survey and their recommendations and opinions agree with ours.

The Corporation will not pay any dividends on this property while the loan is in force and will pump back all available funds to write off the loan and continue the work without further increasing the loan.

COPY

EXHIBIT D

AGREEMENT AS TO COMPENSATION FOR SERVICES RENDERED OR TO BE RENDERED TO APPLICANT IN CONNECTION WITH APPLICATION AND/OR LOAN

To induce the United States Government and its agencies to make a loan under Sec. 302 of the Defense Production Act of 1950 to BOHNA MINING & DEVELOPING CO. INC. (hereinafter called "Applicant") and in consideration of the making of a loan to Applicant, the undersigned, having been retained by Applicant for the purpose of rendering professional or other services in connection with its application for a loan or loans, hereby represents, warrants, and agrees that the undersigned has not been paid, has not made any agreement with the Applicant to be paid, and has not procured any person to pay or agree to pay, and will not, directly or indirectly, charge or receive any bonus, fee, or commission in any form in connection with the said application for, or the obtaining of, the loan applied for by the Applicant, or any compensation in any form for services rendered or to be rendered in connection therewith except for the services and in the amounts stated below:

Name	Description of services	Amount paid	Amount to be paid
NONE	NONE	$ NONE	$ NONE

To induce the making of the loan and the employment of the undersigned by Applicant, the undersigned hereby further warrants, covenants and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by Applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the Applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the Applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to Applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: Vincent G. Kunz
Address of witness: VINCENT G. KUNZ, SECRETARY

BOHNA MINING & DEVELOPING CO. INC.
Fred C. Bruggi Jr.
FRED C. BRUGGI, JR., PRESIDENT

Dated JANUARY 14, 1951, 19____

NOTE—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the Applicant should sign this Exhibit.

CERTIFICATION

The Applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of Applicant's information and belief and are submitted as a basis for credit. The Applicant agrees to reimburse any agency of the United States Government upon demand for any expenses incurred in connection with or arising out of this application or any loan made pursuant hereto.

Dated _____, 19____

Witness: (For individual applicants)

(Signature)

Witness: (For partnership applicants)

(Full name of firm)

By _____, a general partner.
(Signature)

(For corporate applicants)

(CORPORATE SEAL)

BOHNA MINING & DEVELOPING COMPANY, INC.
(Full corporate name of Applicant)

Attest: Vincent G. Kunz, VINCENT G. KUNZ (Signature)

By Fred C. Bruggi Jr. FRED C. BRUGGI, JR. (Signature) PRESIDENT (Title)

SECRETARY (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE: 1950 O - 916171

Form NSRB-146
(Nov. 1950)

UNITED STATES GOVERNMENT

FORM APPROVED
BUDGET BUREAU NO. 25-R002

APPLICATION FOR GOVERNMENT LOAN
UNDER SEC. 302 OF
DEFENSE PRODUCTION ACT OF 1950

AMOUNT OF LOAN REQUESTED
$ 19,780.00

TERMS OF LOAN REQUESTED
$ 10,000.00 at Starting Date,
$ 2,500.00 per Month for 3½ Mos. if needed

DATE OF APPLICATION
January 13th, 1951

NAME AND ADDRESS OF APPLICANT (Street, City, Zone, State)

BONITA MINING & DEVELOPING CO. INC.
(MINNEHAHA MINE)
BOX 186,
SILVERTON, COLORADO.

TO BE FILLED IN BY DELEGATE AGENCY

(DATE RECEIVED)	COMM.
	AGRIC.
	INT.
	D.T.A.

FILE NO.

INSTRUCTIONS

Application should be filed with the Department of Commerce, Department of Agriculture, Department of Interior, or the Defense Transport Administration, whichever has the primary interest in the facilities, products, or processes involved. However, for convenience of the applicant, he may file with any government agency with which he has contract or other pertinent relationships and such agency will arrange for the transmittal of the application to the appropriate office.

Submit four (4) signed copies of the application. Name and address of applicant should be stamped or typed for identification of each sheet of the application and all accompanying papers. When a question is inapplicable, this should be so stated on the form. Additional sheets may be attached in answering any questions or in providing other supporting information.

1. PURPOSE OF LOAN

Give a brief general statement of the purpose of the loan requested, including in the table below estimated amounts for such major purposes as land acquisition, building construction, purchase of plant, purchase of equipment, working capital, repayment of debt, etc. Statement should make clear whether funds will be used for expansion of capacity, development of technological processes, or production of essential materials.

General Statement

To develop and produce minerals containing Zinc, Lead and Copper in that order from an operating mine and by this loan to increase the output of said mine 300 to 400% over the present rate. Nothing is involved in this process except the capital needed to do the development work that will make these minerals available.

NATURE OF EXPENDITURE	AMOUNT
Driving 490' Drift with 50' Timbered, Purchase of a Drill, Steel etc., Rental of a Compressor, Purchasing and installation of airline, track, ties etc. for the removal of the ore, general supplies, supervision and engineering and working capital (See Appended Report)	$ 19,780.00
Total amount applied for	

2. PROPOSED METHOD FOR REPAYMENT OF LOAN

State sources of funds, and proposed schedule of repayment

Repayment will be made by royalty payments on each ton of ore mined at the rate of $ 1.00 per ton on the first 5,000 tons removed and then at the rate of $ 1.50 per ton until the note and all accrued interest has been paid in full.

3. NATURE OF BUSINESS AND DESCRIPTION OF PROJECT

Describe fully the business activity for which the funds are intended. In so doing, identify the materials and services to be produced, describe the facilities and processes involved, and explain in detail any research activity and the nature of the results expected. Attach blueprints and specifications, if available, and furnish other technical details to the extent that they are not covered elsewhere in the application.

This Company is engaged in the Mining Business producing concentrates containing zinc, lead and copper metal which are sold to Custom Smelters. There is nothing involved in this work outside of labor and materials as the processes involved are old and well established.

4. Relationship to National Defense. Explain carefully how the expenditure of the funds will contribute to national defense. As a part of such explanation, the following questions should be answered to the extent possible:

(a) What evidence exists as to current shortages of the materials or services to be produced?

Newspaper and Periodical reports indicate that there is a shortage of Zinc and Copper at the present time and that the Lead supply is not too strong.

(b) What evidence exists as to future shortages of the materials or services to be produced?

From Newspapers and Periodicals it would appear that there are not sufficient new mines to replace the depletion of the present ones and hence at this rate of consumption that we now have these shortages will exist for some time to come.

(c) Are such shortages, if any, regional or national in scope?

They are Regional, National and International in scope.

(d) In what respects will the use of the funds aid directly in expediting the carrying out of government defense contracts? (A listing of defense contracts, if any, held by applicant is required in item 8 below.)

It will put much needed metals on the market for defense use.

4. Relationship to National Defense - Continued

(e) In what respects will the use of the funds aid indirectly in expediting the carrying out of government defense contracts or related operations?

The funds requested herein will be used to explore, develop and produce concentrates containing the metals zinc, lead and copper which in turn will be used by those agencies which have defense contracts.

(f) Are there available alternative methods or facilities to accomplish the same purpose as that for which these funds are intended? (For instance, unused capacity, possibility of multiple shift operations, idle facilities, readily convertible equipment, sub-contracting?) If answer is yes, explain why alternatives are not used.

There are no available alternatives to this type of work. The ore must be developed before it can be mined and placed on the market.

5. Maximum Designed Production

List separately materials or services identified in item 3 (a)	Unit of measure (b)	Maximum designed production with existing facilities (c)	Average percentage of maximum designed production used in quarter preceding filing of application (d)	Maximum designed production including use of funds applied for (e)
Zinc-Lead-Copper Ore	Tons	20-25 Tons/Day	100%	75-100 Tons/Day

6. Employment

(a) Number currently employed at location(s) where funds are to be used. (Use pay period ending nearest 15th of month preceding filing of application.)

Up until December 1, 1950 3 men were on the payroll.

(b) Maximum feasible employment with existing facilities.

(1) Single shift operation.

Six men, three on production, three on this work.

(2) Multiple shift operation (specify how many shifts).

Multiple shifts would not help due to the fact that ventilation will be poor and much time will be lost in blowing out.

(c) Estimated additional employees required by the use of the funds applied for.

Twelve men will be maximum required for the estimated tonnage production.

7. Timing

(a) On what date(s) are the requested funds needed? Immediately upon approval of the project we should have the working capital and the funds to purchase the supplies. At the end of each 30 days we should be able to draw funds to meet the payrolls. Since labor will probably be the only expense we should have these funds arranged for.

(b) On what expected date(s) will applicant begin to use such funds and obtain output from the use of such funds? Wherever possible, give planned schedule of output.

Output will commence from the upper workings on the date of approval and advance of working capital and in 120 days full production may be expected.

8. Output from the use of funds applied for will be for the following purposes:

a. For the following principal prime defense contracts (if any) with the United States Government:

Date of contract (a)	Contracting Government Agency (b)	Program symbol (2 digits) or other contract identification (c)	Materials or services (d)	Delivery date(s) (e)	Amount (Dollars) (f)
	We have no Government Contracts				

b. For the following subcontracts (if any) with U.S. Government prime defense contractors:

Date of contract (a)	Materials or services (b)	Supplied to (Give name and address of firm) (c)	Delivery date(s) (d)	(e) Government agency receiving end product or services / (f) Program symbol (2 digits) or other contract identification	Amount (Dollars) (g)
	We have no Government Sub-Contracts			(e) / (f)	
				(e) / (f)	
				(e) / (f)	

c. For the following classes or types of customers not covered by contracts listed above (list materials or services to be provided and, wherever possible, also indicate final product use):

We are a basic industry and as such only produce concentrates of zinc, lead and copper which are sold to Custom Smelters. These will be sold by these smelters to Contractors who have defense contracts but we are not able to ascertain who they are or the contracts they have.

9. **Feasibility**

(a) Estimate anticipated requirements for manpower, equipment, raw materials, energy, fuel, transportation facilities, water supply, housing, community facilities, and other factors of production, for (1) preparation of the facilities and (2) actual operation thereof. (The estimates may be limited to those factors of substantial significance to the preparation and operation of the facilities for which the funds are intended.)

The manpower required is five men and these men are available, the mine equipment is available for rental in Silverton at the present time, the other items such as timber, ties etc. are available at the property and there will be no time lost in preparation. The Company and the Miners have a vehicle for transportation to and from the mine and ore hauling is done by contract.

(b) Discuss and evaluate the availability of each of the above factors in the area(s) where the funds will be used.

As stated above all requirements are on hand or readily available.

10. The following applications for necessity certificates for tax amortization (Under Section 124A of the Internal Revenue Code) for facilities at the location(s) covered by this application have been filed since January 1, 1950.

Date of application (a)	Government file number (b)	(Estimated) Total of facilities in dollars on each application (c)	(d) If final action has been taken, give date of	
			Issuance	Denial
None have been requested as this is not applicable.				

11. **Recent Efforts to Obtain Credit**

(a) Banks—List names and addresses of all Banks of Deposit of Applicant within the last 5 years: *(Mark with an asterisk (*) bank or banks in which deposits are now kept)*

CITIZENS STATE BANK, Ouray, Colorado. *
FIRST NATIONAL BANK, Durango, Colorado *

11. **Recent Efforts to Obtain Credit** Continued

(b) State efforts to obtain credit, within 60 days preceding date of application, from banks, the Reconstruction Finance Corporation, or other sources, results, and reasons if refused. (NOTE.— Section 302 of the Defense Production Act of 1950 states that a loan may be extended "only to the extent that it is not otherwise available on reasonable terms." Accordingly, Applicant should show that it has applied to each bank named in (a) above, or explain the reason for not doing so. The fact that a loan of the particular maturity and terms applied for is refused by a bank or banks is not sufficient to comply with the statute, if credit on reasonable terms is available. State whether a bank will participate in the loan, and if so, state name of bank and amount of participation. Full particulars must be given.) List the names and addresses of banks and other lending institutions to which applications for credit have been made, and in each case state date of application, amount of credit available, if any, maximum term for which credit is available, what consideration, if any, was given to possible guarantee of loan under Federal Reserve Regulation V, and reason for refusal or reason loan was not obtained. Indicate whether or not application was definitely refused for further credit on any basis.

On January 2, 1951 the Citizens State Bank of Ouray, Colorado was advised of our desire to borrow funds for the development of this property and was advised of the amount and use of said funds. They reported that they would not loan money for a mining enterprise under any circumstances with or without government participation. The First National Bank of Durango, Colorado stated that they could not loan the funds to us for this purpose because of banking restrictions but that they would loan funds on government guarantee at 4% per annum interest. The RFC was contacted prior to this request to the Banks but they could not loan money with probable ore returns for the security.

12. What other forms of government financial assistance, if any, have been received or requested by the applicant in connection with the purposes of the loan herein applied for? If applicant plans to request such assistance in the future, give details.

No other applications have been made for Government assistance and we plan no such move.

13. **HISTORY, MANAGEMENT, LEASED AGREEMENTS, INSURANCE, ETC.** (See appended Report)

These subjects should be fully covered in statements attached hereto. Outline past management experience or other basis for showing competence of the Applicant to perform in accordance with expressed purpose of the application. If plant was purchased, state price, form and terms of payment, date of purchase, from whom and under what circumstances purchase was made. If it is proposed to construct or acquire new facilities (including equipment), state estimated cost and basis of such estimate, form and terms of payment, and from whom purchases of facilities will be made. State whether Applicant, or the business or plant, has been in receivership, bankruptcy, Chapter X, XI or XII, in hands of creditors, committee, or whether Applicant has effected a compromise with creditors, and if so, discuss fully. Indicate whether business is conducted in leased premises and whether any facilities are leased from others and describe terms of any lease agreements. List type and amount of insurance carried on plant property. Describe briefly any pending or threatened litigation affecting Applicant.

MINNEHAHA MINE

The Minnehaha Mine consists of two lode Mining Claims known as the Minnehaha and Minnehaha No. 2 both U.S. Mineral Survey No. 14425 located in the Eureka Mining District of San Juan County, Colorado. They cover about 19.1 acres of mineral bearing land on the brow of Los Mountain and are adjacent to the Lead Carbonate Mine and the Golden Monarch property on the North and the Blackhawk and Big Indian properties on the South.

The present operating Company is the Bonita Mining & Developing Co., Inc., of Silverton, Colorado. They are purchasing it on a lease and option agreement from Ernest S. Hoffman and George L. Zanoni of Silverton, Colorado on a Lease and Option basis with a total price of $ 20,000.00 of which over $ 2,000.00 has been paid on down and royalty payments. These two men own 22/24ths of the property and the owners of the other 2/24ths are co-partners with the Bonita Mining & Developing Company, Inc. in the operations of the property.

There is evidence of quite a production record in the past from this property from the upper levels and from old maps, records, assays of the shipments and statistics we have determined that some 3,000 tons of ore were removed up to and including the years 1898 to 1907. Due to the fact that there were no roads into this area at that time and all of the ore had to be packed out these former operators hand sorted it and reduced this tonnage to about 300-350 tons. The average assays of the sorted ore shipped to the Durango and Salida Smelters show that this sorted ore averaged 30% Lead and 22% Zinc.

In 1907-1908 under the direction of the owner Mr. Cotton a second level was opened up and some 50 tons of ore were shipped from this level which ran over 30% lead but the zinc content was so high that the penalty on this metal reduced the returns to just about enough to pay the freight and they gave up the operations. There has been nothing done on the mine since 1908 until the present operators took over.

Since the Bonita Mining & Developing Company, Inc. took over the property, August 1950, they have opened up the portal on No. 2 Level, retimbered the manway and short Chute and have done considerable stoping and sampling of the mine to ascertain what can be expected of it and the ore reserves available. During the months of September-November 1950 the following production was effected with the clean-up and development work:

LOT NO.	TONS	Au.	Ag.	Pb.	Cu.	Zn.	Fe.
MH-1	60.507	.02	2.0	2.7	.70	3.4	5.8
MH-2	20.495	.02	2.8	2.0	.75	3.5	11.5
MH-3	54.600	.025	4.3	1.7	.42	3.4	7.2
MH-4	69.117	.02	3.0	2.8	.91	2.9	13.4
MH-5	65.134	.03	5.7	3.0	.75	4.4	6.2
MH-6	98.670	.01	3.8	1.9	.65	3.9	7.7
	308.523						

The above listed production was from development work only for it was necessary to cut another chute pocket, prepare a stope and remove some of the old ore from the manway and raise to the No. 1 level. Only two men were employed in this work on a labor contract.

The following prints are attached to show all previous known work on the property; the work done by the present operators in 1950 and the proposed development work for which this loan is requested. Observation of the plan showing the present No. 2 Level tunnel will clearly indicate that the haulage problem with all of the bends and twists in the track is not a small one .

Before operations were suspended at the end of November sampling was done on the faces of the stope from both entries with the following results:

SAMPLE NO.	Au.	Ag.	Pb.	Cu.	Zn.	Fe.
MH-101	.02	3.6	2.4	1.2	5.1	7.7
MH-102	.02	4.6	6.1	1.2	10.5	5.2
MH-103	.02	2.0	2.7	.8	3.4	9.8

These samples, at the time, were somewhat of a disappointment to us due to the low gold values and the high zinc values. There is no profit in zinc for the custom mill pays us for less than 50% of its value and as the treatment charges are extremely high at the Smelter we receive only about 4¢ per pound for this metal on the present 17½¢ market.

Since this property is primarily a zinc producing one and the zinc picture has changed materially in the past three months we have decided to prepare our development program and if government assistance is available with a guaranteed price on zinc for the period of the loan, we could open this property up and make a substantial contribution of zinc to the National Defense program. We feel, however, that to do this work ourselves with an unknown future zinc market might result in a loss and we can't afford to stand a loss at this time.

The planned development program is based on the assumption that this vein goes down at least 150' and all indications point to this to be a fact and to further substantiate it the ore deposits at the adjacent Lead Carbonate mine are found at this level and the base metal values have increased. In the Gold King tunnel some 1'500' below this level strong lead-zinc veins are encountered so it would appear that this premise has some merit.

To get to a lower level we have two alternatives, one sinking on the vein and then hoisting the ore or driving in another crosscut to the vein from a lower elevation on the hillside. The latter presents the best plan for the haulageway on Level 2 is not the best and the hoisting of ore would be quite an expense. We have established that we would drive a crosscut in to the intersection of the vein structure and stope from there to the present level.

The ore reserves in this property have been calculated as follows, based on the present development work that has been done and from the ore attending the present ore body on the No. 2 Level we can safely as une a depth of 150' of ore below that level. No estimate is made of the ore above the No. 1 Level for we have not been able to get up there so far in our work.

Measured Ore	5,330 Tons
Indicated Ore	4,500 Tons
Inferred Ore	18,990 Tons
	28,820 Tons

The estimated costs for labor, supplies, working capital, tools etc., to complete this project are listed as follows:

490' Drifting, 50' Timbered	$ 9,800.00
Drifter, Steel Etc.,	1,500.00
Compressor Rental	1,200.00
Air Line, Track, Ties, etc.	1,480.00
Comp. Insurance etc.	750.00
General Supplies, Powder etc.	1,800.00
Supervision & Engineering	1,500.00
Working Capital	1,750.00
	$ 19,780.00

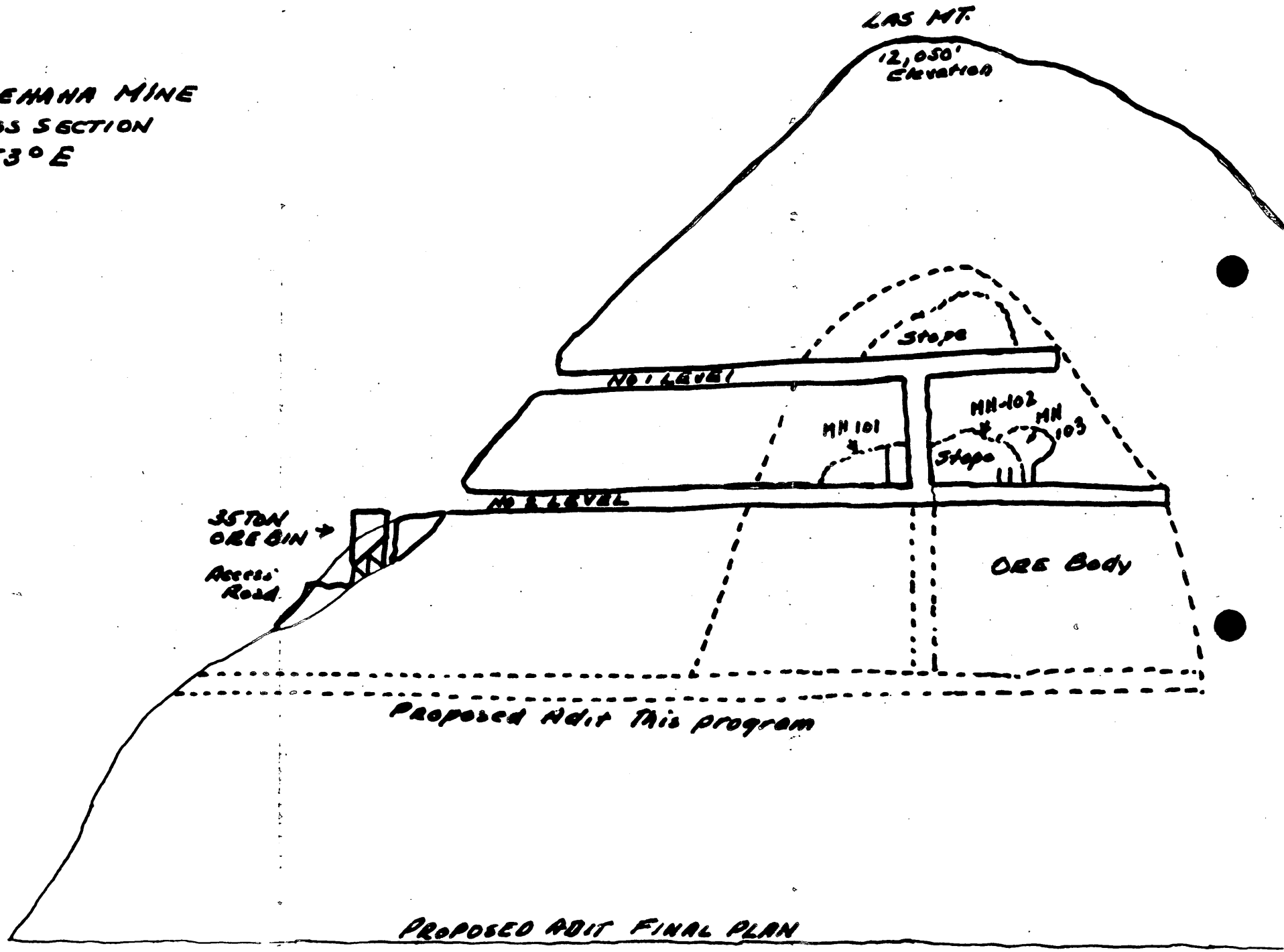
The only equipment that will be needed to do this work is a Drifter as we have the track, timber, ties etc. available locally and we can rent a compressor and mucking machine at a very nominal cost. Up until we shut down in November we had three men on the payroll who would be able to do this work and at the present writing they are unemployed. These men have a labor contract on the property and would, no doubt, want to drive the drift. At the time of the drifting men would be employed in the stopes on level No. 2 and production would go on at the same time. This would mean that we would have a total force of from five to six men on the property.

The ore will have to be milled and the only Custom ill in the area is that of the Shenandoah-Dives Mining Company. The trucking rate from the mine to the mill has been $ 3.00 per ton of ore hauled. This mill is about 10 miles from the mine.

We feel sure that when the proposed work has been completed that we will be able to produce from 50-75 tons of ore per working day and that we could produce 25 tons per working day while this work was being done.

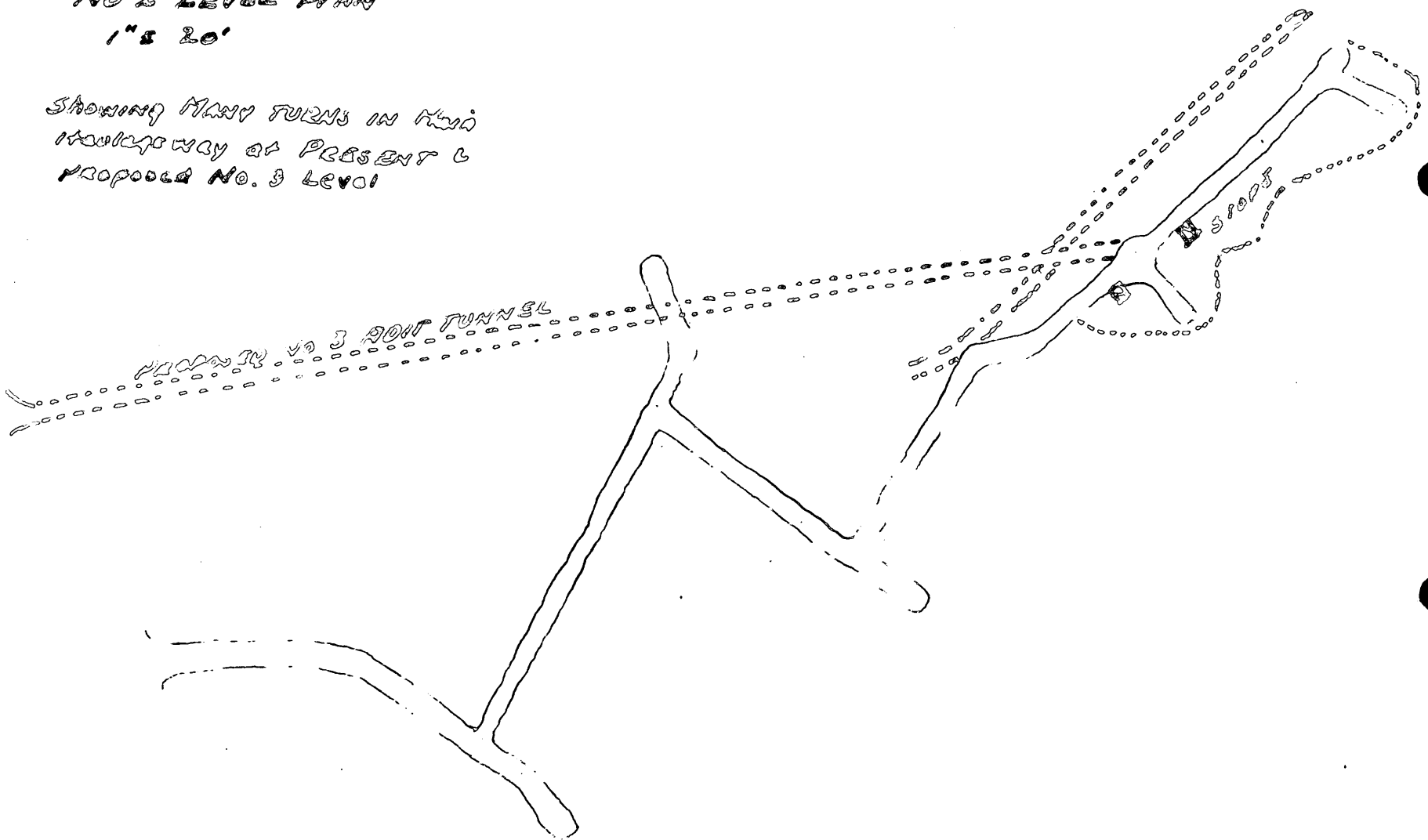
It is our opinion that this property presents very good prospects of becoming a productive mine of zinc, lead and copper and that all that is required to make it such at the present time is this proposed crosscut to get to the ore and a return on the zinc produced that will make the mining operations profitable.

MINNEHAHA MINE
CROSS SECTION
N 53° E



MINNEHAHA MINE
NO 2 LEVEL PLAN
1" = 20'

SHOWING MANY TURNS IN MAIN HAULAGEWAY AT PRESENT & PROPOSED NO. 3 LEVEL



14. NAMES AND ADDRESSES OF OFFICERS, DIRECTORS, OR PARTNERS, AND IN ADDITION THERETO, THE FIVE LARGEST STOCKHOLDERS IF A CORPORATION.

NAME AND ADDRESS (a)	Official title (If officer is also director indicate by "D") (b)	Total of annual salary, commissions, bonuses, etc., received from Applicant and affiliates during last fiscal year (c)	Estimated net worth outside of Applicant (d)	Number of shares held in applicant: Common (e)	Number of shares held in applicant: Preferred (f)	Life insurance carried for benefit of Applicant: Amount (g)	Life insurance carried for benefit of Applicant: Net cash surrender value after loans (h)
Fred C. Brightly	Pres. D	Nothing	50,000.00	5556	None	None	None
H. P. Ehrlinger	V.P. & G.M. D.	Nothing	50,000.00	16666	None	50,000	U
Al Cohn	V.P. D	Nothing	100,000.00	16667	None	None	None
Vincent G. Rinn	Secty. D	Nothing	50,000.00	5556	None	None	None
John D. Owens	D	Nothing	250,000.00	5555	None	None	None
	Total	Nothing	x x x x x	50,000	None	x x x	x x x

15. CAPITAL STOCK ISSUES

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par value (c)	Number of shares outstanding (d)	Dividend rate last paid (e)
Common stock	$ 50,000.00	$ 50,000.00	$ None	50,000	None
Preferred stock	$ None	$	$		

16. PURCHASE AND SALES RELATIONS WITH OTHERS

Does Applicant buy from, sell to, or use the services of, any concern or partnership in which an officer, director, large stockholder, or partner of the Applicant has a substantial interest? If not, so state. If so, give names of such officers, directors, stockholders, and partners, and names of such concerns or partnerships.

No

Does any officer, director, large stockholder, or partner of Applicant receive any commission, bonus, or other payment in cash or services from any concern or partnership with which Applicant has business dealings? If not, so state. If so, give names of such officers, directors, stockholders, or partners and amounts of such commissions, bonuses, or payments.

No

17. COMPENSATION SCHEDULE

INSTRUCTIONS: The schedule shall show the amount of compensation being paid to all employees of Applicant receiving compensation at a rate in excess of $10,000 per annum, including employees paid on a part-time basis where the rate of compensation exceeds $10,000 per annum computed on a full-time basis. If Applicant is a corporation, the schedule should show the compensation, regardless of amount, being paid to all officers, directors, and such stockholders as have an interest in Applicant's business of 10 percent or more. If Applicant is a partnership, the schedule should show the compensation being paid to, or being withdrawn by, all partners for their personal use. If Applicant is an individual, the schedule should show the amount being withdrawn by Applicant for his personal use. In each case the listed person's connection with the business should be indicated (i.e., whether an officer, director, stockholder, partner, owner, etc.). The calendar basis for the compensation should likewise be shown. Attorneys or firms of attorneys on a regular retainer or salary basis should be included. The schedule should include a separate notation indicating the source and amount of any compensation being paid by a company or firm directly or indirectly controlling, affiliated with, or controlled by, Applicant. If the space provided herein is insufficient, the schedule should be continued on the reverse side or appropriate continuation sheets should be attached.

17. **COMPENSATION SCHEDULE** - Continued

The term "compensation", as used herein and such schedule, shall include all salaries, fees, bonuses, commissions, retainers, regular drawing accounts, and other payments, direct or indirect, in money or otherwise, for personal services.

Name (a)	Position (b)	Compensation paid during previous fiscal year (c)	Present compensation (d)
Henry P. Ehrlinger	V. President & General Manager	Nothing	Nothing

18. **COLLATERAL**

(a) The applicant offers the following described collateral as security for repayment of the loan applied for.

Description (a)	Date acquired (b)	Cost (c)	Book Value (Net) (d)	Appraised* value (e)
Property now held: Mining Claims listed in the report are held in escrow pending full payment on royalty basis. Ore Bin, Car, Track etc. is in mine and is not suitable collateral.				
To be acquired: The only collateral that can be offered at this time is potential ore which we have every reason to believe exists in the quantity and grade indicated herein. A conservative estimate reveals that this will net about $ 10.00 per ton after all costs have been paid. We propose to pay $ 1.00 per ton on the first 5000 tons to liquidate the loan and then $ 1.50 per ton on each ton of ore removed thereafter until the loan and accrued interest thereon has been fully paid.				

* This column need be filled in only if a recent appraisal has been made. If so, identify appraiser below.

Name (a)	Title (b)	Date (c)
No appraisal has been made on this property.		

(b) Describe existing liens, if any, on property listed above.

There are no liens of any nature against the property or the equipment.

EXHIBIT A - CURRENT FINANCIAL STATEMENT

As of December 31st, 1951

(Date not more than 30 days prior to date of application)

ASSETS

CURRENT ASSETS				
1. Cash				$ 110.80
2. Notes receivable			$ 0.00	
Less reserve for doubtful notes			0.00	
3. Accounts receivable:				
Current	$ 3,100.00			
Past due not over 4 months	0.00			
Past due over 4 months	0.00		$ 3,100.00	
Less reserve for doubtful accounts			0.00	3,100.00
4. Inventories:				
Raw materials (Crude Ore)	$ 0.00			
Work in process (Ore in Process)	0.00			
Finished goods (Concentrates)	0.00		$ 0.00	
Less reserve for inventory losses			0.00	0.00
5. Other current assets (describe) Prepaid Insurance				155.65
TOTAL CURRENT ASSETS				$ 3,366.45
FIXED AND OTHER ASSETS				
6. Plant used in business:				
Land	$ 42,000.00			
Buildings	1,100.00			
7. Machinery	0.00			
8. Equipment, furniture, and fixtures	2,600.00		$ 45,700.00	
Less reserve for depreciation			457.00	45,243.00
9. Investments—stocks and bonds				0.00
10. Investments in affiliated companies				12,000.00
11. Receivables due from affiliated companies				0.00
12. Real estate not used in business				0.00
13. Due from officers, directors, employees, stockholders				0.00
14. Deferred charges				0.00
15. Other assets				0.00
TOTAL ASSETS				$ 63,975.00

LIABILITIES

CURRENT LIABILITIES			
16. Notes payable (see schedule 1, page 10):			
Banks		$ 0.00	
Trade creditors		0.00	
Officers, stockholders, relatives		0.00	
Insurance companies		0.00	$ 0.00
17. Accounts payable			1,384.34
18. Other current liabilities:			
Delinquent taxes	Real estate	$ 0.00	
	Federal	0.00	
Wages and salaries		0.00	
Due officers		0.00	
Accrued interest, rent, taxes, wages, etc.		0.00	
		0.00	0.00
TOTAL CURRENT LIABILITIES			$ 1,384.34
FIXED AND OTHER LIABILITIES			
19. Machinery liens			0.00
20. Mortgage debts (see schedule 2, page 10)			0.00
21. Bonds or debentures (see schedule 2, page 10)			0.00
22. Other liabilities			0.00
NET WORTH			
23. Common stock (if Applicant is incorporated)		$ 50,000.00	
24. Preferred stock (if Applicant is incorporated)		0.00	
25. Surplus (if Applicant is incorporated)		12,591.56	62,591.56
26. Capital and Surplus Account (if Applicant is partnership or individual)			
TOTAL LIABILITIES			$ 63,975.90
27. Contingent liabilities (explain)			$ None

NOTE.— Submit copy of last available audit or of financial statement at close of last fiscal period (if such date differs from date of above statement).

SCHEDULE I - Notes Payable (in detail)

Name and address	Maturity	Amount	State amount and character of collateral	Name of guarantor(s) and/or endorser(s)
NONE				

SCHEDULE 2 - Mortgage Debt (real estate and/or chattels) or Bond Issue

Names and addresses of holders	Date of maturity	Interest rate	Unpaid principal amount	Date to which interest is paid
NONE			$	
TOTAL	X X X X X X X	X X X X X X	$	X X X X X X X X X X X X X X X X

If mortgage secures a bond issue, state whether bonds are principally held by management and/or stockholders or by others, and attach copy of mortgage indenture.

EXHIBIT B - CONDENSED COMPARATIVE STATEMENT OF INCOME AND EXPENSES

For years ended December 31st, 1950
(Insert date of end of fiscal year)
(000.00 omitted)

	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
1. Net sales				1,204.41
2. Cost of goods sold				3,291.33
3. Gross profit on sales (line 1 minus line 2)				2,086.92
4. Other income (itemize)				0.00
5. Total (line 3 plus line 4)				2,086.92
6. Salaries (officers or partners)*				0.00
7. Selling and all other expenses				0.00
8. Total of lines 6 and 7				0.00
9. Profit or loss before depreciation and Federal taxes (line 5 minus line 8)				2,086.92
10. Depreciation				0.00
11. Federal Income and Excess Profits Taxes				0.00
12. Net profit or loss (line 9 minus lines 10 and 11)				2,086.92
ANALYSIS OF SURPLUS				
13. Total surplus at beginning of period				14,678.48
14. Net profit or loss for period				2,086.92
15. Line 13 plus line 14 if profit; line 13 minus line 14 if loss				12,591.56
Add:				
16. Surplus paid in during period				0.00
17. Surplus resulting from revaluation of assets				0.00
18. Other additions to surplus (itemize)				0.00
19. Total of lines 15 to 18, inclusive				12,591.56
Deduct:				
20. Dividends				0.00
21. Other charges to surplus (itemize)				0.00
22. Total of lines 20 and 21				0.00
23. Surplus at end of period (line 19 less line 22), MUST AGREE WITH SURPLUS AS SHOWN IN BALANCE SHEETS				12,591.56

* To include all payments of any kind (commissions, bonuses, withdrawals) to officers or partners.

NOTE—If years included in the above tables are not adequately representative of applicant's financial experience, information may be submitted for additional years.

Form NSRB-146 (Nov. 1950) | Name and address Minnehaha Mine, Silverton, Colorado. |

EXHIBIT C CONDENSED COMPARATIVE STATEMENT OF CONDITION

For years ended December 31st, 1950
(Insert date of end of fiscal year)

(000.00 omitted. Use figures to nearest thousand. For instance, the figure $3,489.36 should be written as 3; the figure $3,689.36 should be written as 4)

ASSETS	(Figures for 3 preceding years) 19	19	19	Current year as of date of Exhibit A
CURRENT ASSETS: Operations commenced in 1950				
1. Cash				110.80
2. Receivables (after deducting reserves)				3,100.00
3. Inventories				0.00
4. Other current assets:				
				0.00
				155.65
				0.00
TOTAL CURRENT ASSETS				3,366.45
FIXED AND OTHER ASSETS:				
5. Plant accounts (before depreciation):				
Machinery, equipment, etc.				0.00
Delivery equipment				0.00
Real estate and buildings used in business				45,243.00
6. Other assets (as investments, real estate not used in business, etc.):				
				12,000.00
				0.00
				0.00
TOTAL ASSETS				63,975.90
LIABILITIES				
CURRENT LIABILITIES:				
8. Notes payable				0.00
9. Accounts payable				1,384.31
10. Accrued liabilities				0.00
11. Other current liabilities:				
				0.00
				0.00
				0.00
TOTAL CURRENT LIABILITIES				1,384.31
FIXED AND OTHER LIABILITIES:				
12. Mortgage debts				0.00
13. Debentures				0.00
14. Other fixed liabilities:				
				0.00
				0.00
				0.00
RESERVES:				
15. Reserve for depreciation				0.00
16. Other reserves:				
				0.00
				0.00
				0.00
NET WORTH:				
17. Common stock (issued) (if Applicant is incorporated)				50,000.00
18. Preferred stock (issued) (if Applicant is incorporated)				0.00
19. Surplus (if Applicant is incorporated)				12,591.56
20. Capital and surplus account (if Applicant is partnership or individual)				
TOTAL LIABILITIES				63,975.90

NOTE— If years included in the above table are not adequately representative of applicant's financial experience, condition statements may be submitted for additional years.

MINNEHAHA MINE DEVELOPMENT

TIME, is the essence of this request for a loan. If funds are made available immediately to start this program the road can be opened up before the heavy snows and drifting make this impossible. The drift crew is available and ready to go to work. If there is much further delay in processing this then it may be impossible to get to the property until April or May of this year. Further if this drift crew is not employed within a reasonable time they will move on to other employment out of the District and we may not have the men available at the time of starting.

The Corporation has exponded all of the funds that they have available on the development of this property and there isn't sufficient income from development ore alone to pay for further work. Money is not available from the Banks and the Stockholders and Directors are restricted at this time by their failure to get zinc to carry on their galvanizing and Die Casting businesses. Winter is the ideal time to start this work as the ground will be frozen and the driving thru the loose rock and ground will be expedited.

This property has been examined by representatives of both the U.S. Bureau of Mines and the Geological Survey and their recommendations and opinions agree with ours.

The Corporation will not pay any dividends on this property while the loan is in force and will pump back all available funds to write off the loan and continue the work without further increasing the loan.

COPY

EXHIBIT D

AGREEMENT AS TO COMPENSATION FOR SERVICES RENDERED OR TO BE RENDERED TO APPLICANT IN CONNECTION WITH APPLICATION AND/OR LOAN

To induce the United States Government and its agencies to make a loan under Sec. 302 of the Defense Production Act of 1950 to BONITA MINING & DEVELOPING CO. INC. (hereinafter called "Applicant") and in consideration of the making of a loan to Applicant, the undersigned, having been retained by Applicant for the purpose of rendering professional or other services in connection with its application for a loan or loans, hereby represents, warrants, and agrees that the undersigned has not been paid, has not made any agreement with the Applicant to be paid, and has not procured any person to pay or agree to pay, and will not, directly or indirectly, charge or receive any bonus, fee, or commission in any form in connection with the said application for, or the obtaining of, the loan applied for by the Applicant, or any compensation in any form for services rendered or to be rendered in connection therewith except for the services and in the amounts stated below:

Name	Description of services	Amount paid	Amount to be paid
NONE	NONE	$ NONE	$ NONE

To induce the making of the loan and the employment of the undersigned by Applicant, the undersigned hereby further warrants, covenants and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by Applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the Applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the Applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to Applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: Vincent G. Rinn
Address of witness: VINCENT G. RINN, SECRETARY

BONITA MINING & DEVELOPING CO. INC.
Fred C. Brightly Jr
FRED C. BRIGHTLY, JR., PRESIDENT

Dated JANUARY 14, 1951, 19____

NOTE—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the Applicant should sign this Exhibit.

CERTIFICATION

The Applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of Applicant's information and belief and are submitted as a basis for credit. The Applicant agrees to reimburse any agency of the United States Government upon demand for any expenses incurred in connection with or arising out of this application or any loan made pursuant hereto.

Dated _____, 19____

Witness: (For individual applicants)

(Signature)

Witness: (For partnership applicants)

(Full name of firm)

By _____, a general partner.
(Signature)

(For corporate applicants)

(CORPORATE SEAL)

BONITA MINING & DEVELOPING COMPANY, INC.
(Full corporate name of Applicant)

Attest: By Fred C. Brightly Jr PRESIDENT
(Signature) FRED C. BRIGHTLY, JR. (Title)

Vincent G. Rinn, SECRETARY
VINCENT G. RINN (Signature) (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE: 1950 O - 916171

MINNEHAHA MINE DEVELOPMENT

TIME, is the essence of this request for a loan. If funds are made available immediately to start this program the road can be opened up before the heavy snows and drifting make this impossible. The drift crew is available and ready to go to work. If there is much further delay in processing this then it may be impossible to get to the property until April or May of this year. Further if this drift crew is not employed within a reasonable time they will move on to other employment out of the District and we may not have the men available at the time of starting.

The Corporation has expended all of the funds that they have available on the development of this property and there isn't sufficient income from development ore alone to pay for further work. Money is not available from the Bánks and the Stockholders and Directors are restricted at this time by their failure to get zinc to carry on their galvanizing and Die Casting businesses. Winter is the ideal time to start this work as the ground will be frozen and the driving thru the loose rock and ground will be expedited.

This property has been examined by representatives of both the U.S. Bureau of Mines and the Geological Survey and their recommendations and opinions agree with ours.

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Name	Description of services	Amount paid	Amount to be paid
NONE	NONE	$ NONE	$ NONE

To induce the making of the loan and the employment of the undersigned by Applicant, the undersigned hereby further warrants, covenants and agrees, upon the consideration herein specified, and in consideration of the employment of the undersigned by Applicant, as above recited, that if the amount of compensation stated above for any such services shall not be deemed reasonable by any agency of the United States Government, the undersigned will reduce the charge for such services to such amount as shall be deemed reasonable by such agency, and will not, directly or indirectly, charge or collect from the Applicant or any other person, any sum in excess of the amount so deemed reasonable; and that if the undersigned has heretofore collected, from the Applicant or any other person, as compensation for any such services, any amount deemed by such agency to be unreasonable, the undersigned will refund to Applicant or such other person such sums as are in excess of the amount deemed reasonable. The undersigned further warrants, covenants and agrees that if the amount of the compensation for any such services is not determinable at the date of application, or is not stated above, it will not collect or charge any sum as compensation for such services without the prior written approval of the Government agency with which this application is officially filed as to the nature of the services for which such compensation is to be paid and the amount of such compensation.

Witness: Vincent G. Rinn
Address of witness: VINCENT G. RINN, SECRETARY

BONITA MINING & DEVELOPING CO. INC.
Fred C. Brightly Jr.
FRED C. BRIGHTLY, JR., PRESIDENT

Dated JANUARY 14, 1951, 19____

NOTE—Corporations must execute foregoing certificate in corporate name, by duly authorized officer, and seal must be affixed and duly attested; partnerships must execute in firm name, together with signature of a general partner. If no compensation is paid or to be paid for services rendered in connection with application or loan, this should be so stated and the Applicant should sign this Exhibit.

CERTIFICATION

The Applicant hereby certifies that the statements made in the foregoing application, and all exhibits and documents submitted in connection therewith, are true and correct statements to the best of Applicant's information and belief and are submitted as a basis for credit. The Applicant agrees to reimburse any agency of the United States Government upon demand for any expenses incurred in connection with or arising out of this application or any loan made pursuant hereto.

Dated _____, 19____

Witness: (For individual applicants)

(Signature)

Witness: (For partnership applicants)

(Full name of firm)

By _____, a general partner.
(Signature)

(For corporate applicants)

(CORPORATE SEAL)

BONITA MINING & DEVELOPING COMPANY, INC.
(Full corporate name of Applicant)

Attest: Vincent G. Rinn, SECRETARY
VINCENT G. RINN (Signature) (Title)

By Fred C. Brightly Jr. PRESIDENT
FRED C. BRIGHTLY, JR. (Signature) (Title)

The United States Criminal Code, 18 U.S.C., Sec. 1001, makes it a criminal offense to make a willfully false statement or representation to any Department or Agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE: 1950 O - 916171

DEFENSE MINERALS ADMINISTRATION

Referral of Applications for Government Aid

Mr. Herres

Docket No. _____

Commodity: DMA - 280

lead zinc

Name of Applicant: Bonita Mining and Developing Co., Inc.

Address of Applicant: Box 186
Silverton, Colorado

Name of Property: Minnehaha and Minnehaha No. 2 mines

Location of Property: Eureka Mining District of San Juan County, Colorado

Nature of Application: Loan of $19,780

Action Dates

Application:

Received: 11/4/50

Acknowledged: 12/29/50

Referred to _____ Completed:

NONFERROUS METALS 1/8/51

REGIONAL DIRECTOR'S
OFFICE
REGION IV
FEB 13 1951
BUREAU OF MINES
DENVER, COLORADO