DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

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DMA Docket No. 363

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EXPLORATION LOAN

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Routing Slip

To:	SUPPLY DIVISION	Date	NOV. 1, 1951
To:	Reports and Records	Date	NOV 6 1951
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INT.-DUP. SEC., WASH., D.C. 98868

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

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DMA Docket No. 363 X

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This document has been recorded as

EXPLORATION LOAN

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip

To:	SUPPLY DIVISION	Date	AUG 14 1951
To:	WW Mullendorf	Date	AUG 31 1951
To:	Lyon, Supply Div	Date	9-5-51
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CONTROLLED DOCUMENT

FILE COPY
SURNAME: 350

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

Lyons (Etue)
McKnight
Bishop
Johnson

Re: Docket DMA-363

NOV 8 1951

Mr. Carl H. Peterson, Secretary
U.S. Oil & Development Corporation
205-11 Mercantile Building
Denver 2, Colorado

Dear Mr. Peterson:

The application submitted by the U. S. Oil and Development Corporation for a loan to explore the Galtie Boy mine in San Juan County, Colorado, has been reviewed by the Defense Minerals Administration.

The project as you have presented it consists of equipping the property and cleaning out old workings in order to mine ore from developed reserves. According to the regulations of the present exploration program, such work cannot be considered as exploration. In addition, the assays of the ore indicate that the mine is primarily a gold-silver property and does not contain sufficient base metals to warrant Government participation. In view of this we are unable to justify an expenditure of public funds for the project you propose. I regret, therefore, that your application must be denied.

We wish to thank you for bringing this property to our attention.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

EJLyons:emp
10-31-51 G
Copies to: J. H. East, Jr. Region IV (2)
Lead-Zinc Br.
E. T. McKnight 4204 GSA
O. M. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. file
DMA docket files

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

NOV 6 1951

Re: Docket DMA-363
U.S. Oil and Development Corporation
Denver, Colorado
Galtie Boy Mine
San Juan County, Colorado
Exploration loan, $55,627
Lead, zinc, copper

Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Lead-Zinc Branch

Subject: Recommendation for denial of exploration loan

The application was submitted by the U. S. Oil and Development Corporation of Denver, Colorado, for a loan to explore the Galtie Boy mine in San Juan County, Colorado. Total estimated cost of the project was $55,627.

The project, as outlined by the applicant, consisted of cleaning out the Galtie Boy tunnel and laying new track, new air line, water line, and ventilating line for a distance of about 1300 feet.

The Lead-Zinc Branch originally recommended a revised exploration program, cut to $20,752, on the grounds that gold-silver ore that was blocked out in 1900-1907 when zinc was a deleterious gangue constituent could be a zinc-lead ore under present conditions, particularly in view of the known occurrence of base metal ore bodies, such as the Lark in a similar geologic occurrence in this vicinity. As the ore has long been inaccessible, and as there is no record of the zinc content, reopening the mine would be equivalent to a new exploration.

The Production Expansion Division has questioned the justification for considering this as a base metal project and has recommended denial of the application on the following grounds:

(1) The Galtie Boy is a gold-silver mine. The assays submitted do not show sufficient base metal content to warrant consideration.

(2) The applicant claims that about 92,500 tons of ore are already developed.

(3) The work proposed is not exploration, but consists of equipping the property and cleaning out old workings to produce gold-silver ore.

(4) The project has been rejected as a source of tungsten.

Upon reconsideration, the Lead-Zinc Branch does not consider that the case for an exploration loan is strong enough to warrant contesting the recommendation of the Production Expansion Division, particularly on such a poorly documented application as this one is. Hence the Branch agrees with the recommendation that the application should be denied. The attached letter should be sent to the applicant.

The following material is attached:

List of exhibits to conform to Form MF-103.
Answers to items requested on Form MF-103, dated May 4, 1951, with attached exhibits.
Correspondence and memoranda.
Review of application for exploration assistance.

G. E. Johnson,
G. E. Johnson, Acting Chief
Lead-Zinc Branch

Approved:
Tom Lyon
Director, Supply Division

FILE COPY
SURNAME:

350

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

NOV 6 1951

Lyons (Eng)
McWright
Robinson
Johnson

Not stripped in 2x12.

Memorandum

To: Reports and Records Unit
Administrative Management Div.

From: Lead-Zinc Branch

Re: Docket DMA-363
U.S. Oil and Development Corporation
Denver, Colorado
Galtie Boy Mine
San Juan County, Colorado
Exploration loan, $55,627
Lead, zinc, copper

Subject: Recommendation for denial of exploration loan

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(2) The applicant claims that about 92,500 tons of ore are already developed.

(3) The work proposed is not exploration, but consists of equipping the property and cleaning out old workings to produce gold-silver ore.

(4) The project has been rejected as a source of tungsten.

Upon reconsideration, the Lead-Zinc Branch does not consider that the case for an exploration loan is strong enough to warrant contesting the recommendation of the Production Expansion Division, particularly on such a poorly documented application as this one is. Hence the Branch agrees with the recommendation that the application should be denied. The attached letter should be sent to the applicant.

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Correspondence and memoranda.
Review of application for exploration assistance.

G. M. Johnson, Acting Chief
Lead-Zinc Branch

Approved:
Tom Lyon

Director, Supply Division

EJLyons:emp
G 10-31-51
Copies to: J. H. East, Jr. Region IV (2)
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA
O. M. Bishop
Directors r. files 4214 GSA
Br. r. files 4214 GSA
Administrators r. files
DMA docket files

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

Memorandum

To: Tom Lyon, Director, Supply Division

From: T. P. Billings, Chief, Lead-Zinc Branch

Subject: Docket DMA 363 Lead-Zinc-Copper Galtie Boy Mines

I have reviewed this application for an exploration loan and concur with the Production Expansion Division in its denial for the four reasons therein submitted.

It is quite apparent that the work outlined in the application is not allowable for an exploration loan.

T. P. Billings, Chief
Lead-Zinc Branch

Attachment

FILE COPY
SURNAME:

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

Billings
Bradfield

Memorandum

To: Tom Lyon, Director, Supply Division

From: [illegible] Billings, Chief, Lead-Zinc Branch

Subject: Docket No. DMA 363 Lead-Zinc-Copper Cattle Boy Mines

I have reviewed this application for an exploration loan and concur with the Production Expansion Division in its denial for the four reasons therein submitted.

It is quite apparent that the work outlined in the application is not allowable for an exploration loan.

[illegible] Billings, Chief
Lead-Zinc Branch

Attachment

[illegible]
10/15/51

cc: Administrator
Deputy Administrator
Docket File DMA 363
Bishop
Dewright
Billings
Production Expansion Division

PHONE ACOMA 4324

DEPARTMENT OF THE INTERIOR
RECEIVED
OCT 3 1951
Defense Minerals Administration,
Production Expansion Division.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D.C.
Oct 29 11 AM '51

FALK METALS CORPORATION
PRODUCERS OF COPPER, LEAD AND ZINC
MERCANTILE BUILDING
1031 FIFTEENTH STREET
DENVER 2, COLORADO

OFFICIAL FILE COPY

To	Init.	Date
400	[illegible]	10-3-51
210		

September 28 1951

Mr. Tom Lyons
Director Supply Division
Defense Minerals Administration
Washington 25, D.C.

Dear Mr. Lyons:

Monday and Tuesday of this week I was in Salt Lake and our headquarters there are the International Smelter & Refining Company and I complained to C. J. Parkinson (who is a personal friend of mine) that wecannot get any satisfaction out of Washington on our Silverton loans, so he told me to write you and tell you we were the largest shippers of lead and zinc crude ore from Silverton to International Smelter & Refining Company from August 1945 until July 1949 and he said you will understand the importance of us getting help.

We have three loans; one the Galtie Boy number DMA-363, the other one is Joe & John #1870 and the Hercules #1871. We did get a loan through July 2nd on a matched basis 50-50 for the Henrietta and according to reports we have 350,000 tons of lead, zinc and copper ore in this mine, and we feel reasonably sure the latter part of next month we will be in the ore body. But none of these mines we are asking loans for have been operated since 1907, but we did open up the Lark from the ground up and we shipped approximately 800,000 tons of ore out of this mine. All these mines are in Prospect Basin within a stone's throw of each other.

Why they are holding up the Galtie Boy loan is hard to understand because it has been approved by the Bureau of Mines here and the Bureau of Roads in Washington by Mr. Stanley M. Walker acting chief of U.S. Bureau of Roads. Although the Bureau of Mines here understands the conditions more thoroughly than the Washington office does, this Galtie Boy mine was developed for a backlog to the smelter that was owned by the Ross Brothers and who went broke during the panic of 1907. They were only after gold and silver so they bypassed all the zinc. Anyway the Bureau of Mines boys here know that Silverton is a gold camp, lead, zinc and copper and that is exactly what we will have in the Galtie Boy; the same as we will have in the Joe & John and Hercules and we have already spent $40,000 of our own money on the Joe & John.

We are opening up a large open pit manganese deposit and we have to use about $40,000 for equipment over there and it is for that reason we would like to have a little help from the government for Silverton.

OCT 4 1951

We would appreciate it immensley if you could help us by getting things jarred loose. We have no promotion stock, we are just mine operators and no one has to apologize for us anywhere or any place.

Thanking you in advance for giving this your immediate attention, I remain

Very truly yours,

FALK METALS CORPORATION

By Carl H. Peterson

Carl H. Peterson, Secretary

CHP:w

cc:

FILE COPY
SURNAME:

Blakemore

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

September 5, 1951

MEMORANDUM

To: Director, Supply Division

From: C. O. Mittendorf, Director
Production Expansion Division

Subject: Docket DMA 363X, Lead-Zinc-Copper
Galtis Boy Mines Incorporated

Returned herewith is the complete file on subject project as transmitted from your office.

Denial is recommended for the following reasons:

1. This is a gold-silver mine. The assays of the ore do not show sufficient base metal content to justify consideration.

2. The applicant claims that approximately 92,500 tons of ore are already developed.

3. The project has been rejected as a source of tungsten.

4. Apparently, the work contemplates no exploration whatever, merely equipping the property and cleaning out old workings for the production of gold-silver ores from developed reserves.

C. O. Mittendorf (J.K.)

not stripped in R. + R.

Attachments

PBBlakemore/meh
cc to: Reports and Records
Messrs. Mittendorf, Olund
Mr. Blakemore
Docket

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

400

September 5, 1951

MEMORANDUM

To: Director, Supply Division

From: C. O. Mittendorf, Director
Production Expansion Division

Subject: Docket DMA 363X, Lead-Zinc-Copper
Galtie Boy Mines Incorporated

Returned herewith is the complete file on subject project as transmitted from your office.

Denial is recommended for the following reasons:

1. This is a gold-silver mine. The assays of the ore do not show sufficient base metal content to justify consideration.

2. The applicant claims that approximately 92,500 tons of ore are already developed.

3. The project has been rejected as a source of tungsten.

4. Apparently, the work contemplates no exploration whatever, merely equipping the property and cleaning out old workings for the production of gold-silver ores from developed reserves.

Attachments

FILE COPY
SURNAME:

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

Hanson
O'Leary
(for Mote)
Johnson
Memorandum

Air Mail AUG 20 1951

DMA 363X - Lead-Zinc
Saltie Bay Mines, Inc.
1031 - 15th Street
Denver 2, Colorado

Mr. J. H. East, Jr.
USGS Region IV
224 Customhouse Building
Denver 2, Colorado

Dear Mr. East:

Subject docket has been reviewed by the Lead-Zinc Branch and is ready for finalizing except for one item. It is understood that about 3/4 mile of access road is necessary to reach the portal of the project workings and that the cost of this road should be included in the estimate.

It is requested that you contact Mr. Carl H. Peterson, Secretary of the applicant company, at the address given above, for any information he is able to give and then send us your estimate of the length of road required, the probable cost, and the time required to complete it.

Your early reply by air mail would be appreciated.

Very truly yours,

BJ 8/20

Tom Lyon

Tom Lyon, Chairman
Coordinating Committee

Approved:

B. Moon
For Bureau of Mines

For Geological Survey

FWHanson:szs
8/16/51

cc: Reports and Records
S.M.Walker
Mote
Moon
DMA Docket File

L

FILE COPY 350
SURNAME:

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

AUG 17 1951

O'Leary
(Copy Mite)
Johnson
McKnight

DMA- 363 Galtie Boy Mine
DMA-1870 Joe and John Mine
DMA-1871 Hercules Mine
DMA- 606 Henrietta Mine

Q, E. C.

Mr. Carl H. Peterson, Secretary
Galtie Boy Mines, Inc.
1831- 15th Street
Denver 2, Colorado

Dear Mr. Peterson:

This letter is in reply to yours of August 6th, to Mr. L.F. Strobel, and to your telephone call of August 14th regarding the above numbered applications.

As your letter states, you are already aware of the approval of the Henrietta project. Consideration of the Galtie Boy project is very near completion. The Joe and John and the Hercules are under consideration and everything possible is being done to expedite final action.

Very truly yours,

G. E. Johnson 8/17

G. E. Johnson, Acting Chief
Lead-Zinc Branch

FWHANSON:szs
8/16/51

CC: Reports & Records
Mote
McKnight
DMA Docket File

2

Memo. 8/8/51 DMA-363X

To: E. J. McKnight, USGS. Galtic Boy

From: F. W. Hanson, DMA.

Ed — In order to save time, I have written a completely new review, copying your remarks and answers as far as they were complete

At the end of the review is a recommended schedule of Exhibits for the contract calling for a project amounting to $20,752.00

I think I have covered all of your objections to the applicants' list of material and equipment, I have allowed a small amount of explosives, as they are sometimes necessary in cutting hitches and footings for timber in an old drift.

I would appreciate your reading my review and criticizing it.

FWH

~~6/5/51~~

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 363 X

Commodity Lead-Zinc-Copper

Total Amount $43,822.00

Govt. Participation $21,911.00

1. Name and Address of Applicant Galtie Boy Mines Inc. 211 Mercantile Bldg., 1031-15th St., Denver, Colo.

2. Location of Property Galtie Boy group of claims, Seven miles due north of Silverton, San Juan County, Colorado.

3. Mineral or metal Lead-Zinc-Copper 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 Favorably reported by W.S. Burbank of U.S.G.S.

b) Poor See attached draft by E.T. McKnight.

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. Lessees. (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes.

Does the lease have sufficient time to run to cover a future productive period? Yes.

*question numbers are those of MF-103

4. (a) This property is essentially a lead-zinc-copper-silver-gold property, and application was originally presented for a direct loan on the basis of the lead-zinc-copper content. The claim also has a little tungsten which is reported to occur in a vein separate from the base metal veins. When the exploration program was announced, applicant attempted to convert his application to a tungsten project in order to get the higher Government participation for tungsten, in spite of the fact that he had been previously told by the Lead-Zinc Branch (letter of March 25, 1951) that the main proposal would have to be considered as a lead-zinc-copper proposition. When the Tungsten Branch turned the 75-25 proposition down, applicant in letter of May 29, 1951 to J. H. East, agreed to convert the application to a lead-zinc-copper proposition with the possibility of considering a minor project that might be presented later for exploring the tungsten vein when the property was sufficiently opened up.

Mine has not been worked since 1907 except for periods in 1935 and 1941 when about 180 units of tungsten were produced from the Galtie Boy dump.

Reserves claimed to have been developed prior to 1907 were 92,000 tons on the Galtie Boy vein and an additional 179,560 tons on other veins on the property. Data supplied with this application fail to give any suitable indication of the nature and grade of the reserves. A list of 56 samples taken from the Galtie Boy obviously in the early 1900's, gives 1-2.3% lead and 6.8-12.4 oz. silver. In all these samples the gold assays are given in decimals ranging from 0.49-0.71. It certainly would be nearer the truth if these are intended to represent dollar values rather than ounces. If not, the samples are obviously unrepresentative, according to W. S. Burbank of the Geological Survey. No zinc is mentioned in the application. Mr. Burbank believes that zinc content might be higher than lead in some of these shoots, but the specific ore bodies are not now accessible. It will require the expenditures requested in order to open up the ore for inspection. The project appears worthy of consideration as a lead-zinc-copper exploration, not on the basis of what is given in the application, which is very poorly presented, but on the basis of what is independently known of the mineral deposits of the general area.

According to Mr. Burbank, the ores of this general area are quartz veins commonly high in pyrite, with scattered bodies or chimney-like shoots of higher grade base metal sulfides with silver and gold. The ores are complex and may locally predominate in lead, zinc, copper, or tungsten. The chances of locating rich chimneys of ore by exploration are good enough to justify the proposed exploratory opening of the mine that is here recommended; or the

alternative is large tonnages of lower grade zinc-lead vein deposits. The veins occur in volcanic breccias and flows of Tertiary andesite, typical of the San Juan mountains.

7. Are subordination agreements necessary? Yes.

a) MF-201? _____

b) MF-202 Attached.

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes.

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

c) Accessibility (question 12)* Yes, but needs 3/4 mi. access road.

d) Water (question 13)* Yes.

e) Power (question 13)* Yes.

Is a field check needed on any of these points? No, except possibly access road.

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes. See answer to Question 4 and item 6 in letter dated Dec. 13, 1950

Is a field check needed on this point? No.

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

a) Is the project adequately described? Yes. See answer to Sec. 21 of MF-103

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? Sketch of mine on illustration labelled 3-a-2 and on loose blue-line print accompanying application.

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes, but it is inevitable that reopening an old mine of unknown mineral possibilities will include some preparations for mining.
~~If not, what part of it is?~~

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Poorly.

Can they be summarized, as on page 2 of Procedural Instruction 5-A, ~~from the available data?~~ _____ ~~If so, attach a draft~~. Recommended revised cost schedule attached is proposed for the exploration.

e) Are the cost estimates reasonable? See revision attached.

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

g) Is a field examination necessary to complete Exhibit A? No.

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes.

b) If so, are sufficient data furnished? No If so, attach a draft.

c) Is a field check needed? No. See attached draft.

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

a) Is it applicable? See attached draft.

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

c) Are rents and charges reasonable? See attached draft.

d) Is a field check needed? No.

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

a) Are there sufficient data? No. See attached draft.

b) Is the schedule adequate for the work proposed? "

c) Is the schedule excessive for the work proposed? "

d) Are the proposed wages and salaries reasonable? "

e) Is a field check needed? No.

11. Exhibit "B" (question 23-d of Form NF-103): Cost of necessary installation ~~&~~ or construction of additional facilities, structures and buildings.

Only two items of applicant's list are considered applicable to this classification. One is for lumber for building ~~amounting to~~ to cost $1500.00. No itemization is given but it can be assumed that the amount of lumber intended is about 10 M. board feet. This would be approximately sufficient for small storage sheds for supplies, gasoline and oil, switch house for power installation, platform support for transformers, etc. It would not provide enough for permanent housing for office, living and cooking quarters, storehouse.

It is recommended that the following be included in Exhibit "B"

For construction of storage sheds	$1500.00
For construction of 3/4 mile, power line	1500.00
Total cost	$3000.00

12. Exhibit "C". (Questions 23 (e)(f)(g) of Form MF-103)
Cost of items of equipment which must be purchased at a cost of $50 or more each. The applicant proposes to lay track consisting of 30# rail. This is unnecessarily heavy for the loading and hamming equipment needed for the project. 20# rail is adequate for a small locomotive and loading machine. The proposal to use an air hammer is inadvisable since it would require a special high-pressure compressor to supply the necessary power. The small storage-battery locomotive is more economical in the long run, though the first cost is high. However, no locomotive would be required or justifiable until the work had progressed at least 500 feet. Since the amount of materials, supplies and waste rock to be transported is likely to be small, it is recommended that no provision for motive power be provided for herein.

As to cars, rock drills, compressor, hoses, and automotive equipment, it appears the applicant has planned not only for opening his adit but for mining ore as well. The proposed compressor is unnecessarily large for the small quantity of air likely to be required, and for this project, a small one- or two-drill compressor is recommended. Such a machine can be rented and will require no permanent installation.

12 (Continued)

It is recommended that the following list be adopted for Exhibit "C" in the contract.

Cost of items of equipment to be purchased:

8 long tons 20-lb. rail @ $90	$680.00
4 only mine cars 18 cu.ft. (1-ton capacity)	600.00
1 " mine car loader, shovel type	3000.00
1 " jackhammer rock drill	350.00
1 " ventilation blower with 5 HP motor	450.00
1 " pickup truck for hauling supplies	2000.00
1 " 3/4" hose with couplings for water	50.00
1 " 1" " " " " air	65.00
500 feet of 1" black iron pipe	81.00
500 " " 2" " " "	152.00
1000 " " 1/2" " " "	80.00
1000 " " 1 1/4 " " "	192.00
1300 " " 8" ventilating pipe	780.00
Total	$8480.00

Applicant has made no provision for transformers and switchgear to step down his power voltage and since the voltage requirements are not known to this reviewer, no provision is made for such equipment herein. However, the power requirements for this project will probably not exceed a transformer capacity of 15 K.V.A., hence the cost of transformers will be small.

The cost figures above are approximately in line with the current cost of new equipment, but applicant will no doubt have

12 (Continued)

his own money by purchasing some used equipment.

Cost of rental for equipment to be rented by applicant:

	Rental Cost, one month	Rental Cost four months
1 Portable compressor, 110 cu ft.	$212.00	$848.00
15 Miners cap lamps, electric	18.00	72.00
Total		$920.00

Rental value of items of equipment owned by operator — none

Other items in applicant's list should be included as

Cost of materials and supplies, including items of equipment costing less than $50 each:

4 track switches @ $25	$100.00
500 track ties @ 50¢	250.00
400 lbs. track spikes for 20-lb. rail	40.00
144 pairs splice bars " " "	65.00
200 lbs. track bolts " " "	18.00
Explosives; dynamite, fuse, caps	80.00
Tools such as pick, shovel, ax	100.00
Valves and fittings for pipe lines	78.00
Timber for 10 drift sets 3200 bd. ft.	416.00
	$1147.00

13. Exhibit "D". (questions 23-a, b of Form MF-103)
For discussion of time element, see section 15 of this review.
Cost of labor for this project should be as follows:

		Per month	Four months
2 miners @ 12.25/day	359.12	$ 717.25	$ 2873.00
1 trammer @ 12.25 "		345.04	1380.16
1 laborer @ 12.00 "		338.00	1352.00
Supervision and trucking		400.00	1600.00
			$ 7,205.16

14. Exhibit E (question 23-c)*

a) Is it applicable? No.

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? See draft attached.

(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: [illegible]
DMA.

Date 8/8/51

INT.-DUP. SEC., WASH., D.C. 99009

15. Applicant states in answer to question 21 of form NF-103 "this project should not take one year to complete". In answer to question 24, he states "the tunnel can be opened in from four to six months depending on the amount of material", etc. The two statements are inconsistent.

Assuming that five percent of the adit will require close timbering, and that the remainder will be found relatively free of caving and will require only clean-up, laying track and installing pipe lines for compressed air, water and ventilation, it is inconceivable to this reviewer that the job should require more than four months using only one shift. This estimate is based on the employment of two men for the inside work, one man for tramming waste rock, timber and other materials, one man outside for general surface labor, running compressor, etc. and one man for ~~bosses~~ supervision including the trucking of supplies. This program would require an advance of only thirteen feet per day as an average.

It is recommended that the cost of labor and supervision for exhibit "A" of the exploration contract be set up as shown in Section 13 of this review.

16. The project has been approved by the U.S.G.S on the basis of geologic probability.

From the engineering standpoint this reviewer recommends approval of the following exhibits for the exploration contract.

Exhibit "A"

Time Schedule	Months.
Clean up in vicinity of portal, retimber portal, lay track to dump, set up equipment on storage sheds. 100 feet advance in adit.	1
Clean out, repair and retimber 1200 feet of adit, including advance of pipe lines and track.	3
Total	4

Estimated Cost of Project

Construction and installation of additional facilities, Exhibit "B"		$2,000.00
Cost of equipment, Exhibit "C"		
To be purchased	$8,480.00	
To be rented by operator	920.00	9,400.00
Rental of operator's equipment	none	
Cost of labor and supervision, Exhibit "D"		7,205.00
Cost of materials and supplies, per listed under Section 12		1,147.00
		$20,752.00
Government share		$10,376.00

~~6/5/51~~
($20,752 recommended)

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 363 X

Commodity Lead-Zinc-Copper

Total Amount $43,822.00

Govt. Participation $21,911.00

To Production Expansion Division

($10,376 recommended)

1. Name and Address of Applicant Galtie Boy Mines Inc.
211 Mercantile Bldg., 1031-15th St., Denver, Colo.

2. Location of Property Galtie Boy group of claims, seven miles due north of Silverton, San Juan County, Colorado.

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

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 Favorably reported by W.S. Burbank of U.S.G.S.

b) ~~Poor~~ See attached draft by E.T. McKnight

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. Lessees.
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes.

Does the lease have sufficient time to run to cover a future productive period? Yes.

*question numbers are those of MF-103

7. Are subordination agreements necessary? Yes.

a) MF-201? _____

b) MF-202 Attached.

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes.

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

c) Accessibility (question 12)* Yes, but needs 3/4 mi. access road.

d) Water (question 13)* Yes.

e) Power (question 13)* Yes.

Is a field check needed on any of these points? No, except possibly access road.

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes. See answer to Question 4 and item 6 in letter dated Dec. 13, 1950

Is a field check needed on this point? No.

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

a) Is the project adequately described? Yes. See answer to Sec. 21 of MF-103

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? Sketch of mine on illustration labelled 3-a-2 and on loose blue-line print accompanying application.

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes, but it is inevitable that reopening an old mine of unknown mineral possibilities will include some preparations for mining.
~~If not, what part of it is?~~

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Poorly.

Can they be summarized, as on page 2 of Procedural Instruction 5-A, ~~from the available data?~~ _____ ~~If so, attach a draft~~. Recommended revised cost schedule attached is proposed for the exploration contract.

e) Are the cost estimates reasonable? See revision attached.

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

g) Is a field examination necessary to complete Exhibit A? No.

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes.

b) If so, are sufficient data furnished? No If so, attach a draft.

c) Is a field check needed? No, See attached draft.

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

a) Is it applicable? See attached draft.

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

c) Are rents and charges reasonable? See attached draft.

d) Is a field check needed? No.

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

a) Are there sufficient data? No. See attached draft.

b) Is the schedule adequate for the work proposed? "

c) Is the schedule excessive for the work proposed? "

d) Are the proposed wages and salaries reasonable? "

e) Is a field check needed? No.

11. Exhibit "B" (question 23-d of Form MF-103). Cost of necessary installation ~~&~~ or construction of additional facilities, structures and buildings.

Only two items of applicant's list are considered applicable to this classification. One is for lumber for building ~~amounting to~~ to cost $1500.00. No itemization is given, but it can be assumed that the amount of lumber intended is about 10 M. board feet. This would be approximately sufficient for small storage sheds for supplies, gasoline and oil, switch house for power installation, platform support for transformers, etc. It would not provide enough for permanent housing for office, living and cooking quarters, storehouse.

It is recommended that the following be included in Exhibit "B"

For construction of storage sheds	$1500.00
For construction of 3/4 mile, power line	1500.00
Total Cost	$3000.00

12. Exhibit "C". (questions 23 (e)(f)(g) of Form MF-103)
Cost of items of equipment which must be purchased at a cost of $50 or more each. The applicant proposes to lay track consisting of 30# rail. This is unnecessarily heavy for the loading and hamming equipment needed for the project. 20# rail is adequate for a small locomotive and loading machine. The proposal to use an air hammer is inadvisable since it would require a special high-pressure compressor to supply the necessary power. The small storage-battery locomotive is more economical in the long run, though the first cost is high. However, no locomotive would be required or justifiable until the work had progressed at least 500 feet. Since the amount of materials, supplies and waste rock to be transported is likely to be small, it is recommended that no provision for motive power be provided for herein.

As to cars, rock drills, compressor, hoses, and automotive equipment, it appears the applicant has planned not only for opening his adit but for mining ore as well. The proposed compressor is unnecessarily large for the small quantity of air likely to be required, and for this project, a small one-or two-drill compressor is recommended. ~~It~~ Such a machine can be rented and will require no permanent installation.

12 (Continued)

It is recommended that the following list be adopted for Exhibit "C" in the contract.

Cost of items of equipment to be purchased:

8 long tons 20-lb. rail @ $90	$680.00
4 only mine cars 18 cu.ft. (1-ton capacity)	600.00
1 " mine car loader, shovel type	3000.00
1 " jackhammer rock drill	350.00
1 " ventilation blower with 5 HP motor	450.00
1 " pickup truck for hauling supplies	2000.00
1 " 3/4" hose with couplings for water	50.00
1 " 1" " " " " air	65.00
500 feet of 1" black iron pipe	81.00
500 " " 2" " " "	152.00
1000 " " 1/2" " " "	80.00
1000 " " 1 1/4 " " "	192.00
1300 " " 8" ventilating pipe	780.00
Total	8480.00

Applicant has made no provision for transformers and switchgear to step down his power voltage and, since the voltage requirements are not known to this reviewer, no provision is made for such equipment herein. However, the power requirement for this project will probably not exceed a transformer capacity ~~[illegible]~~ of 15 K.V.A., hence the cost of transformers will be small.

The cost figures above are approximately in line with the current cost of new equipment, but applicant will no doubt save

12 (continued)

his own money by purchasing some used equipment.

Cost of rental for equipment to be rented by applicant:

	Rental Cost one month	Rental Cost four months
1 Portable compressor, 160 cu. ft.	$212.00	$848.00
15 Miners cap lamps, electric	18.00	72.00
Total		$920.00

Rental value of items of equipment owned by operator none

Other items in applicant's list should be included as

Cost of materials and supplies, including items of equipment costing less than $50 each:

4 track switches @ $25	$100.00
500 track ties @ 50¢	250.00
400 lbs. track spikes for 20-lb. rail	40.00
144 pairs splice bars " " "	65.00
200 lbs. track bolts " " "	18.00
Explosives; dynamite, fuse, caps	80.00
Tools such as pick, shovel, ax	100.00
Valves and fittings for pipe lines	78.00
Timber for 10 drift sets 3200 bd. ft.	416.00
	$1147.00

13. Exhibit "D". (questions 23-a, b of Form MF-103)

For discussion of time element, see Section 15 of this review.

Cost of labor for this project should be as follows:

		Per month	Four months
2 miners @ 12.75/day	359.12	$ 71.825	$ 2873.00
1 trammer @ 12.25 "		345.04	1380.16
1 laborer @ 12.00 "		338.00	1352.00
Supervision and trucking		400.00	1600.00
			$ 7,205.16

14. Exhibit E (question 23-c)*

a) Is it applicable? No.

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? See draft attached.

(All exploration must be completed within two years)

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

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: [illegible]

DMA.

E.T. McKnight, USGS.

Date 8/8/51

INT.-DUP. SEC., WASH., D.C. 99009

15. Applicant states in answer to question 21 of form NF-103 "this project should not take one year to complete". In answer to question 24, he states "the tunnel can be opened in from four to six months depending on the amount of material", etc. The two statements are inconsistent.

Assuming that five percent of the adit will require close timbering, and that the remainder will be found relatively free of cave-ins and will require only clean-up, laying track and installing pipe lines for compressed air, water and ventilation, it is inconceivable to this reviewer that the job should require more than four months using only one shift. This estimate is based on the employment of two men for the inside work, one man for tramming waste rock, timber and other materials, one man outside for general surface labor, running compressor, etc, and one man for ~~truck~~ supervision including the trucking of supplies. This program would require an advance of only thirteen feet per day as an average.

It is recommended that the cost of labor and supervision for exhibit "A" of the exploration contract be set up as shown in Section 13 of this review.

16. The project has been approved by the U.S.G.S. on the basis of geologic probability.

From the engineering standpoint this reviewer recommends approval of the following exhibits for the exploration contract.

Exhibit "A"

Time Schedule	Months.
Clean up in vicinity of portal, retimber portal, lay track to dump, set up equipment on storage sheds. 100 feet advance in adit.	1
Clean out, repair and retimber 1200 feet of adit, including advance of pipe lines and track.	3
Total	4

Estimated Cost of Project

Construction and installation of additional facilities, Exhibit "B"		$3,000.00
Cost of equipment, Exhibit "C"		
To be purchased	$8,480.00	
To be rented by operator	920.00	9,400.00
Rental of operator's equipment	none	
Cost of labor and supervision, Exhibit "D"		7,205.00
Cost of materials and supplies, per list Section 12		1,147.00
Total cost of project		$20,752.00
Government share		$10,376.00

McKnight
Ocean Exploration
6/5/51
Johnson

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration,
Production Expansion Division.

Defense Minerals Administration

Review of Application for Exploration Assistance

To Production Expansion Division

Docket No. 363x

Commodity Lead-Zinc-Copper

Total Amount $43,822.00 ($20,752 recommended)

Govt. Participation $21,911.00 ($10,376 rec.)

U.S. Oil & Gas Development Corp.

1. Name and Address of Applicant Galtie Boy Mines, Incorporated

   211 Mercantile Building, 1031 - 15th Street, Denver, Colorado

2. Location of Property Galtie Boy group of claims, seven miles due north of

   Silverton, San Juan County, Colorado

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

   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 Favorably reported by W. S. Burbank

   b) ~~Poor~~ See attached draft by E. T. McKnight of USGS

   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. Lessees. (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes.

   Does the lease have sufficient time to run to cover a future

   productive period? Yes.

*question numbers are those of MF-103

4. (a) This property is essentially a lead-zinc-copper-silver-gold property, and application was originally presented for a direct loan on the basis of the lead-zinc-copper content. The claim also has a little tungsten which is reported to occur in a vein separate from the base metal veins. When the exploration program was announced, applicant attempted to convert his application to a tungsten project in order to get the higher Government participation for tungsten, in spite of the fact that he had been previously told by the Lead-Zinc Branch (letter of March 25, 1951) that the main proposal would have to be considered as a lead-zinc-copper proposition. When the Tungsten Branch turned the 75-25 proposition down, applicant in letter of May 29, 1951 to J. H. East, agreed to convert the application to a lead-zinc-copper proposition with the possibility of considering a minor project that might be presented later for exploring the tungsten vein when the property was sufficiently opened up.

Mine has not been worked since 1907 except for periods in 1935 and 1941 when about 180 units of tungsten were produced from the Galtie Boy dump.

Reserves claimed to have been developed prior to 1907 were 92,000 tons on the Galtie Boy vein and an additional 179,560 tons on other veins on the property. Data supplied with this application fail to give any suitable indication of the nature and grade of the reserves. A list of 56 samples taken from the Galtie Boy obviously in the early 1900's, gives 1-2.3% lead and 6.8-12.4 oz. silver. In all these samples the gold assays are given in decimals ranging from 0.49-0.71. It certainly would be nearer the truth if these are intended to represent dollar values rather than ounces. If not, the samples are obviously unrepresentative, according to W. S. Burbank of the Geological Survey. No zinc is mentioned in the application. Mr. Burbank believes that zinc content might be higher than lead in some of these shoots, but the specific ore bodies are not now accessible. It will require the expenditures requested in order to open up the ore for inspection. The project appears worthy of consideration as a lead-zinc-copper exploration, not on the basis of what is given in the application, which is very poorly presented, but on the basis of what is independently known of the mineral deposits of this general area.

According to Mr. Burbank, the ores of this general area are quartz veins commonly high in pyrite, with scattered bodies or chimney-like shoots of higher grade base metal sulfides with silver and gold. The ores are complex and may locally predominate in lead, zinc, copper, or tungsten. The chances of locating rich chimneys of ore by exploration are good enough to justify the proposed exploratory opening of the mine that is here recommended; or the

alternative is large tonnages of lower grade zinc-lead vein deposits. The veins occur in volcanic breccias and flows of Tertiary andesite, typical of the San Juan mountains.

E. T. McKnight

7. Are subordination agreements necessary? Yes.

a) MF-201? _____

b) MF-202 Attached.

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes.

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

c) Accessibility (question 12)* Yes, but needs 3/4 mi. access road.

d) Water (question 13)* Yes.

e) Power (question 13)* Yes.

Is a field check needed on any of these points? No, except possibly access road.

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes. See answer to Question 4 and item 6 in letter dated December 13, 1950.

Is a field check needed on this point? No.

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

a) Is the project adequately described? Yes. See answer to Sec. 21 of MF-103.

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? Sketch of mine on application. illustration labelled 3-a-2 and on loose blue-line print accompanying A

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? ~~Yes~~, but it is inevitable that reopening an old mine of ~~If not, what part of it is?~~ unknown mineral possibilities will include some preparations for mining.

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Poorly.

Can they be summarized, as on page 2 of Procedural Instruction 5-A, Recommended revised cost schedule attached is proposed for the exploration. ~~from the available data?~~_____ ~~If so, attach a draft.~~ Contract

e) Are the cost estimates reasonable? See revision attached.

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

g) Is a field examination necessary to complete Exhibit A? No.

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes.

b) If so, are sufficient data furnished? No If so, attach a draft.

c) Is a field check needed? No. See attached draft.

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

a) Is it applicable? See attached draft.

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

c) Are rents and charges reasonable? See attached draft.

d) Is a field check needed? No.

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

a) Are there sufficient data? No. See attached draft.

b) Is the schedule adequate for the work proposed? "

c) Is the schedule excessive for the work proposed? "

d) Are the proposed wages and salaries reasonable? "

e) Is a field check needed? No.

11. Exhibit "B" (question 23-d of Form MF-103). Cost of necessary installation or construction of additional facilities, structures and buildings.

Only two items of applicant's list are considered applicable to this classification. One is for lumber for building to cost $1,500.00. No itemization is given, but it can be assumed that the amount of lumber intended is about 10 M. board feet. This would be approximately sufficient for small storage sheds for supplies, gasoline and oil, switch house for power installation, platform support for transformers, etc. It would not provide enough for permanent housing for office, living and cooking quarters, storehouse.

It is recommended that the following be included in Exhibit "B"

For construction of storage sheds	$1,500.00
For construction of 3/4 mile, power line	1,500.00
Total cost	$3,000.00

12. Exhibit "C". (questions 23 (e) (f) (g) of Form MF-103). Cost of items of equipment which must be purchased at a cost of $50 or more each. The applicant proposed to lay track consisting of 30# rail. This is unnecessarily heavy for the loading and tramming equipment needed for the project. 20# rail is adequate for a small locomotive and loading machine. The proposal to use an air trammer is inadvisable since it would require a special high-pressure compressor to supply the necessary power. The small storage-battery locomotive is more economical in the long run, though the first cost is high. However, no locomotive would be required or justifiable until the work had progressed at least 500 feet. Since the amount of materials, supplies and waste rock to be transported is likely to be small, it is recommended that no provision for motive power be provided for herein.

As to cars, rock drills, compressor, hoses, and automotive equipment, it appears the applicant has planned not only for opening his adit but for mining ore as well. The proposed compressor is unnecessarily large for the small quantity of air likely to be required, and for this project, a small one- or two-drill compressor is recommended. Such a machine can be rented and will require no permanent installation.

It is recommended that the following list be adopted for Exhibit "C" in the contract.

Cost of items of equipment to be purchased:

8	long tons 20-lb. rail at $90	$680.00
4	only mine cars 18 cu. ft. (1-ton capacity)	600.00
1	" mine car loader, shovel type	3,000.00
1	" jackhammer rock drill	350.00
1	" ventilation blower with 5 HP motor	450.00

1 only	pickup truck for hauling supplies	2,000.00
1 "	3/4" hose with couplings for water	50.00
1 "	1" " " " " air	65.00
500 feet of	1" black iron pipe	81.00
500 " "	2" " " "	152.00
1,000 " "	$\frac{1}{2}$" " " "	80.00
1,000 " "	1+1/4 " " "	192.00
1,300 " "	8" ventilating pipe	780.00
	Total	8,480.00

Applicant has made no provision for transformers and switch gear to step down his power voltage and since the voltage requirements are not known to this reviewer, no provision is made for such equipment herein. However, the power requirement for this project will probably not exceed a transformer capacity of 15 k.v.a., hence the cost of transformers will be small.

The cost figures above are approximately in line with the current cost of new equipment, but applicant will no doubt save his own money by purchasing some used equipment.

Cost of rental for equipment to be rented by applicant:

	Rental cost one month	Rental cost four months
1 portable compressor, 160 cu. ft.	$212.00	$848.00
15 miners cap lamps, electric	18.00	72.00
Total		$920.00

Rental value of items of equipment owned by operator none

Other items in applicant's list should be included as

Cost of materials and supplies, including items of equipment costing less than $50 each:

4 track switches at $25	$100.00
500 track ties at 50 cents	250.00
400 lbs. track spikes for 20-lb. rail	40.00
144 pairs splice bars " " " "	65.00
200 lbs. track bolts " " " "	18.00
Explosives; dynamite, fuse, caps	80.00
Tools such as pick, shovel, ax	100.00
Valves and fittings for pipe lines	78.00
Timber for 10 drift sets 3200 bd. ft.	416.00
	$1,147.00

13. Exhibit "D". (questions 23-a, b of Form MF-103)

For discussion of time element, see Section 15 of this review.

Cost of labor for this project should be as follows:

	Per month	Four months
2 miners at 12.75/day 359.12	$718.25	$2,873.00
1 trammer at 12.25/day	345.04	1380.16
1 laborer at 12.00/day	338.00	1,352.00
Supervision and trucking	400.00	1,600.00
		$7,205.16

14. Exhibit E (question 23-c)*

a) Is it applicable? No.

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? See draft attached.

(All exploration must be completed within two years)

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

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?

approved
Jon Lyon

Reviewed by: F. W. Hanson, DMA

E. T. McKnight, USGS

Date 8/8/51

INT.-DUP. SEC., WASH., D.C. 99009

15. Applicant states in answer to question 21 of form MF-103 "this project should not take one year to complete". In answer to question 24, he states "the tunnel can be opened in from four to six months depending on the amount of material," etc. The two statements are inconsistent.

Assuming that five percent of the adit will require close timbering, and that the remainder will be found relatively free of cave-ins and will require only clean-up, laying track and installing pipe lines for compressed air, water and ventilation, it is inconceivable to this reviewer that the job should require more than four months using only one shift. This estimate is based on the employment of two men for the inside work, one man for tramming waste rock, timber and other materials, one man outside for general surface labor, running compressor, etc., and one man for supervision including trucking of supplies. This program would require an advance of only thirteen feet per day as an average.

It is recommended that the cost of labor and supervision for exhibit "A" of the exploration contract be set up as shown in Section 13 of this review.

16. The project has been approved by the USGS on the basis of geologic probability.

From the engineering standpoint this reviewer recommends approval of the following exhibits for the exploration contract.

Exhibit "A"

Time Schedule	Months
Clean up in vicinity of portal, retimber portal, lay track to dump, set up equipment or storage sheds. 100 feet advance in adit.	1
Clean out, repair and retimber 1200 feet of adit, including advance of pipe lines and track.	3
Total	4

Estimated Cost of Project

Construction and installation of additional facilities, Exhibit "B"		$3,000.00
Cost of equipment, Exhibit "C"		
To be purchased	$8,480.00	
To be rented by operator	920.00	9,400.00
Rental of operator's equipment	none	
Cost of labor and supervision, Exhibit "D"		7,205.00
Cost of materials and supplies, per list Section 12,		1,147.00
~~Total cost of project~~		$20,752.00
~~Government share~~		~~$10,376.00~~
Cost of access road, about ½ mi.,		5,000.00
Total Cost of project. . . .		$ 25,752.00
Government share. . . .		12,876.00

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 363x

To Production Expansion Division

Commodity Lead-Zinc-Copper

Total Amount $43,822.00 ($20,752 recommended)

Govt. Participation $21,911.00 ($10,376 rec.)

1. Name and Address of Applicant Galtie Boy Mines, Incorporated

211 Mercantile Building, 1031 - 15th Street, Denver, Colorado

2. Location of Property Galtie Boy group of claims, seven miles due north of

Silverton, San Juan County, Colorado

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

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 Favorably reported by H. S. Burbank

b) ~~Poor~~ See attached draft by E. T. LeKnight of USGS

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. Lessees. (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes.

Does the lease have sufficient time to run to cover a future productive period? Yes.

*question numbers are those of MF-103

7. Are subordination agreements necessary? Yes.

a) MF-201? _____

b) MF-202 Attached.

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes.

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

c) Accessibility (question 12)* Yes, but needs 3/4 mi. access road.

d) Water (question 13)* Yes.

e) Power (question 13)* Yes.

Is a field check needed on any of these points? No, except possibly access road.

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes. See answer to Question 4 and item 6 in letter dated December 13, 1950.

Is a field check needed on this point? No.

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

a) Is the project adequately described? Yes. See answer to Sec. 21 of MF-103.

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? Sketch of mine on application. illustration labelled 3-a-2 and on loose blue-line print accompanying

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes, but it is inevitable that reopening an old mine of ~~If not, what part of it is?~~ unknown mineral possibilities will include some preparations for mining.

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? Poorly.

Can they be summarized, as on page 2 of Procedural Instruction 5-A, ~~from the available data?~~ _____ ~~If so, attach a draft.~~ Recommended revised cost schedule attached is proposed for the exploration. contract

e) Are the cost estimates reasonable? See revision attached.

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

g) Is a field examination necessary to complete Exhibit A? No.

11. Exhibit B (question 23-d)*

a) Is it applicable? Yes.

b) If so, are sufficient data furnished? No. If so, attach a draft.

c) Is a field check needed? No. See attached draft.

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

a) Is it applicable? See attached draft.

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

c) Are rents and charges reasonable? See attached draft.

d) Is a field check needed? No.

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

a) Are there sufficient data? No. See attached draft.

b) Is the schedule adequate for the work proposed? "

c) Is the schedule excessive for the work proposed? "

d) Are the proposed wages and salaries reasonable? "

e) Is a field check needed? No.

11. Exhibit "B" (question 23-d of Form MF-103). Cost of necessary installation or construction of additional facilities, structures and buildings.

Only two items of applicant's list are considered applicable to this classification. One is for lumber for building to cost $1,500.00. No itemization is given, but it can be assumed that the amount of lumber intended is about 10 M. board feet. This would be approximately sufficient for small storage sheds for supplies, gasoline and oil, switch house for power installation, platform support for transformers, etc. It would not provide enough for permanent housing for office, living and cooking quarters, storehouse.

It is recommended that the following be included in Exhibit "B"

For construction of storage sheds	$1,500.00
For construction of 3/4 mile, power line	1,500.00
Total cost	$3,000.00

12. Exhibit "C". (questions 23 (e) (f) (g) of Form MF-103). Cost of items of equipment which must be purchased at a cost of $50 or more each. The applicant proposed to lay track consisting of 30# rail. This is unnecessarily heavy for the loading and tramming equipment needed for the project. 20# rail is adequate for a small locomotive and loading machine. The proposal to use an air trammer is inadvisable since it would require a special high-pressure compressor to supply the necessary power. The small storage-battery locomotive is more economical in the long run, though the first cost is high. However, no locomotive would be required or justifiable until the work had progressed at least 500 feet. Since the amount of materials, supplies and waste rock to be transported is likely to be small, it is recommended that no provision for motive power be provided for herein.

As to cars, rock drills, compressor, hoses, and automotive equipment, it appears the applicant has planned not only for opening his adit but for mining ore as well. The proposed compressor is unnecessarily large for the small quantity of air likely to be required, and for this project, a small one- or two-drill compressor is recommended. Such a machine can be rented and will require no permanent installation.

It is recommended that the following list be adopted for Exhibit "C" in the contract.

Cost of items of equipment to be purchased:

8 long tons 20-lb. rail at $90	$680.00
4 only mine cars 18 cu. ft. (1-ton capacity)	600.00
1 " mine car loader, shovel type	3,000.00
1 " jackhammer rock drill	350.00
1 " ventilation blower with 5 HP motor	450.00

1 only pickup truck for hauling supplies		2,000.00
1 " 3/4" hose with couplings for water		50.00
1 " 1" " " " " air		65.00
500 feet of 1" black iron pipe		81.00
500 " " 2" " " "		152.00
1,000 " " 1/2" " " "		80.00
1,000 " " 1+1/4 " " "		192.00
1,300 " " 8" ventilating pipe		780.00
	Total	8,480.00

Applicant has made no provision for transformers and switch gear to step down his power voltage and since the voltage requirements are not known to this reviewer, no provision is made for such equipment herein. However, the power requirement for this project will probably not exceed a transformer capacity of 15 k.v.a., hence the cost of transformers will be small.

The cost figures above are approximately in line with the current cost of new equipment, but applicant will no doubt save his own money by purchasing some used equipment.

Cost of rental for equipment to be rented by applicant:

	Rental cost one month	Rental cost four months
1 portable compressor, 160 cu. ft.	$212.00	$848.00
15 miners cap lamps, electric	18.00	72.00
Total		$920.00

Rental value of items of equipment owned by operator none

Other items in applicant's list should be included as

Cost of materials and supplies, including items of equipment costing less than $50 each:

4 track switches at $25	$100.00
500 track ties at 50 cents	250.00
400 lbs. track spikes for 20-lb. rail	40.00
144 pairs splice bars " " " "	65.00
200 lbs. track bolts " " " "	18.00
Explosives; dynamite, fuse, caps	80.00
Tools such as pick, shovel, ax	100.00
Valves and fittings for pipe lines	78.00
Timber for 10 drift sets 3200 bd. ft.	416.00
	$1,147.00

13. Exhibit "D". (questions 23-a, b of Form MF-103)

For discussion of time element, see Section 15 of this review.

Cost of labor for this project should be as follows:

	Per month	Four months
2 miners at 12.75/day 359.12	$718.25	$2,873.00
1 trammer at 12.25/day	345.04	1380.16
1 laborer at 12.00/day	338.00	1,352.00
Supervision and trucking	400.00	1,600.00
		$7,205.16

14. Exhibit E (question 23-c)*

a) Is it applicable? No.

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? See draft attached.

(All exploration must be completed within two years)

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

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: F. W. Barson, BIA

E. F. McKnight, USGS

Date 3/3/51

INT.-DUP. SEC., WASH., D.C. 99009

15. Applicant states in answer to question 21 of form MF-103 "this project should not take one year to complete". In answer to question 24, he states "the tunnel can be opened in from four to six months depending on the amount of material," etc. The two statements are inconsistent.

Assuming that five percent of the adit will require close timbering, and that the remainder will be found relatively free of cave-ins and will require only clean-up, laying track and installing pipe lines for compressed air, water and ventilation, it is inconceivable to this reviewer that the job should require more than four months using only one shift. This estimate is based on the employment of two men for the inside work, one man for tramming waste rock, timber and other materials, one man outside for general surface labor, running compressor, etc., and one man for supervision including trucking of supplies. This program would require an advance of only thirteen feet per day as an average.

It is recommended that the cost of labor and supervision for exhibit "A" of the exploration contract be set up as shown in Section 13 of this review.

16. The project has been approved by the USGS on the basis of geologic probability

From the engineering standpoint this reviewer recommends approval of the following exhibits for the exploration contract.

Exhibit "A"

Time Schedule	Months
Clean up in vicinity of portal, retimber portal, lay track to dump, set up equipment or storage sheds. 100 feet advance in adit.	1
Clean out, repair and retimber 1200 feet of adit, including advance of pipe lines and track.	3
Total	4

Estimated Cost of Project

Construction and installation of additional facilities, Exhibit "B"		$3,000.00
Cost of equipment, Exhibit "C"		
To be purchased	$8,480.00	
To be rented by operator	920.00	9,400.00
Rental of operator's equipment	none	
Cost of labor and supervision, Exhibit "D"		7,205.00
Cost of materials and supplies, per list Section 12,		1,147.00
~~Total cost of project~~		$20,752.00
~~Government share~~		~~$10,376.00~~
Cost of access road [illegible]		$5,000.00
Total cost of project		$25,752.00
Government share		$12,876.00

8/7/51 DMA-363

Contents of File. Sent to R.E.D. Galtie Boy Mines, Inc.
San Juan Co., Colo.

In Binder

Referral of application. Appl. dated 12/13/50 Rec'd 1/5/51
Letter 4/4/51 U.S. Oil Dev. Corp. to USBM Region IV.
transmitting exhibits for Form MF 103, 3 pages.
Exhibits, 4 pages of answers to form MF 103
Assignment of Mining Lease, 5/4/51, Treon and
Peterson to Galtie Boy Mines Inc.
Lessee's Subordination Agreement 5/4/51
Photostat of Mining Lease and Option dated 9/11/50
3 pages Mrs. E. M. Bacon to Bentley, Treon & Peterson
Photostat of Mining Lease and Option dated 9/11/50, 3 pages
Frank L. Ross to Bentley, Treon and Peterson
Extracts, Report of J. E. Baxter, M.E. 2 pages
" " " Louis F. Schaefer, M.E. 2 pages
Gold Gulch Mining Co. Assays and Production Statement
Letter 12/5/50 Central Bank & Trust Co., Denver, Colo - U.S.
Oil Dev. Co. refusing loan
Photostat of Settlement Sheet on Tungsten Concentrates
dated 1/16/41, George H. Teal, Mining Engr.
Photostats of six Settlement Sheets by Gold, Silver
and Tungsten, Inc. 1935 to 1941
Statement of 1941 Tungsten Shipments from the
Galtie Boy group
Photostats of ~~the~~ Extracts from Reports of J. E.
Baxter, M.E. 2 pages, no date
Photostat of Extracts from Report of W. Z. Kinney
1 page no date

DMA-363

Photostat of Copy of Letter 4/4/30 Shaw Mines Corp. to W. Z. Kinney, no page
Photostat of Extracts from Report of Louis J. Schaefer M.E. 5 pages no date.
Photostat of pencil sketch "Gold Gulch Vein System"
U.S. Mineral Survey Plat of Survey No. 18950 with coloring added.
U.S. Mineral Survey Plat of Survey No. 18636 with coloring added.
Photostat of Claim Map, no title
Illustrative profile of workings on Gattie Boy Vein, 5 pages, typ. written with pencil sketch of Gattie Boy vein system.
Letter 12/13/50 U.S. Oil Dev. Corp. to USBM Region IV transmitting exhibits for application for loan, 3 pages
Memo. U.S.B.S. Burbank to McKnight, Review of Application 3 pages
Letter 2/26/50 U.S. Oil Dev. Corp. to USBM Region IV re application for access road, 2 pages
Memo. by D.M. Lemmon, USGS 2/27/51
Form M-103, dated 5/4/51
Memo. 5/7/51 Field Team Region IV to Exec. Secy. transmitting form for revised application
Letter 5/17/51 Exec. Secy to applicant acknowledging receipt of appl. for exploration loan.
Memo. Letter 5/18/51 Field Team to Exec. Secy. re transmittal of info. for IMF-103.
Memo. by D.M. Lemmon 5/29/51 re material to Public Roads

DMA-363

Copy of letter 7/29/51, from applicant to East. Region IV re participation for Pb-Zn and for W.
Copy of memo. 6/12/51, from Allaman Region IV to Lyon Chrman, Coord., Comm. re preceding letter
Letter 7/8/51, U.S. Oil and Development Corp. to Kerres, Chief Lead-Zinc Br. transmitting
Six copies executed form MF-202 signed by Mrs. E. M. Bruce
List of file contents 6/29/51 probably from Tungsten Branch.
Review of applications by E. T. McKnight U.S.G.S.
Blue-line print of claim map labelled Walter W. Bentley, W. R. Spear, and Carl H. Peterson.
Blue-ground print of claim map, labelled U.S. Oil Development Corp.
1 Aerial Photo.
Photostat (6 pages) of Agreement to Lease and Sell Mining Claims, dated Jan. 1, 1951, between Blue Bird Mining and Milling Co. and U.S. Oil Dev. Co. attached to photo. of letter 4/3/51 (2 pages) U.S. Oil Dev. Co. to Blue Bird Mining & Milling Co. re attachment.

350

Air Mail

U.S. OIL & DEVELOPMENT CORPORATION

Producers of Oil, Lead & Zinc
Suite 205-11-16 Mercantile Building
Denver 2, Colorado

August 6 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 13 1951

Mr. Landon F. Stroble,
Executive Secretary
Defense Minerals Administration
Washington 25, D.C.

Dear Mr. Stroble:

I believe this is the first time I have written you since the last war at which time we used to have a lot of correspondence between us.

I wish to acknowledge both letters of July 25th concerning the Hercules application number DMA-1871 and Joe & John application DMA 1870. I would appreciate very much if you would use your efforts in getting these two applications approved immediately for the reason that the four mines, Henrietta, Joe & John, Hercules and the Galtie Boy mines are only a few hundred feet from one another and as we have the Henrietta application approved, and I am told the Galtie Boy application has been approved, or rather the contract is in the attorney's office in Washington for signature to be sent here. If we could get these four applications approved immediately it would make it much more convenient for us in purchasing materials because we could divide it up between the four mines. It would also save us a lot of trucking expense. Therefore I will ask you again to use your good office to see if it is not possible to get these applications back here immediately.

Another thing about Silverton territory is that we only have about 90 days of weather where we can really get 100 cents on the dollar for our work and while labor is as high as it is it is necessary that we economize as much as we can because after the snow falls it will cost us double to 4 or 5 times as much to do outside work as it does in the summer time.

Assuring you of our appreciation for what you can do in getting these loans approved, I remain

Sincerely yours,

U.S. OIL & DEVELOPMENT CORPORATION, AND
GALTIE BOY MINES, INC

By Carl H. Peterson
Carl H. Peterson, Secretary

CHP:w

AUG 13 1951

FILE COPY
SURNAME:

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

Billings
McKnight
O'Leary
(Sec'y Mota)
Lyon
Adams

Yellow Boy

July 30, 19[illegible]

[illegible]-363
Yellow Boy Mine
San Juan County, Colorado

Hon. [illegible] M. Johnson
Hon. [illegible] R. Millikin
United States Senate
Washington 25, D. C.

My dear Senators Johnson and Millikin:

I have your letter of July 10 regarding the status of [illegible]-363 Yellow Boy Mine.

[illegible] in to advise that on the [illegible] of July we received from the applicant a landlord's authorization agreement necessary to complete the processing of this application.

A letter was sent to Mr. Stevens on July 17 with respect to his applications for Government assistance under the mineral exploration program.

We realize the desirability of getting work started in this high country before winter sets in. Everything now is being done to expedite final action.

If I can be of further assistance to you at any time, please do not hesitate to call on me.

Sincerely yours,

JAMES BOYD

Administrator

TPBillings:km

cc: Administrator
Reports & Records
Hole
McKnight
Billings
Files

F. GEORGE, GA., CH[illegible]N
TOM[illegible] TEX.
HA[illegible]RD, VA.
EDWIN C. JOHNSON, COLO.
CLYDE R. HOEY, N. C.
ROBERT S. KERR, OKLA.
J. ALLEN FREAR, JR., DEL.
EUGEN[illegible] MILLIKIN, COLO.
ROBERT A. TAFT, OHIO
HUGH BUTLER, NEBR.
OWEN BREWSTER, MAINE
EDWARD MARTIN, PA.
JOHN J. WILLIAMS, DEL.

ELIZABETH B. SPRINGER, CHIEF CLERK

Billings

United States Senate

COMMITTEE ON FINANCE

July 20, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 24 1951
LANDON F. STROBEL
Executive Secretary

Mr. James Boyd, Administrator
Defense Minerals Administration
Department of the Interior
Washington 25, D.C.

Attention: Mr. Billings

Dear Mr. Boyd:

Pursuant to our call, we are writing in regard to Galtie Boy Mines, Inc., Denver, Colorado.

We will appreciate your consideration of their application and being advised as to your decision.

Sincerely,

Ed C. Johnson

Ed C. Johnson, U. S. S.

Eugene D. Millikin, U. S. S.

JUL 3[illegible] 1951

4

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

July 17, 1951

DMA-606 Henrietta Mine
DMA-~~613~~ Galtie Boy Mine

Mr. Carl H. Peterson, Secretary
U. S. Oil & Development Corporation
Suite 205 Mercantile Building
Denver 2, Colorado

Dear Mr. Peterson:

Your letter of July 12 to Mr. Otto Herres has been received and referred to me for reply. This is to advise that Mr. Herres is no longer connected with Defense Minerals Administration.

I note your appreciation of our efforts here in expediting approval of your contract.

With reference to the Galtie Boy, everything possible is being done to expedite processing of this application. As to Joe and John and Hercules which you mention in your letter, we have no record in the Lead-Zinc Branch covering these projects.

I agree with you as to the desirability of getting work started in this high country where the summers are short and the winters long, and of course we will do everything in our power to get the work under way.

Very truly yours,

T. P. Billings, Chief
Lead-Zinc Branch

TPBILLINGS:ks

cc: Reports & Records Unit
Mote
McKnight
Billings
Files

Domestic file (Pmt)

U.S. OIL & DEVELOPMENT CORPORATION

Producers of Oil, Lead & Zinc

Suite 205-11-16 Mercantile Building

Denver 2, Colorado

July 12, 1951

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 16 1951
LANDON F. STROBEL
Executive Secretary

Mr. George B. Holderer,
Chief, Tungsten, Manganese & Chrome Branch
Defense Mineral Administration,
U.S. Department of Interior,
Washington 25, D. C.

Dear Mr. Holderer:

When I was in your office in Washington on April 25th of this year and discussed the tungsten on our Galtie Boy property you told us you would help us in every way to get this loan through as you needed tungsten. Since then we have changed this application to a straight 50-50 loan with the understanding that any work we do on the tungsten in the mine that we could put in a new loan later on a 25-75 basis. This was taken care of, I believe, May 28, 1951, the number being 363X.

We have leased three claims and when I was down to Silverton ten days ago they had about 35 tons of good tungsten ore out ready to ship and I would guess they have at least 60 tons today but it is impossible to get this tungsten out until we get the road built. Then we leased two more tungsten claims and they are beginning work Monday, July 16th, but they will be in the same predicament as the other boys - they can't get it out. The Department of Public Roads told me this road had been O.K.ed. and they would begin on it as soon as the Henrietta loan was completed, this being loan number 606. This loan was completed here Monday, July 2nd, and I am wondering if you would be kind enough to take this up with the Bureau of Roads in Washington and see if they could not get started on this road immediately and I will guarantee you you will have regular tungsten shipments out of Silverton every week and, without imposing upon you too much, I wish you would remind Mr. Herres to get the Galtie Boy loan number 363X approved, becasue we have an extra large vein of tungsten in the Galtie Boy tunnel that we want to work ourselves in connection with the lead and zinc.

Copy to P.B. 7/17/51

If you will help us on these two matters in Washington I assure you we will do our part out here and you wont regret it.

Very truly yours,

U.S. OIL & DEVELOPMENT CORPORATION

By Carl H. Peterson

Carl H. Peterson, Secretary

PS: I just found out you had been here about the time the plane was leaving Stapleton field. Too bad I could not have had the pleasure of meeting you and talking to you because I could have shown you a real mining program that we have as we are working and moving equipment into Silverton almost every day.

JUL 19 1951

July 12, 1951

Mr. George B. Holderer,
Chief, Tungsten, Manganese & Chrome Branch
Defense Mineral Administration,
U.S. Department of Interior,
Washington 25, D. C.

Dear Mr. Holderer:

When I was in your office in Washington on April 25th of this year and discussed the tungsten on our Galtie Boy property you told us you would help us in every way to get this loan through as you needed tungsten. Since then we have changed this application to a straight 50-50 loan with the understanding that any work we do on the tungsten in the mine that we could put in a new loan later on a 25-75 basis. This was taken care of, I believe, May 28, 1951, the number being 363X.

We have leased three claims and when I was down to Silverton ten days ago they had about 35 tons of good tungsten ore out ready to ship and I would guess they have at least 60 tons today but it is impossible to get this tungsten out until we get the road built. Then we leased two more tungsten claims and they are beginning work Monday, July 16th, but they will be in the same predicament as the other boys - they can't get it out. The Department of Public Roads told me this road had been O.K.ed. and they would begin on it as soon as the Henrietta loan was completed, this being loan number 606. This loan was completed here Monday, July 2nd, and I am wondering if you would be kind enough to take this up with the Bureau of Roads in Washington and see if they could not get started on this road immediately and I will guarantee you you will have regular tungsten shipments out of Silverton every week and, without imposing upon you too much, I wish you would remind Mr. Herres to get the Galtie Boy loan number 363X approved, becasue we have an extra large vein of tungsten in the Galtie Boy tunnel that we want to work ourselves in connection with the lead and zinc.

If you will help us on these two matters in Washington I assure you we will do our part out here and you wont regret it.

Very truly yours,

U.S. OIL & DEVELOPMENT CORPORATION

By_____
Carl H. Peterson, Secretary

PS: I just found out you had been here about the time the plane was leaving Stapleton field. Too bad I could not have had the pleasure of meeting you and talking to you because I could have shown you a real mining program that we have as we are working and moving equipment into Silverton almost every day.

July 13, 1951

363-X

Mr. George B. Holderer,
Chief, Tungsten, Manganese & Chrome Branch
Defense Mineral Administration,
U.S. Department of Interior,
Washington 25, D. C.

Dear Mr. Holderer:

When I was in your office in Washington on April 25th of this year and discussed the tungsten on our Caltie Boy property you told us you would help us in every way to get this loan through as you needed tungsten. Since then we have changed this application to a straight 50-50 loan with the understanding that any work we do on the tungsten in the mine that we could get in a new loan later on a 25-75 basis. This was taken care of, I believe, May 28, 1951, the number being 363X.

We have leased three claims and when I was down to Silverton ten days ago they had about 35 tons of good tungsten ore out ready to ship and I would guess they have at least 60 tons today but it is impossible to get this tungsten out until we get the road built. Then we leased two more tungsten claims and they are beginning work Monday, July 16th, but they will be in the same predicament as the other boys - they can't get it out. The Department of Public Roads told me this road had been O.K.ed. and they would begin on it as soon as the Henrietta loan was completed, this being loan number 006. This loan was completed here Monday, July 2nd, and I am wondering if you would be kind enough to take this up with the Bureau of Roads in Washington and see if they could not get started on this road immediately and I will guarantee you you will have regular tungsten shipments out of Silverton every week and, without imposing upon you too much, I wish you would remind Mr. Harres to get the Caltie Boy loan number 363X approved, because we have an extra large vein of tungsten in the Caltie Boy tunnel that we want to work ourselves in connection with the lead and zinc.

If you will help us on these two matters in Washington I assure you we will do our part out here and you want regret it.

Very truly yours,

U.S. [illegible]

By _____
Carl A. Peterson, Secretary

PS: I just found out you had been here about the time the plane was leaving Stapleton field. Too bad I could not have had the pleasure of meeting you and talking to you because I could have shown you a real mining program that we have and we are working and moving equipment into Silverton almost every day.

July 12, 1951

Mr. George E. Holderer,
Chief, Tungsten, [illegible] Branch
Defense Mineral Administration,
U.S. Department of Interior,
Washington 25, D. C.

Dear Mr. Holderer:

When I was in your office in Washington on April 30th of this year and discussed the tungsten on our Gattie Boy property you told us you would help us in every way to get this loan through as you needed tungsten. Since then we have changed this application to a straight 50-50 loan with the understanding that any work we do on the tungsten in the mine that we could put in a new loan later on a 25-75 basis. This was taken care of, I believe, May 23, 1951, the number being 3633.

We have loused three claims and when I was down to Silverton ten days ago they had about 3 tons of good tungsten ore out ready to ship and I would guess they have at least 60 to 8 today but it is impossible to get this tungsten out until we get the road built. Then we loused two more tungsten claims and they are beginning work Monday, July 16th, but they will be in the same predicament as the other boys - they can't get it out. The Department of Public Roads told us this road had been O.K.ed. So they would begin on it as soon as the Monarch loan was completed, this being loan number 600. This loan was completed here Monday, July 2nd, and I am wondering if you would be kind enough to take up with the Bureau of Roads in Washington and see if they could have got started on this road in ordinarily and I will guarantee you you will have regular tungsten shipments out of Silverton every week and, without imposing upon you too much, I wish you would remind Mr. Morris to get the Gattie Boy loan number 3633 approved, because we have an extra large vein of tungsten in the Gattie Boy tunnel that we want to work ourselves in connection with the lead and zinc.

If you will help us on those two matters in Washington I assure you we will do our part out here and you won't regret it.

Very truly yours,

U.S. [illegible]

By _____
[illegible], Secretary

P.S. I just found out you had been here about the time the plane was leaving Stapleton Field. Too bad I could not have had the pleasure of meeting you and talking to you because I could have shown you a real mining program that we have as we are working and moving equipment into Silverton almost every day.

U.S. OIL & DEVELOPMENT CORPORATION

Producers of Oil, Lead & Zinc

Suite 205-11-16 Mercantile Building

Denver 2, Colorado

June 28, 1951

Mr. Otto Herres, Chief
Lead-Zinc Branch
U.S. Department of Interior
Defense Minerals Administration
Washington 25, D.C.

DMA-363X

Dear Mr. Herres:

We are enclosing herewith six signed copies of the Landlord's Subordination Agreement, which we ask you to please attache- to our application for loan on the Galtie Boy Mines Inc, Docket number DMA-363X.

We are sending these in request to your telegram of June 21st.

Very Truly yours,

U.S. OIL & DEVELOPMENT CORPORATION

By Carl H. Peterson

Carl H. Peterson, Secretary

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 3-1951
LANDON F. STROBEL
Executive Secretary

JUL 6 1951

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of San Juan, State of Colorado, described in a certain Exploration Project Contract dated May 4, 1951, between Galtie Boy Mines Inc. as assignee of Carl H. Peterson, W. R. Green and Walter W. Bentley the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated September 11, 1950, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 25th day of June, 1951

Mrs. E. M. Bacon

Mrs. E. M. Bacon

U. S. GOVERNMENT PRINTING OFFICE 940768

Frank L. Ross

Frank L. Ross

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of San Juan, State of Colorado, described in a certain Exploration Project Contract dated May 4, 1961, 195 1, between Cattle Boy Mines Inc. as assignee of Carl E. Petersen, W. R. Green and Walter W. Hemley, and the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated September 11, 1960, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 25th day of June, 195 1

Wm. E. M. Bacon
Wm. E. M. Bacon

Frank L. Ross
Frank L. Ross

U. S. GOVERNMENT PRINTING OFFICE 940768

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of San Juan, State of Colorado, described in a certain Exploration Project Contract dated May 4, 1951, between Galtie Boy Mines Inc. as assignee of Carl M. Peterson, W. R. Groon and Walter W. Bentley the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated September 11, 1950, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this 25th day of June, 1951

Mrs. E. M. Bacon
Mrs. E. M. Bacon

U. S. GOVERNMENT PRINTING OFFICE 940768

Frank L. Ross
Frank L. Ross

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of _____, State of _____, described in a certain Exploration Project Contract dated _____, 195__, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated _____, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195__

Mrs. E. M. Bacon

Frank Ross

U. S. GOVERNMENT PRINTING OFFICE 940768

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of _____, State of _____, described in a certain Exploration Project Contract dated _____, 195__, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated _____, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195__

Mrs. E. M. Bacon

Frank Ross

U. S. GOVERNMENT PRINTING OFFICE 940768

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of San Juan, State of Colorado, described in a certain Exploration Project Contract dated May 4, 1951, 195_1_, between [illegible] the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated [illegible], does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this [illegible] day of June, 195_1_

Mrs. E. M. Bacon

[illegible]

Frank Rose

[illegible]

U. S. GOVERNMENT PRINTING OFFICE 940768

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

224 New Customhouse
Denver, Colorado

June 12, 1951

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA 363X, Galtie Boy Mines, Inc.

We are enclosing a letter received from Carl H. Peterson, Secretary, Galtie Boy Mines Inc., 205 Mercantile Building, Denver 2, Colorado. This has reference to your letter of May 25 regarding the above docket.

Paul T. Allsman
P. T. Allsman, Alternate

A. H. Koschmann
A. H. Koschmann

Attachment

Defense Minerals Administration
JUN 1 3 1951
LANDON F. SUTHERLAND
Executive Secretary

P.

GALTIE BOY MINES INC.
205-11-16 Mercantile Bldg.
Denver 2, Colorado

COPY

May 29, 1951

Mr. J. H. East Jr.
Regional Director, Region IV
Bureau of Mines
224 New Customhouse
Denver, Colorado

Dear Mr. East:

Referring to our conversation in your office this morning relative to the Galtie Boy application DMA 363X.

It is noted that you have advised me that the opening of the tunnel to the Galtie Boy vein cannot be considered under the tungsten program.

The application was submitted previously as lead, and zinc proposition on a 50-50 matching basis.

For reference as to our financial ability to meet this loan on a 50-50 basis we refer you to the Central Bank & Trust Company, 15th and Arapahoe Streets, Denver, Colorado.

If our original application can be considered on a 50-50 basis for the lead, zinc and copper, and the exploration of the tungsten vein in the Galtie Boy tunnel be considered on a 75-25 basis, as suggested in the letter from Mr. Lyons, we will be glad to sign the contract to that affect.

Very truly yours,

GALTIE BOY MINES INC.

BY /s/ Carl H. Peterson, Secretary

CHP:w

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

224 New Customhouse
Denver, Colorado

June 12, 1951

Memorandum

To: Tom Lyon, Chairman, Coordinating Committee, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: DMA 363X, Galtie Boy Mines, Inc.

We are enclosing a letter received from Carl H. Peterson, Secretary, Galtie Boy Mines Inc., 205 Mercantile Building, Denver 2, Colorado. This has reference to your letter of May 25 regarding the above docket.

Paul T. Allsman
P. T. Allsman, Alternate

A. H. Koschmann
A. H. Koschmann

Attachment

GALTIE BOY MINES INC.
205-11-16 Mercantile Bldg.
Denver 2, Colorado

May 29, 1951

Mr. J. H. East Jr.
Regional Director, Region IV
Bureau of Mines
224 New Customhouse
Denver, Colorado

Dear Mr. East:

Referring to our conversation in your office this morning relative to the Galtie Boy application ~~RMA~~ 363X.

It is noted that you have advised me that the opening of the tunnel to the Galtie Boy vein cannot be considered under the tungsten program.

The application was submitted previously as lead, and zinc proposition on a 50-50 matching basis.

For reference as to our financial ability to meet this loan on a 50-50 basis we refer you to the Central Bank & Trust Company, 15th and Arapahoe Streets, Denver, Colorado.

If our original application can be considered on a 50-50 basis for the lead, zinc and copper, and the exploration of the tungsten vein in the Galtie Boy tunnel be considered on a 75-25 basis, as suggested in the letter from Mr. Lyons, we will be glad to sign the contract to that affect.

Very truly yours,

GALTIE BOY MINES INC.

BY /s/ Carl H. Peterson, Secretary

CHP:w

FILE COPY
SURNAME:

Lemmon
Holden
Graham

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

File Sent To → MAY 25 1951

Mr. J. H. East, Jr., Executive Officer
DMA Field Team, Region IV
230 New Customhouse
Denver 2, Colorado

Subject: DMA 363 X - Galtie Boy Mines, Inc.

Dear Mr. East:

The Galtie Boy Mines, Inc. have submitted a revised tungsten application for reopening the Galtie Boy tunnel on a 75 percent participation basis by the Government. Although this application was submitted through the Denver Office of the Bureau of Mines, and you are probably familiar with its content, we are returning it to you for consideration along with the previously referred lead-zinc proposal for the same property.

Apparently, the applicant now has 2 applications to reopen the same tunnel for different metals. The tungsten commodity committee does not believe that the Galtie Boy is a good enough prospect for tungsten to warrant an expenditure of $43,822 to open the tunnel. However, if the tunnel should be opened for other reasons and a huebnerite vein is found in the workings, a small exploration loan to explore such a vein might be considered.

The list of proposed expenditures for reopening the tunnel include taxes ($4,000) and 4 stopers ($2,440), items which do not seem required for the project. In addition, it is not clear that a mucking machine is needed unless caved areas are extensive.

Yours very truly,

Tom Lyon
Tom Lyon
Chairman, Coordinating Committee

Enclosure

APPROVED BY:
Lowell B. Moon
For the Bureau of Mines

Olaf N. Rove
For the Geological Survey

Copies to: Surname copy
Dr. Boyd
Mr. Strobel
Mr. Bradley
Mr. Moon
Mr. Rove
Mr. Thayer

DHLemmon:gt
5/23/51

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

May 18, 1951

Memorandum

To: Mr. Landon Strobel, Executive Secretary, Defense Minerals Administration

DMA-363-X

From: Field Team, Region IV

Subject: DMA-606 - U. S. Oil & Development Corp., Henrietta Mine, Carl Peterson, Applicant.

Herewith enclosed are three copies of additional information on the above application. You were sent three copies of Form MF-103 on May 9, 1951. This information is the supporting exhibits for attachment to the contract. Also included is the original brochure.

This application gets more confused as we go along; however, we hope it is sufficiently complete for final execution.

Wrote now 1/31-1952

Paul T. Allsman, Alternate

A. H. Koschmann

Enclosures

FILE COPY
SURNAME:

Strobel

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

May 17, 1951

Mr. Walter W. Bentley
U.S. Oil and Development Corp.
205-11 Mercantile Bldg.
Denver 2, Colorado.

Subject: DMA-363X
Re: Exploration Loan
Galtie Boy Mine

My dear Mr. Bentley:

Receipt is acknowledged of your application and attachments of May 4, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number 363X and referred to Mr. P. R. Bradley, Chief, Tungsten Branch on May 16, 1951.

In any future correspondence relating to your application, kindly refer to DMA 363X.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

LFSTROBEL:mab
cc: Strobel-2
Files
Bradley
Lyon

DMA-363X

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OFFICE OF
REGIONAL DIRECTOR

REGION IV

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

May 7, 1951

Memorandum

To: Landon Strobel, Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: Revised application - DMA Docket 363, U. S. Oil and Development Company, Galtie Boy Mines, Inc., Carl Peterson, applicant

During a recent trip to Washington by Mr. Peterson, he was advised to prepare and re-submit the information on the above docket. The enclosed brochure and executed form MF 103 are the result of this revision.

Paul T. Allsman

P. T. Allsman, Alternate

Attachments
Three copies of revised tungsten application
Three copies of MF 103

Dma-363X

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION IV

OFFICE OF
REGIONAL DIRECTOR

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

May 7, 1951

Memorandum

To: Landon Strobel, Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: Revised application - DMA Docket 363, U. S. Oil and Development Company, Galtie Boy Mines, Inc., Carl Peterson, applicant

During a recent trip to Washington by Mr. Peterson, he was advised to prepare and re-submit the information on the above docket. The enclosed brochure and executed form MF 103 are the result of this revision.

P. T. Allsman, Alternate

Attachments
Three copies of revised tungsten application
Three copies of MF 103

Herres

U.S. OIL & DEVELOPMENT CORPORATION

Producers of Oil, Lead & Zinc

Suite 205-11-16 Mercantile Building
Denver 2, Colorado

Lead-Zinc Branch
Folder
D.H.
4/23/51

April 17, 1951.

U.S. Department of the Interior,
Defense Minerals Administration,
Washington 25, D. C.

Re: Dockets DMA-363
DMA-606

Dear Mr. Herres:

Thank you for your letter of March 28th.

Mr. Peterson is out of the city at the present time.

We will follow your suggestion and take this matter up with Mr. J. H. East, Jr., of the Bureau of Mines here in Denver.

Very truly yours,

U.S. OIL & DEVELOPMENT CORPORATION

By Cecile Ware
Secretary to Mr. Peterson.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 23 1951
LANDON F. STROBEL
Executive Secretary

APR 23 1951

FILE COPY
SURNAME:

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

April 6, 1951

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

Subject: U. S. Oil & Development Corp. - exploration aid

Dear Mr. East:

The docket on the subject company was sent to your office by the Lead-Zinc Branch on March 29 with a request for a field investigation.

A request for access roads to the Salty Boy, Henrietta and Lark mines of the subject company has also been received.

We suggest that the road investigation be made at the same time as the exploration and investigation to avoid an extra field trip. You probably have it set up this way and our suggestion is superfluous, but better an extra letter than an extra field trip.

Very truly yours,

Stanley M. Walker
Requirements Division

SMWalker:cg

DMA Coordinating Committee

[illegible] Lyon
Chairman

Lowell B. Moon
Member, Bureau of Mines

Chas N. Rove
Member, Geological Survey

Copy to: Admin. Reading File, Mr. Strobel, Montag, Files

FILE COPY
SURNAME:

Herres
Mott
Knight
Strobel

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

April 6, 1951

Baltic Bay [illegible]
Manitoba Lime [illegible]

Honorable [illegible] Douglas
Democratic Senator, Illinois
United States Senate
Washington 25, D. C.

Dear Senator Douglas and Paul:

Confirming the telephone conversation of Mr. Arthur Herres, Chief Legislative Counsel, with your office, the applications of Baltic Bay, [illegible] and Manitoba Lime, [illegible] for Government assistance have been referred to Region IV Field Office, Mr. J. H. Fast, Jr., 224 New Customhouse Building, Denver 2, Colorado for further information and discussion with the applicant.

Mr. [illegible] Peterson, President of [illegible] Development Corporation, Denver, Colorado has been notified of the action taken.

If [illegible] can be of further service at any time, please let us know.

Sincerely yours,

JAMES BOYD
Administrator

CHERRY:ks

cc: Administrator
Deputy Administrator
Mr. Strobel
Mr. Moon
2 copies Field Team Executive Officer, Mr. J. H. Fast, Jr.
Region IV, 224 New Customhouse Building, Denver 2, Colo.
Mr. Mott
Mr. McKnight
Mr. Herres
Files ✓

EDWIN C. JOHNSON, COLO., CHAIRMAN
ERNEST W. MC FARLAND, ARIZ.
WARREN G. MAGNUSON, WASH.
BRIEN MC MAHON, CONN.
HERBERT R. O'CONOR, MD.
LYNDON B. JOHNSON, TEX.
LESTER C. HUNT, WYO.
CHARLES W. TOBEY, N. H.
OWEN BREWSTER, MAINE
HOMER E. CAPEHART, IND.
JOHN W. BRICKER, OHIO
JOHN J. WILLIAMS, DEL.
JAMES P. KEM, MO.

EDWARD S. JARRETT, CLERK

United States Senate

COMMITTEE ON
INTERSTATE AND FOREIGN COMMERCE

April 3, 1951

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.
APR 4 3 09 PM '51

Mr. James Boyd, Administrator
Defense Minerals Administration
Department of the Interior
Washington, D. C.

Attention: Mr. Otto Harris

Dear Mr. Harris:

Pursuant to our personal call we are addressing you in regard to the following applications: Galtie Boy DMA-363 and Henrietta Mine DMA-606.

We will appreciate any information which you are able to furnish us in regard to these two applications.

Thank you for your kind cooperation.

Sincerely,

Ed C. Johnson, U. S. S.

Eugene D. Millikin, U. S. S.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 5 - 1951
LANDON F. STROBEL
Executive Secretary

6

APR 5 1951

DMA 606
363

April 2, 1951

Memorandum

To: Mr. Montag

From: Lead-Zinc Branch, D.M.A.

Subject: Access roads to the Galtie Boy, Henrietta, Lark, and adjacent mining property in San Juan County, Colo.

The attached copy of a letter of January 23, 1951, from C. H. Peterson, Secretary of the U. S. Oil and Development Corporation, mentions, on the second page, his desire to get an access road to the Galtie Boy and Henrietta Mines which the corporation hopes to open up soon. Applications are pending with the Defense Minerals Administration for exploration aid on these two projects and have been referred to the field team for further consideration. If the applicant is willing to participate in the exploration program and these two projects receive the approval of the field team, the access roads will be in order, but until these decisions are made it would appear that nothing need be done.

The applicant also mentions needed improvement of the portion of these access roads that lies between the county road and the Lark mine. To the best of our knowledge, the Lark mine was last worked in 1947. If the company is planning to reopen this mine, this portion of the access road should be eligible for Government aid at the present time. It is also mentioned that other properties tributary to this road will be opened up later. It is not evident as yet whether such development will be dependent upon Government aid or will proceed regardless of this aid.

We are forwarding a copy of the letter at this time for your information, in case the matter reaches you independently of this office.

Very truly yours,
Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

E. T. McKnight:emp
G 4/2/51 Copies to:
2 copies to J. H. Last, Jr
Region IV
Chief, Lead-Zinc Br.
E. T. McKnight 4204 GSA

Attachment

L. A. Moon
R. H. Mote
L. F. Strobel
C. O. Mittendorf
Files

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

March 22, 1951

Memorandum

To: Executive Officer Field Team, Region IV
Through: Coordinating Committee and
Director, Supply Division

From: Lead-Zinc Branch, [illegible] Ref: Docket [illegible]-505

Subject: Application of [illegible] Commodity: Lead, zinc
[illegible] Development Corporation and tungsten
Walter [illegible] Bentley, [illegible] Green, Earl H. Paterson
205-11 Mercantile Building
Denver 2, Colorado
Baltic Boy Mine, San Juan County, Colorado

Review of subject docket reveals the following pertinent facts:

Zinc has not been mined since 1937 except for periods in 1935 and 1941 when about 150 units of tungsten were produced from the Baltic Boy Dump.

Reserves alleged to have been developed prior to 1937 were [illegible],000 tons on the Baltic Boy vein and an additional 175,000 tons on other veins on the property. Data supplied with this application fail to give any suitable indication of the nature and grade of the reserves. A list of 20 samples taken from the Baltic Boy obviously in the early 1900's, gives 1-2.5% lead and 0.6-1.4 ozs. silver. In all these samples the gold assays are given in decimals ranging from 0.03-0.1. It certainly would be nearer the truth if these are intended to represent dollar values rather than ounces. If not, the samples are obviously unrepresentative, according to [illegible] Burbank of the Geological Survey. No zinc is mentioned in the application. Mr. Burbank believes the zinc content might be higher than lead in some of these shoots, but the specific ore bodies are not now accessible.

According to Mr. Burbank the area of this mineral area are quartz veins commonly high in pyrite, with scattered bodies or chimney like shoots of higher grade base metal sulfides with silver and gold. The ores are complex and may locally predominate in lead, zinc, copper, or tungsten. Tungsten reserves are not ordinarily measurable, and applicant makes no specific proposal for mining tungsten. [illegible] which is

McKnight:omp 3/22/51 Copies to: 2 copies to J.H. Swat
Region IV
Chief, Lead-Zinc Br.
McKnight 4204
L. B. Moon
M. E. Mote
L. F. Strobel
E. J. Mittendorf Files

reported to come from a vein or veins separate from the Little Boy vein. However, in a later letter, copy of which is enclosed, he requests that this Little Boy application be taken from lead-zinc and placed under tungsten.

Applicant requests "exploration and mining loan" of $[illegible] to rehabilitate mine, provide equipment, and pay all costs of placing the mine in production, including wages for 5 months, and manager's salary for 5 months.

Recommendation

It appears that this application, if it is considered in the Defense Minerals Administration program at all, will have to be considered under the exploration program, as the mine area is mentioned in the reserve estimates and the lead values listed are low. Mr. Burbank states that the reserves claimed are at present inaccessible, and that it will require the expenditures requested in order to open up the ore for inspection. The project appears worthy of some consideration as a lead-zinc exploration, not on the basis of what is given in the application, which is very poorly presented, but on the basis of what is perhaps dimly known of the mineral deposits of this mineral area.

If our information is correct that little can be seen on the ground, there appears to be no need for a field inspection at this time. If the applicant is willing to go along on sharing the expenses under the exploration program, there may be certain engineering phases of the proposal that might have to be investigated before the project is approved. The docket is forwarded in advance of release of the "ground rules" on the exploration program, on the assumption that the field office can orally explain enough of the exploration program to determine whether the applicant wants to proceed under this program. Application will warrant no further consideration if applicant does not want to give up his half of the expenses, though he may want to propose a modification of his original proposal.

Attached with docket is a review by Mr. L. Burbank; also a note from Dwight Lemmon stating that tungsten occurrences in the area are so spotty as to make exploration for tungsten alone unwarranted. The total project as presented does not rate the higher Government contribution for exploration allowed for tungsten, although conceivably a small sub-project might be set up to explore specifically the tungsten occurrence which is stated to be in a separate vein.

Approved:
For Coordinating Committee

Chairman

W. McKnight, Chief
Lead-Zinc Branch

L. B. Moon

Earl W. Hove

March 8, 1951

DMA 363

Mr. Carl H. Peterson
U. S. Oil & Development Corporation
Suite 205 Mercantile Building
Denver 2, Colorado

Dear Mr. Peterson:

Your letter addressed to Mr. James Boyd, dated February 12, has been referred to me for reply.

Your request for me to transfer your application DMA 363 to the Tungsten Branch will be called to the attention of that Branch.

As soon as the field office can arrange to make an inspection, your property probably will be examined in the field. At that time consideration will be given to the tungsten possibilities of the claims in your Baltic Bay group, as well as lead and zinc.

We trust that this arrangement will prove satisfactory to you.

Very truly yours,

OTTO HERRES

Otto Herres, Chief
Lead-Zinc Branch

O HERRES:ks

cc: Mr. Strobel
Mr. Hole
Mr. McKnight
Mr. Herres
Tungsten Branch
2 copies Executive Officer Field Team Region IV
Mr. J. A. Nast, Jr.
204 Customhouse , Denver, Colo.
Files

5

Herr Kerrer

3/6

Offizier-Amt

Ich habe es

hier so nur-er-aus

Brach-t. man die Leute

Pusteln

See Brennard about incorporating in letter to Peterson (Galtie Bay) a discussion of access road, to be added to cost proposal.

DMA 3/23X

Peterson → 84
Lake
Nunnette →

Exploring Exp. →
Mt. Hawaii
Co. - Rel. 7.

Little Boy
Lost Road.
Found the principal
Lake - Applicant
Call Mr. Walker → Cal
Lost Road Found the
Letter to Cal. Lake Rev.

LANDON F. STROBEL,
Mr. Bradley

U.S. OIL & DEVELOPMENT CORPORATION

Producers of Oil, Lead & Zinc

Suite 205-11-16 Mercantile Building

Denver 2, Colorado

February 12, 1951.

copy of reply to Tungsten Home

FEB 20 3 16 PM '51

Mr. James Boyd
Chief of Mineral Defense Administration,
U.S. Bureau of Mines,
Washington, D. C.

Dear Mr. Boyd:

In December 1950 an application for a loan was filed under the Defense Mineral Act through the U.S. Bureau of Mines for the Galtie Boy mine located 7-1/2 miles North of Silverton in San Juan County, Colorado, signed by Walter W. Bentley, W.R. Green and Carl H. Peterson.

We stated in this application that a Mr. Williams had a lease on one or two claims belonging to the Galtie Boy group and was mining tungsten, and it was for that reason we were anxious to get in touch with Mr. Williams.

In the wonderful address you made on February 3rd, at the Mining Convention, you stated that Chrome, Tungsten and Manganese have been placed in a category by themselves and therefore the first priority as to loans. Knowing that we had a large amount of tungsten in the Galtie Boy group we immediately proceeded to locate Mr. Williams and we found Harold O. Williams and his partner H. E. Walby, who operated the Dawn of Day, which is one of the Galtie Boy group, in the summer of 1941. Both of these men tell us there is more tungsten in the Galtie Boy group of mines than in any property in Boulder County and they are very anxious to get a lease from us on several of these claims, on which they have already discovered tungsten. The reason they did not continue mining this tungsten from the Galtie Boy Group is because there was a change of ownership and the new owner asked a prohibitive royalty.

We are enclosing herewith copy of letter they wrote to us addressed to U.S. Oil & Development Corporation with which Bentley, Green and Peterson are associated. This letter is self explanatory.

We therefore ask that you kindly transfer this application from the Lead, Zinc and Copper division, which we understand is priority #2, into the Chrome, Tungsten and Manganese division, which we understood from your address carries #1 priority.

Trusting this will have your immediate attention, we remain

Sincerely yours,
Walter W. Bentley,
W.R. Green
Carl H. Peterson,
By Carl H. Peterson
Carl H. Peterson.

CHP:w

Denver, Colorado,
February 5, 1951.

U. S. OIL & DEVELOPMENT CORPORATION,
205 Mercantile Building,
Denver, Colorado.

Gentlemen:

We understand that you have a lease on the Galtie Boy group of mines at Silverton.

In 1941 we mined on the Dawn of Day mine during the summer taking out approximately $1500.00 worth of 60% tungsten concentrates. While we were working on the Dawn of Day we examined for tungsten ore in the Galtie Boy and found a vein some 18 inches wide in a rise 18 feet long.

We also examined on the Minnesota claim and it showed tungsten along the hanging wall. Some old fill and mill dirt prevented us making further examination.

We also examined on the Ohio claim and it had a showing of tungsten.

We would like to have a lease on the Dawn of Day, Minnesota and Ohio claims and would like to have a refusal on some other claims you have which have tungsten ore on them, for at the present price we feel we can mine these properties at a good profit to us and also make some money for you.

Very truly yours,

H. E. Walby

H. E. Walby,
General Delivery,
Cripple Creek, Colorado.

Harold C. Williams

H. C. Williams,
2465 - 20th Street,
Boulder, Colorado.

Item 5

Extracts from

R E P O R T

of

J. E. BAXTER, M. E.

Mr. W. W. Zimmerman,

Have visited the San Juan Mining District, and examined the operations and properties of the Ross Mining & Milling Company. . . .

The Silverton Smelter, which the Company is operating . . . . . .

The gold properties at Dry Gulch, on Cement Creek, about a mile below Gladstone, were inspected and there is undoubtedly the makings of a large milling proposition there.

Several strong prominent veins have been opened up at various places and sufficient development work completed to furnish a tonnage to run a mill for several years. Additional tonnage can be secured by extending the tunnels as ores are extracted from the ore bodies now opened up. . . .

The mineral contents are about the same as the operating properties of the District, such as the Gold King, Sunnyside and Telluride properties. The ores should run from $10.00 to $15.00 per ton, of which gold is the predominate value. . .

With depth the other metals may increase but

the first operations should give special attention to the gold. . . . The limestone area (Kimberlite) on the Kimberlite property are interesting and attractive. . .

A mill will be required, as there are not sufficient copper contents or mineral values to justify shipping the crude ores to your Trailer or Silverton. The lead contents would be lost at the pyrolic smelter, so the lead concentrates would have to be shipped to some outside smelter, but there may be copper and iron content enough to produce a concentrate which would be valuable to the smelter operations. . . .

As to what the proper milling methods should be, is a matter which should be given considerable study. . . .

J. L. Kastner,

Mining Engineer.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. Dma-363X

Date received 5/15/51

Participation

Galtie Boy Mines Inc.
211 Mercantile Bldg.,
Denver 2, Colorado

Name and address of applicant

Date May4 1951

FILL IN THIS BLOCK

Date of application May 4, 1951 Estimated cost $43,822.00

Mineral or metal ~~Tungsten~~ lead, zinc, copper Percentage of Government participation 50% ~~75%~~

Location of mine Silverton, San Juan Co. Colorado.

See letter dated May 29, 1951

Date of filing MF-100 DMA Docket Number, if available Dma-363X

See attached sheets for detailed answers to these questions.

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves? (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

GALTIE BOY MINES INC
(Name of company)

By Paul H Peterson
(Signature of authorized official)

May 4 1951
(Date)

Secretary
(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-363X

Date received 5/15/51

Participation

Cobalto Boy Mines Inc.
211 Mercantile Bldg.,
Denver 2, Colorado

Name and address of applicant

Date May 4 1951

FILL IN THIS BLOCK

Date of application May 4, 1951

Estimated cost $45,000.00

Mineral or metal Sunnyton

Percentage of Government participation 73%

Location of mine Silverton, San Juan Co. Colorado.

Date of filing MF-100

DMA Docket Number, if available DMA-363X

See attached sheets for detailed answers to these questions.

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

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

(Name of company)	By Carl T. Peterson (Signature of authorized official)
(Date)	Secretary (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

~~The expectable quantity of Tungsten~~
~~Possible tungsten~~
Expectable tungsten production is too small to warrant exploration especially for tungsten

Mac: I suggest adding the above sentence to the last paragraph of your letter. Past experience in mining tungsten in the San Juan Mountains has shown that the occurrences are too spotty to warrant ~~exp~~ expensive exploration for tungsten alone. Perhaps some one will discover an important tungsten ore short sometime, but we do not seem to have much evidence to start the search.

Dwight
2-27-51

U.S. OIL & DEVELOPMENT CORPORATION

Producers of Oil, Lead & Zinc

Suite 205-11-16 Mercantile Building

Denver 2, Colorado

4/6/51

Mr. J. A. East.,
Regional Director,
Bureau of Mines,
Region IV,
224 New Customs Building,
Denver 2, Colorado.

Dear Mr. East:

1. The following list of exhibits has been made in conformity with from MF-103 as issued from your office which is an application for exploration project loan pursuant to Mineral Order 5 under Defense Production Act of 1950.

Loan application for Galtie Boy group of mines in Prospect Basin, San Juan County, Colorado,by:

Galtie Boy Mines Inc.,
211 Mercantile Building,
1031 - 15th Street,
Denver 2, Colorado.

This application was formerly made by Walter W. Bentley, W. R. Green and Carl H. Peterson.

3. Shows the corporation's officers, directors and largest stockholders.

4. Walter W. Bentley who will be the consulting engineer has had wide experience in the mining field. He was with Anaconda Copper Company 20 years, and with U.S. Bureau of Mines 4 years, and was with American Smelter & Refining Company for one year as resident engineer for Colorado.

5. Galtie Boy Mines Inc., are the lessees with purchase agreement. See the assignment from Walter W. Bentley, W.R. Green and Carl H. Peterson to the Galtie Boy Mines Inc; also leases from Mrs. E. M. Bacon and Frank L. Ross which has been assigned by Walter W. Bentley W. R. Green and Carl H. Peterson.

7. The lease and purchase agreement from Mrs. E. M. Bacon and Frank L. Ross are in good standing.

U. S. Oil & Development Corporation

8. The Galtie Boy Mines Inc., was incorporated on April 27th 1951 with a capital stock of $50,000 worth of common stock with a par value of $1.00 per share.

10(a) The attached Federal land plats Survey No.18950 and No.18636 shows the claims covered by the leases and purchase agreements. All the claims belonging to the lease are colored in green, except one which is the Cement Creek claim which joins the Prospect Gulch Placer claim Survey No.18949.

10(b) The exploration will consist of cleaning out the sloughed material and some slight cave ins and laying new track, new air line, water line and ventilating line in the Galtie Boy tunnel for a distance of approximately 1300 feet. The Galtie Boy tunnel is shown in red on plats Mineral Survey No. 18636 and starts on the Gold Dollar running across the Galtie Boy and ending on the Little Mack.

11. As far as we have been able to ascertain this group of mines has always been knon as the Galtie Boy Mines.

12. The Galtie Boy Mines are located almost due north of Silverton Colorado about 7 miles;going from Silverton you go up the Cement Creek highway which runs approximately one mile from the portal of the Galtie Boy tunnel. There will have to be about 3/4ths of a mile of new road or rebuilding an old road which exists in order to get the ore to the highway from Galtie Boy Mine. Application has been made to Bureau of Mines under the Mine Access Road Provision.

13. There is an abundance of water in Dry Gulch canon, also Cement Creek and Prospect Gulch. This water is plentiful at all seasons of the year. The Southern Colorado Power Company's high line runs about a mile from the portal of the Galtie Boy Tunnel. We do not anticipate any difficulty in getting the power company to run a power line to the mine for us. Of course we will have to pay for the cost of the power line.

14. As this mine has not really been operated since 1907 there are no buildings on the property that can be occupied, however we will be able to lease the cook house, dining room and some of the bunk houses at the Lark mine which is only about 2-1/2 miles by truck road at a very nominal cost.

15. The nearest tungsten mill to the property is the Teal Milling Company of Boulder. We expect to jigg and reduce the ore as much as possible at the mine and haul it to Boulder by truck.

16(a)(b)(c) The references furnished in the application are self explanatory and complete.

17. We have no information on which to base production estimates, however we do know that a sizeable vein of tungsten was cut in the Galtie Boy tunnel as Mr. Frank Ross, H. E. Walby and Harold O. Williams have examined the vein of tungsten in the Galtie Boy tunnel and advise that there is a sizeable vein of tungsten.

18(a) Attached to this application is a report by J. E. Baxter, M.E. also one by Louis F. Schaefer, M.E. which covers these claims.

(18(b) Also Map Survey No.18950 and No.18636 which covers the entire group of claims leased by the Galtie Boy Mines Inc. Also there is a map showing the relative location of these two surveys to each other. Also profile map of Galtie Boy vein, Last Chance, Camp Bird and Little Maud veins; also the Leslie, Ohio, Wetzel, Boycotter and Sunshine; also map showing the relative positions of these veins to each other.

19. As stated in the application we have made application for the construction of access road to the Galtie Boy tunnel portal.

20. This exploration will be conducted to produce tungsten.

21. Refer to item 10 of this letter.

22. Refer to item 18(a) 18(b) of this letter.

23. See itemized list of equipment and supplies and labor needed to complete this project.

24. If this loan is allowed within the next few days and a D.O. order for equipment and supplies are allowed at the same time we feel we can get started in a very short time. If equipment and supplies are available we would be able to complete this project within from four to six months.

GALTIE BOY MINES INC.

By Carl G. Peterson

April 4, 1951.

Secretary

U.S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Application for aid for an Exploration Project pursuant to Mineral Order 5, under Defense Production Act of 1950.

Galtie Boy Mines Inc.
211-16 Mercantile Bldg.,
Denver 2, Colorado.

Date of Application, May 4, 1951

Mineral or Metal, Tungsten,

Location of Mine, Silverton, San Juan Co. Colorado.

Estimated cost, $43,822.00

Percentage of government participation, 75%

Date of filing MF-100 D.M.A. Docket Number 363

1. The former applicants were Walter W. Bentley, W. R. Green, and Carl H. Peterson, since the original application was filed the above parties have incorporated under the name of Galtie Boy Mines Inc., a Colorado corporation with offices at 211-216 Mercantile Building, Denver 2, Colorado.

2. Blank,

3. The name of the corporation officers are:
Walter W. Bentley, President, 215 E. 11th Ave., Denver, Colorado.
W. R. Green, Treasurer, 1243 Columbine St., Denver, Colorado
Carl H. Peterson, Secretary, 4307 Tejon St., Denver, Colorado.
The Directors are:
Walter W. Bentley, 215 E. 11th Ave., Denver, Colorado.
W. R. Green, 1243 Columbine, Denver, Colorado.
Carl H. Peterson, 4307 Tejon St., Denver, Colorado.
Robert C. Brown, 4307 Tejon St., Denver, Colorado.
James S. Henderson, 209 Equitable Building, Denver, Colorado.
The five largest stockholders are:
Walter W. Bentley, W.R. Green, Carl H. Peterson, Robert C. Brown, and James S. Henderson.

4. Walter W. Bentley will be the consulting engineer. He has had wide experience as a mining engineer. He was with Anaconda Copper Company 20 years, and with U.S. Bureau of Mines 4 years, and was with American Smelter & Refining Company for one year as resident engineer for Colorado.

5. The Galtie Boy Mines Inc., are the lessees with a purchase agreement. (See leases and assignment attached).

6. Blank.

7. The attached leases and purchase agreements are in good standing. (See attached subrogations).

8. This is newly formed corporation and have not been operating, therefore we cannot furnish financial or profit and loss statements. However we have the money to match the Government on 75% to 25% basis.

9. The corporation is financially prepared to furnish its portion of the funds as requested in Section 9 of Mineral Order 5.

10 (a) See the attached Federal Land plats, Mineral Survey #18950 Exhibit number 3-A-1 and #18636 Exhibit 3-A-2, the property covered by the leases and purchase agreements are shown colored in green.

10 (b) The exploration is to be conducted in the Galtie Boy Tunnel which is located on the Gold Dollar, Galtie Boy and Little Mack mining claims as shown on Plat Mineral Survey No. 18636 Exhibit 3-A-2.

11. The present name of the property is the Galtie Boy group. We are informed that this group of mines have been known by that name from the time of the original location.

12. The Galtie Boy Mines are located about seven miles north of Silverton, Colorado and are about a mile from the county highway that runs up Cement Creek.

13. There is an abundance of water in the Dry Gulch canon, which runs near the Galtie Boy Tunnel portal, also there is water available in Cement Creek and Prospect Gulch. This water is plentiful at all seasons of the year.

The Southern Colorado Power Company's high line runs about a mile from the portal of the Galtie Boy Tunnel and electric power will be available at the prevailing rate.

14. There is no equipment or buildings on the property but there is a cook house and dining room and bunk houses available at the Lark Mine which is about 2-1/2 miles by road, these are available at a nominal cost.

15. The tungsten ore will be hauled by truck to Boulder, Colorado, for milling, after it hasbeen jigged and reduced as much as possible at the mine. The Teal Milling Company of Boulder, Colorado, will mill the ore.

16 (a) The former operator of the Galtie Boy Mine was Ross Mining and Milling Company, and the original locator of the Galtie Boy was Patrick Lonigan together with his brother and brother-in-law.

Frank Ross, who lives in Denver at 3516 St. Paul, phone FRemont 3645, together with his brother and uncle, for several years operated the smelter at Silverton, Colorado, and they bought the Galtie Boy property consisting of 19 patented claims for $40,000 cash from the original locators, Patrick Lonigan and his associates (Lonigan is still living at Silverton, Colorado). The Ross brothers kept on developing this property, not only the Galtie Boy vein, but they also opened up the Last Chance, Ohio, Wetzel, and Boycotter. These ore bodies were opened up for the sole purpose for back log of ore for their smelter, and according to Mr. Ross and Mr. Lonigan none of the ore that was opened up was ever shipped prior to 1907, and when the panic came in the fall they closed the smelter and their mining operations. They were never able to open up again because of financial conditions. It was stated that there has never been any work done in the mine since the panic of 1907. In 1941 or during the second world war a party by the name of Harold O. Williams, 2465 20th Street, Boulder, Colorado, took a lease on part of the Galtie Boy dump for tungsten and assays from this dump are attached hereto. He discovered that the tungsten came from a separate vein where the Little Mack vein is intersected by the Galtie Boy tunnel which is approximately 50 feet from the Galtie Boy vein. And we understand from Mr. Ross that this operation was profitable.

Working out the Gold Dollar or Galtie Boy tunnel is open ???

Maps of surface as well as the underground workings are attached to the application, also attached hereto are maps and drawings of blocks of ore marked A. B. C. D. and E, of the Galtie Boy ore body as well as Last Chance, Ohio, Little Maud and Boycotter vein showing estimates of developed as well as undeveloped ore bodies.

16 (b) During 1941 Harold O. Williams and H. E. Walby worked the tungsten veins on the Ohio, Dawn of Day and Minnesota claims and shipped sizeable amount of ore from them, and at the present time they have leased the Ohio, Dawn of Day and Su nshine from us which shows their faith in these claims, since they have mined in the Boulder and Nederland districts they should know good tungsten mines.

We have also leased the Dry Gulch and Minnesota claims to Theron Olson and George Litsey to mine for tungsten. Mr. Litsey has also mined these claims before.

17. Production: We have no information on which to base production estimates.

18 (A) Refer to reports and maps.
(B) See reports and maps.
(C) Not known by classes.

Item 23

The following is the machinery, equipment and facilities needed to open the Galtie Boy tunnel for which we are asking a loan from the Defense Production Act through the U.S. Bureau of Mines. We are also asking for priority on same.

26 tons 30 lb. rails @ $80	$ 2,080.00
4 switches @ $25 each	100.00
600 ties @ 50¢ each	300.00
Rail spikes for 1800 feet	50.00
1 Air trammer complete	1,800.00
Cars (1 or 2 ton) $80 per car	800.00
Mucking machine	2,812.00
1 Jack hammer	330.00
4 Stopers $610.00 each	2,440.00
1 Leyner $785 each	785.00
Mine timber	3,000.00
Lumber for building	1,500.00
420 cubic foot compressor	4,800.00
40 box loads (boxes) powder	760.00
Fuse	200.00
Caps	60.00
3/4 mile electric power line	1,500.00
15 lamps, $18 per month, 4 months	72.00
Small tools	500.00
5 H.P. fan	450.00
1300 feet 1" water line @ 25¢ per ft	325.00
1300 feet 8-inch ventilating pipe @ 60¢	780.00
1300 feet 3-1/2" air line @ 50¢ per ft.	650.00
6 hard rock miners, 1 mechanic, 1 unskilled laborer, 208 shifts per month - 3 months or 624 manndays at $12 a day	$7,488.00
1 Carryall or Ambulance for transportation	2,000.00
Freight & trucking estimated	2,000.00
1 Jeep	1,400.00
Taxes, estimated	4,000.00
6 Air hose @ $75	450.00
6 Water hose @ $65	390.00
	$ 43,822.00

19. There is about three-fourths of a mile of truck road that will have to be rebuilt and worked. We have made application to have this done by the Bureau of Roads under the mine access roads provision.

20. This exploration will be conducted to produce tungsten.

21. The proposed project is to open the Galtie Boy tunnel, this will consist of cleaning out the dirt and rock that has sloughed off of the roof and walls of the tunnel in some instances nearly closing the tunnel; laying new track and retimbering where required; putting in air pipe and making the tunnel useable for a distance of about 1300 feet. This project should not take one year to complete.

22. For geological information refer to U.S.G.S. Bulletin #181 and 182, page 256 and reports of J.E. Baxter, M.E. which is attached.

23. See page inserted just prior to this sheet.

24. We expect to start work as soon as the snow clears this Spring, which should be by June 1, provided we can obtain the equipment and supplies necessary.

We figure the tunnel can be opened in from four to six months depending on the amount of material sloughed from the roof and walls and also some small cave in that will haave to be cleaned out and retimbered.

Tunnel is not closed, merely cluttered up with debris—

CERTIFICATION

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

GALTIE BOY MINES INC.

By Carl Peterson

May 4th 1951
Date

Secretary.

No. 799. ASSIGNMENT OF MINING LEASE.—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, Denver.

ASSIGNMENT OF MINING LEASE

THIS INDENTURE, made this 4th day of May, A. D. 19 51, between Walter W. Bentley, W. R. Green, and Carl H. Peterson

the assignors and Galtie Boy Mines Inc. a Colorado corporation, the assignees,

WITNESSETH, That in consideration of One Dollar and other good and valuable considerations ~~DOLLARS~~ to the said assignors paid by the said assignees, the receipt whereof the said assignors hereby acknowledge, the said assignors hereby assign to the said assignees its executors, administrators and assigns all their right, title and interest in and to that certain mining leases between Frank L. Ross, and Mrs. E. M. Bacon, Lessors, and Walter W. Bentley, W. R. Green, and Carl H. Peterson, Lessees, dated September 11, A. D. 19 50, and recorded in the records of the Clerk and Recorder of the County of San Juan, State of Colorado, in Book 175 at Page 535, of certain property situate in the County of San Juan, State of Colorado, to-wit: as shown on Federal Plats No.18950, the following claims Gold Standard, Keystone, Del Mino, Wetzel, Sibley, Hill, J.C.Bell, Boycotter and Boycotter Extension lodes; and Mineral Survey No.18636 Little Hand, Little Mack, Gold Dollar, Galtie Boy, Last Chance, Dry Gulch, Camp Bird, Minnesota, Ohio, Dawn of Day and Sunshines Lodes.

for the term of 16 months ~~years~~ of which term there now remains the unexpired residue of 8 months ~~years~~ or until January 1st 1952 with an annual extensions.

TO HOLD the same unto the said assignees, executors, administrators and assigns for the unexpired term of 8 months ~~years~~ subject, nevertheless, to the rents, royalties, covenants, conditions and provisions therein contained.

The assignors for themselves their executors, administrators and assigns, hereby covenant with the said assignees for itself, its executors, administrators and assigns, that the covenants and agreements in said mining leases contained on the part of the lessee to be observed and performed have been up to the date hereof duly observed and performed, and that the said assigned premises are now free and clear of all liens and encumbrances, grants, leases, taxes and assignments whatsoever, made or suffered by said lessee.

The assignee for itself, its executors, administrators and assigns, covenants with the said assignors their executors, administrators and assigns, that the said assignees, its executors, administrators and assigns will during the residue of said term of 8 months ~~years~~ pay the rents or royalties reserved by, and perform the covenants contained in the mining leases herein assigned and will at all times hereafter indemnify the said assignors, their executors, administrators and assigns from and against the non-payment of the rents or royalties and the non-performance of the said covenants or any of them.

WITNESS our hands and seal this 4th day of May, A. D. 19 51.

Walter W. Bentley,
W. R. Green,
Carl H. Peterson

CONSENT TO ASSIGNMENT

, Lessor named in the mining lease referred to and assigned in the above written assignment, hereby consents to the assignment of said mining lease.

Lessor.

LESSEE'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in leases and purchase agreements of that certain parcel of ground in the county of San Juan, State of Colorado described in a certain Exploration Project contracted dated_____ between Galtie Boy Mines Inc., a Colorado corporation, the Lessee of said property, and the Unted States of America:

NOW, THEREFORE, the undersigned, as lessee of said property under leases dated September 11, 1950, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the Unted States of America under the provisions of said contract shall be prior to the undersigned's rights under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of American under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

DATED this 4th day of May 1951.

GALTIE BOY MINES INC.

By Carl H. Peterson

Carl H. Peterson, Secretary

No. 90R. MINING LEASE AND [illegible] Form.
—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1824 Stout St., Denver, Colo.

THIS INDENTURE, Made this 11th day of September in the year of our Lord one thousand nine hundred and Fifty between

Mrs. E. M. Deacon

of the first part, and

WALTER E. [illegible], [illegible] GREEN, CARL H. [illegible]

of the second part, WITNESSETH, that the said party of the first part, for and in consideration of the rents, covenants and agreements hereinafter expressed to be paid, kept and performed by the said parties of the second part, has leased, let and demised, and by these presents do lease, let and demise unto the said parties of the second part, the following described premises, situate, lying and being in Red Mountain Mining District, in the County of San Juan and State of Colorado to-wit: All of her right, title and interest in and to the Dean of Day Lode Mining Claim, U.S. Sur. No. 10036; Gary Bird Lode Mining Claim, U.S. Sur. No. 10036; Dry Gulch Lode Mining Claim, U.S. Sur. No. 10630; East Chance Lode Mining Claim, U.S. Sur. No. 10636; Little Maud Lode Mining Claim, U.S. Sur. No. 10630; Little Mack Lode Mining Claim, U.S. Sur. No. 10636; Minnesota Lode Mining Claim, U.S. Sur. No. 10636; Ohio Lode Mining Claim, U.S. Sur. No. 10636; Sunshine Lode Mining Claim, U.S. Sur. No. 10636; Gold Dollar Lode Mining Claim, U.S. Sur. No. 10636; Calkto Day Lode Mining Claim, U.S. Sur. No. 10636; Boycotter Lode Mining Claim, U.S. Sur. No. 10630; Boycotter Extension Extension Lode Mining Claim, U.S. Sur. No. 10630; Cement Creek Lode Mining Claim, U.S. Sur. No. 10045; Del Mino Lode Mining Claim, U.S. Sur. No. 10000; Gold Standard Lode Mining Claim, U.S. Sur. No. 10050; J.C. Bell Lode Mining Claim, U.S. Sur. No. 10050; Newstone, Hill, Sibley and Wetzel Lode Mining Claims, all U.S. Sur. No. 10050; K. S. C. No. 1 and K. S. C. No. 2 Placer Claims, U.S. Sur. No. 16300; and Prospect Gulch Placer Mining Claim, U.S. Sur. No. 10040.

TO HAVE AND TO HOLD THE SAME, for the purpose of mining, for the term of Sixteen months, or until January 1st, 1960; with annual extensions as hereinafter provided, from the date hereof, unless sooner terminated under any of the provisions herein contained, with no power to assign this lease or any interest thereunder, or to sublet the whole or any part of said premises except upon the written consent of the party of the first part, except parties of the second part may transfer to a suitable corporation for operational purposes.

And the said parties of the second part, for and in consideration of the leasing of said premises, covenant and agree with said party of the first part to commence work on said premises within a reasonable time and thereafter to work the same continuously, in a thorough and workmanlike manner, employing [illegible] men underground,

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and working at least see terms below shifts each calendar month; to keep the same securely timbered, drained and clear of loose rock and rubbish; to keep accurate accounts, and to render semi-annual statements to the said party of the first part, her agent or attorney, showing the amount and character of work done, and to pay to said party of the first part, or agent or attorney, as rental for said premises royalty upon all ore taken and sold therefrom as follows, to-wit: One and one-half per cent, or $500.00, annually or all net smelter, mill, mint and sales return from all ores and mineral produced and sold from said properties, payments to be made by purchasers direct to the party of first part, from time to time, as sales are made.

And it is expressly understood and agreed by and between the parties hereto, that the said party of the first part reserves the property and right of property in and to all ores extracted from said premises during the term hereof, and that all settlements for royalty shall be made upon the assay value of the mineral in the ore that may be taken from said premises less the actual cost of railroad transportation and treatment; and the sampling works, mill, smelter, or ore buyer purchasing any such ore shall retain the amount of the royalty herein stated and shall pay the same to the party of the first part at each settlement for ore purchased.

And the said parties of the second part furthermore covenant and agree that the said party of the first part her agent or attorney, shall have the right at any and all times to enter upon and descend into any and all parts of said premises to inspect the same, make surveys thereof, or take samples therefrom, and that the said parties of the second part will render to them all the assistance in their power in so doing. And the said parties of the second part furthermore covenant and agree to occupy and hold all side veins, spurs, feeders, cross-lodes, parallel lodes, or mineral deposits of any kind which may be discovered by the said parties of the second part or by any person working under or in any manner, by working within or from the aforesaid premises, as the property of the said party of the first part and as part of the premises demised, and to not allow any person not in privity with the parties hereto to take or hold possession of said premises or any part thereof under any pretense whatever, and to pay in due season all taxes and assessments levied against said demised premises on account of the production of ore under this lease.

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And the said parties of the second part furthermore covenant..... and agree..... that in case they fail..... in any respect to keep and fulfill any one or more of the covenants or agreements herein expressed or implied, then, and in that case it shall be lawful for the said party... of the first part, ...her..... agent or attorney, to declare said term ended, and with or without process of law to enter upon and take possession of said premises, and in such case, and also at the expiration of this lease by limitation, said parties of the second part agree..... to surrender, yield and deliver to said party of the first part quiet and peaceable possession of said premises in good condition, and that time shall be of the essence hereof, and that all of the covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and lawful assigns of the respective parties hereto.

If payments received by party of first part during 1951, either from royalties or in cash, amount to $500.00 or over, this Lease and the Option to Buy shall be extended from January 1st, 1952, for an additional year, and thereafter annually if $500.00 or more is received by party of the first part, an extension of one year in time is permitted, until such time as parties of the second part may desire to terminate the option by paying the balance due and receiving a mining Deed.

And in consideration of the parties of the second part having fully complied with all of the terms and provisions hereof, the said parties of the second part is hereby given the right to purchase said property for the sum of.....Five Thousand and no/100.....Dollars, payable as follows...by applying the royalties and payments hereinbefore provided for as a part of such purchase price.....and all royalties that are received by the party... of the first part hereunder are to be applied upon the said purchase price and upon payment in full, the party... of the first part will make, execute, acknowledge and deliver a good and sufficient.....deed..... conveying said property to the parties of the second part, free and clear of all encumbrances except.....taxes.....as shown by abstracts of title therefor to be furnished by the party... of the first part to the parties of the second part. In the event that this lease be forfeited, surrendered or terminated for any cause, the right to purchase shall thereafter cease and if the parties of the second part does not make payment as hereinbefore mentioned at or before the time when the same ought to be made according to the terms hereof, the party... of the first part may at any time after such failure to pay declare this lease and option forfeited and terminated and shall have the right to retain any and all payments that may be made hereunder as liquidated damages.

IN WITNESS WHEREOF, The parties hereto have executed these presents the day and year first above written.

Walter W Bentley .....[SEAL]
Walter W. Bentley

.....[SEAL]

Mrs E M Bacon
Mrs. E. M. Bacon,
Party of the First Part.

.....[SEAL]

W R Green .....[SEAL]
W. R. Green

.....[SEAL]

Carl H Peterson .....[SEAL]
Carl H. Peterson

PARTIES OF THE SECOND PART.

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No. 90B. MINING LEASE AND OPTION—Short Form.
—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1824 Stout St., Denver, Colo.

THIS INDENTURE, Made this 11th day of September in the year of our Lord one thousand nine hundred and Fifty between FRANK L. ROSS

of the first part, and WALTER W. BENTLEY, W. R. [illegible], CARL H. PATERSON

of the second part, WITNESSETH, that the said party of the first part, for and in consideration of the rents, covenants and agreements hereinafter expressed to be paid, kept and performed by the said parties of the second part, has leased, let and demised, and by these presents does lease, let and demise unto the said parties of the second part, the following described premises, situate, lying and being in Red Mountain Mining District, in the County of San Juan and State of Colorado, to-wit: All of his interests (being seven and one-half percent of net production) from, of and in the Dawn of Day Lode Mining Claim, U.S. Sur. No. 18636; Camp Bird Lode Mining Claim, U.S. Sur. No. 18636; Dry Gulch Lode Mining Claim, U.S. Sur. No. 18636; Last Chance Lode Mining Claim, U.S. Sur. No. 18636; Little Maud Lode Mining Claim, U.S. Sur. No. 18636; Little Mack Lode Mining Claim, U.S. Sur. No. 18636; Minnesota Lode Mining Claim, U.S. Sur. No. 18636; Ohio Lode Mining Claim, U.S. Sur. No. 18636; Sunshine Lode Mining Claim, U.S. Sur. No. 18636; Gold Dollar Lode Mining Claim, U.S. Sur. No. 18636; Galtie Boy Lode Mining Claim, U.S. Sur. No. 18636; Boycotter Lode Mining Claim, U.S. Sur. No. 18950; Boycotter Extension Lode Mining Claim, U.S. Sur. No. 18950; Cement Creek Lode Mining Claim, U.S. Sur. No. 18945; Del Nino Lode Mining Claim, U.S. Sur. No. 18950; Gold Standard Lode Mining Claim, U.S. Sur. No. 18950; J.C. Bell Lode Mining Claim, U.S. Sur. No. 18950; Keystone, Mill, Sibley and Wetzel Lode Mining Claims, all U.S. Sur. No. 18950; K & G. No. 1 and K. & G. No. 2 Placer Claims, U.S. Sur. No. 14300 and Prospect Gulc Placer Mining Claim, U.S. Sur. No. 18949.

TO HAVE AND TO HOLD THE SAME, for the purpose of mining, for the term of Sixteen Months, or until January 1st, 1952; with an annual extension, as hereinafter provided. From the date hereof, unless sooner terminated under any of the provisions herein contained, with no power to assign this lease or any interest thereunder, or to sublet the whole or any part of said premises except upon the written consent of the party of the first part except parties of second part may transfer to a suitable corporation for operational purposes

And the said parties of the second part, for and in consideration of the leasing of said premises, covenant and agree with said party of the first part to commence work on said premises within a reasonable time

and thereafter to work the same continuously, in a thorough and workmanlike manner, employing ~~sufficient~~ some men underground,

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and working at least.....see terms below.....shifts each calendar month; to keep the same securely timbered, drained and clear of loose rock and rubbish; to keep accurate accounts, and to render ...semi-annual statements to the said part..y..... of the first part, ...his.....agent or attorney, showing the amount and character of work done, and to pay to said part..y..... of the first part, ..his..... agent or attorney, as rental for said premises royalty upon all ore taken and sold therefrom as follows, to-wit: Seven and one-half percent of all net smelter, mill, mint and sales returns for all ores and mineral produced and sold from said properties, payments to be made by purchasers direct to the party of the first part, from time to time, as sales are made.

And it is expressly understood and agreed by and between the parties hereto, that the said part..y..... of the first part reserves the property and right of property in and to all ores extracted from said premises during the term hereof, and that all settlements for royalty shall be made upon the assay value of the mineral in the ore that may be taken from said premises less the actual cost of railroad transportation and treatment; and the sampling works, mill, smelter, or ore buyer purchasing any such ore shall retain the amount of the royalty herein stated and shall pay the same to the part..y..... of the first part at each settlement for ore purchased.

And the said part..ies of the second part furthermore covenant..... and agree.....that the said part..y..... of the first part.....his.....agent or attorney, shall have the right at any and all times to enter upon and descend into any and all parts of said premises to inspect the same, make surveys thereof, or take samples therefrom, and that the said part..ies of the second part will render to.....them..... all the assistance in.....their.....power in so doing. And the said part..ies of the second part furthermore covenant..... and agree..... to occupy and hold all side veins, spurs, feeders, cross-lodes, parallel lodes, or mineral deposits of any kind which may be discovered by the said part..ies of the second part or by any person working under.....them.....or.....in any manner, by working within or from the aforesaid premises, as the property of the said part..y..... of the first part and as part of the premises demised, and to not allow any person not in privity with the parties hereto to take or hold possession of said premises or any part thereof under any pretense whatever, and to pay in due season all taxes and assessments levied against said demised premises on account of the production of ore under this lease.

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And the said part~~ies~~ of the second part furthermore covenant..... and agree..... that in case they fail..... in any respect to keep and fulfill any one or more of the covenants or agreements herein expressed or implied, then, and in that case it shall be lawful for the said part~~ies~~y.... of the first part, ~~their~~ his..... agent or attorney, to declare said term ended, and with or without process of law to enter upon and take possession of said premises, and in such case, and also at the expiration of this lease by limitation, said part~~ies~~y of the second part agree..... to surrender, yield and deliver to said part~~ies~~y of the first part quiet and peaceable possession of said premises in good condition, and that time shall be of the essence hereof, and that all of the covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and lawful assigns of the respective parties hereto.

If payments received by party of first part, either from royalties or in cash, amount to $1200,00 or over, this Lease and the Option to Buy shall be extended from January 1st, 1958, for an additional one year period, and thereafter annually if $1200,00 or more is received by party of first part an extension of one year in time is permitted, until such time as parties of second part may desire to terminate the option by paying the balance due and receiving a Deed.

And in consideration of the part~~ies~~y of the second part having fully complied with all of the terms and provisions hereof, the said part~~ies~~y of the second part is hereby given the right to purchase said property for the sum of Twenty-five Thousand and no/100 Dollars, payable as follows by applying the royalties and payments herein provided for aspart of such purchase price, and all royalties that are received by the party.... of the first part hereunder are to be applied upon the said purchase price and upon payment in full, the part~~ies~~y.. of the first part will make, execute, acknowledge and deliver a good and sufficient deed..... conveying said property to the part~~ies~~y of the second part, free and clear of all encumbrances except taxes as shown by abstracts of title therefor to be furnished by the part~~ies~~y of the first part to the part~~ies~~y of the second part. In the event that this lease be forfeited, surrendered or terminated for any cause, the right to purchase shall thereafter cease and if the part~~ies~~y of the second part does not make payment as hereinbefore mentioned at or before the time when the same ought to be made according to the terms hereof, the party.... of the first part may at any time after such failure to pay declare this lease and option forfeited and terminated and shall have the right to retain any and all payments that may be made hereunder as liquidated damages.

IN WITNESS WHEREOF, The parties hereto have executed these presents the day and year first above written.

Frank L. Ross [SEAL]
Frank L. Ross
[SEAL]
Walter W. Bentley [SEAL]
Walter W. Bentley
W. R. Green [SEAL]
W. R. Green
Carl H. Peterson [SEAL]
Carl H. Peterson
[SEAL]

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Item 5

see attached plot plan

GOLD, SILVER AND TUNGSTEN, INC.

BUYER OF TUNGSTEN ORES

BOULDER, COLORADO

PHONE 2171

PURCHASER

FERBERITE, HUBNERITE
SCHEELITE AND WOLFRAMITE

No. _____

Shipped By Roger Stanfling
Vendor

SETTLEMENT SHEET

Federland, Colo.
Residence of Vendor

November 7, 1951 19____
Date of Sale

SHIPPED FROM Source from which vendor obtained same	LOT NO.	GROSS WEIGHT	Per Cent Moisture	NET WEIGHT	ASSAY	TUNGSTIC ACID	PRICE PER LB.	GROSS VALUE	SAMPLING AND ASSAY	NET VALUE
Minnesota	1-2572	411	1%	407	59.36	241.60	1.12	270.59		
					7½% P. L. Rose			20.29		
								250.30		
					2½% Jack Rutherford			6.76		
								243.54		

2-1

The above MEMORANDUM OF SALE contains a true statement of 1—the date of sale; 2—residence of vendor; 3—the nature and amount of the article sold; 4—the source from which the vendor obtained same; and 5—the consideration actually paid; receipt of which, in full, as shown by the "Net Value" above, is hereby acknowledged.

_____

_____
VENDOR

Following are copies of Returns from two shipments of Tungsten ores, and one assay of sample, from GOLD GULCH MINES:

GOLD, SILVER AND TUNGSTEN, INC.

BOULDER, COLORADO

PHONE 2371

PURCHASER

FERROSILICON, FERROMANGANESE, FERROCHROME AND FERROTUNGSTEN

No.

SETTLEMENT SHEET

Residence of Vendor

Date of Sale

Received From	Lot No.	Gross Weight	Dry	Net Weight	Assay	Tungstic Acid	Price Per Lb.	Gross Value	Sampling and Assay	Hauling	Net Value
[redacted]	[redacted]	796	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	—	$308 per ton	
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	—	70 " "	
				7341							
				[redacted]				[redacted]			

ROOT & NORTON, Assayers and Chemists

THE ASSAY MAN

1139 Main Ave., Durango, Colorado

TELEPHONE 34-J
P. O. BOX 301

CERTIFICATE OF ASSAY

Umpire and Control Work
Ore Shippers' Agents

Assayed for Jim Snider, Silverton. Gold @ _____ per oz. Silver @ _____ per oz.

NO.	DESCRIPTION	OZS. PER TON 2000 LBS. GOLD	SILVER	PER CENT LEAD (WET)	PER CENT COPPER (WET)	PER CENT ZINC	PER CENT INSOLUBLE	PER CENT [redacted]	PER CENT [redacted]	PER CENT LIME	VALUE $ PER TON
	Crude tungsten							18.20	WO_3		

Durango, Colorado Nov. 30th, 1934.

Charges $3.00

Root & Norton
Assayers

2 — 1

FRANK L. ROSS
ATTORNEY AND COUNSELOR AT LAW
3516 ST. PAUL STREET
DENVER, COLORADO

1941 TUNGSTEN SHIPMENTS FROM THE GALTIE BOY GROUP.

1941	Wt.	Assay	Acid	Price	Returns	
Sept. 5,	1152.5 lbs	@ 57.20%	- 659.58 #	@ $1.35 -	$890.43	
	248.5 "	" 45.29	- 112.79 "	" 1.27½	143.81	
					1034.23	
	Royalty,	$890.43	@ 10%	$ 89.04		
		143.81	" 15%	21.57		$110.61
Oct. 6,	284 "	" 36.59%-	103.91 "	" .977-	101.52	
	787 "	" 62.07 -	488.49 "	" 1.175-	573.97	
					675.49	
	Royalty,	To Ross,		36.30		36.30
		To Rutheford,		36.30		
Nov. 1,	727.5 "	" 58.52 -	425.73 "	" 1.12 -	476.82	
	Royalty,	To Ross,		23.84		23.84
		To Rutheford,		23.84		
Nov. 7,	838 "	" 62.40 -	522.91 "	" 1.15 -	601.35	
	Royalty,	To Ross		45.10		45.10
		To Rutheford,		15.03		
	407 "	" 59.36 -	~~59.36~~ 241.60 "	" 1.12 -	270.59	
	Royalty,	To Ross,		20.29		20.29
		To Rutheford,		6.76		
Dec. 6,	116 "	" 57.52 -	66.72 "	" 1.09 -		
			($72.72 less $5. Sampling leaving net		67.72	
	Royalty,	To Ross,		3.38		3.38
		To Rutheford,		3.38		
						$239.52
		To Rutheford,		$85.31		

Extracts from

REPORT

of

J. E. BAXTER, M. E.

Mr. W. W. Zimmerman,

Have visited the San Juan Mining District, and examined the operations and properties of the Ross Mining & Milling Company. . . .

The Silverton Smelter, which the Company is operating . . . . . .

The gold properties at Dry Gulch, on Cement Creek, about a mile below Gladstone, were inspected and there is undoubtedly the makings of a large milling proposition there.

Several strong prominent veins have been opened up at various places and sufficient development work completed to furnish a tonnage to run a mill for several years. Additional tonnage can be secured by extending the tunnels as ores are extracted from the ore bodies now opened up. . . .

The mineral contents are about the same as the operating properties of the District, such as the Gold King, Sunnyside and Telluride properties. The ores should run from $10.00 to $15.00 per ton, of which gold is the predominate value. . .

With depth the other metals may increase but

the first operations should give special attention to the gold. . . .The tungsten ores (hubnerite) on the Leslie property are interesting and attractive. . .

A mill will be required, as there are not sufficient copper contents or mineral values to justify shipping the crude ores to your smelter at Silverton. . The lead contents would be lost at the pyritic furnace, so the lead concentrates would have to be shipped to some outside smelter, but there may be copper and iron content enough to produce a concentrate which would be valuable to the smelter operations. . . .

As to what the proper milling methods should be, is a matter which should be given considerable study. . . .

J. E. Baxter,

Mining Engineer.

Extracts from REPORT on the

SAN JUAN QUEEN Group of MINES

By

W. Z. KINNEY, Mine Operator.

The formation of Treasure Mountain is the same general formation as the gold bearing belt of San Juan, Ouray, San Miguel and Hinsdale Counties, being andecite and volcanic breccia, the lead casings usually being porphyry. The formation is the same as is seen in the Gold King, Sunnyside and Sunnyside Extensions, which are the best known gold properties in this county. . . .

Taking the property as a whole, including the water rights, situate as it is for practical development, it is one of the best mining propositions in the county to-day. The San Juan Queen tunnel will cut the leads at the apex of the mountain at a depth of at least 1000 feet, opening vast ore reserves. The history of all the mines in San Juan County is that the ore gets better with depth. . there is no question but that there will be an ore supply sufficient to keep an 100 ton mill running for many years to come. . . .

I would recommend that the San Juan Queen Tunnel be driven under all of the properties, that the leads cut in the tunnel be opened up systematically, when there is every reason to believe that the property will take its place as one of the leading properties on the San Juan.

W. Z. Kinney.

- - - - -

NOTE:

Mr. Kinney was Manager of the Gold King Mine and of Sunnyside Extension (now part of Sunnyside itself) for many years.

His report is interesting and quoted for its reference to geology of district and its assurance of ore tonnage and values at depth. The San Juan Queen is near the Gold Gulch in similar geological formation.

(COPY)

The Shaw Mines Corporation
Mines at Middleton,
San Juan County
Colorado

Office of
Superintendent.
Silverton, Colo. April 21, 1930

Mr. W. E. Kinney,
614 Cooper Building,
Denver, Colorado.

My dear Mr. Kinney:

Referring to our conversation via 'phone to-day, I wish to write a little more detail. . . .

The new strike at greater depth on the Sunnyside property is of vast importance to mining in this state and also to you, because of the adjoining holdings of the Gold King claims.

Approximately 300 feet below the "Terry Tunnel" workings the Sunnyside M. & M. Co. have opened up solid vein matter of sulphide ore from 20 to 30 feet in width. The ore values at this greater depth run 50% better than any of their ore developed during the past two years-this in itself is remarkable. Besides being great values in lead and zinc, the ore also contains much free gold. I saw one specimen which came from this new depth and it was excellent. It seemed like old times to see again free gold from depth. On account of the values found in the new development at this unusual depth . . . . . the management decided to sink 600 feet below the present lower levels and develope this lower ore body of which they have apparently only touched the apex. . .. You can readily see and understand the magnitude and importance of such development to all mine owners in San Juan and it is of special importance to you and your interests in the adjoining group of Gold King claims. I again congratulate you on your foresight when you started the No. 7 level at the Gold King mill which would develope those claims at great depth and was the proper method even though at that time mining men were a little doubtful of the outcome.

I firmly believe that we are to see an era of deep mining in San Juan and that greater values will be developed than at any time in the history of this camp, for we have only scratched our ore bodies in the past and the future managements will follow up what a few pioneers like yourself had the faith and convictions to start. . . .

R. H. Shaw.

Extracts from

R E P O R T

of

LOUIS F. SCHEAFER, M. E.

To
Mr. Timothy Ross, President.

Pursuant to your instructions, we have made an examination and sampled the veins and workings of the Galtie Boy, Leslie and Wetzel Mines. . . Attached you will find plats, maps and assay results, to show the results obtained . . .

The two main purposes were to estimate the tonnage of mill ores available, with its probable value as mined and extracted in mill quantities . . . .

As I am advised, the Pittsburgh Office and yourself have requested the Silverton Office for information on three points,
1st, Have tonnages enough been developed to justify or require the building of a mill;
2nd, What is the average values of the ores, and
3rd, The kind and size of such a mill, if one should be provided.

The first two questions only were referred to me for consideration, and while this report may necessarily refer to other mills and milling methods, such references are only for purpose of comparison of values required, tonnages needed and usual requirements for milling operations, . . . in this district.

The property consists of three groups of mining

claims, the Galtie Boy, the Leslie and the Wetzel groups, consisting of . . . on the easterly slope of Red Mountain, mostly in the Dry Gulch drainage side of the mountain, extending over into the Prospect Gulch slopes and crossing the Cement Creek valley, in San Juan County, Colorado.

The properties are in the Cement Basin, across the Gulch and on opposite mountain from the Gold King Mine, with the Sunnyside Mine just across the ridge or top of Bonita Mountain in the adjoining Basin. In Cement Basin are the Big Colorado, Grand Mogul, Queen Anne and other mines, which with the Gold King and Sunnyside enable a study of comparative geology, for purposes of estimating permanancy of the veins, ores occurences, steadiness of values and the expectancies of future ore development. The various mines are at different stages of development or operation, and a study of these other mines, coupled with a careful examination of the workings, geology and ores of the Galtie Boy, Leslie and Wetzel groups, all aid in determining what may be reasonably expected from future operations at your properties.

Generally speaking, the geology is practically the same in all these properties, as they are all true fissure veins, in the Silverton Series of Andecites, and probably the mineralization processes with ore depositions were all made in similar manner and at same geological periods. The veins may, and do, vary in widths, lengths, relative richness of ore lenses and many minor particulars, but in the main the characteristics are similar. . . .

The technical geology, as outlined in the Governmental Reports and by many enginners, need not be repeated in this report, as you are familar with it . . ...

Referring specifically to the properties in your groups, I would say there appears to be a localized volcanic disturbed area on the west side of Dry Gulch, somewhat similar in character to other volcanic areas in the Silverton Quadrangle in the near vicinity of some of the larger mining areas, and this disturbance undoubtedly has in part caused or affected the various veins that apparently intersect or cut through that section, probably giving [illegible] veins part of their values, especially the gold [illegible] which appear from the sampling.

[illegible]ve large and many small veins cut through [illegible] varying in directions but all leading into the

central part of Red Mountain. The most mineralized, or at least the most disturbed and shaken up part of the area is near the west ends of the Galtie Boy, Campbird, Last Chance and Minnesota claims. Probably here, or near this point, was the center of the local volcanic action, and the various veins may centralize there.

This localized volcanism is an encouraging feature, as similar areas are near the Sunnyside, Silver Lake, Camp Bird, in Savage Basin, and at other points in the San Juan Section where some of the larger producers have been found. . . . .

Five of the larger veins have been developed and our sampling and measurements were confined to the workings on these five veins, which are the Galtie Boy, Last Chance, Leslie, Boycotter and Vetzel. . . .

The GALTIE BOY Vein, which has received the most attention and been developed to a greater extent than the others, is the larger as well as the richer vein. It is a strong, continuous fissure, many places ten to fifteen feet in width, but usually five to six. Its ore should run from $14.00 to $20.00 and it could produce 100 tons per day with very little preparatory work. There is not much more that can be done in the way of development, as enough is already opened up to justify milling operations at least to the extent of determining whether it will mill successfully or not. If what is already developed should for any reason not produce satisfactory results, no good could be accomplished by opening additional tonnage.

The LAST CHANCE Vein, which crosses the Galtie Boy, is also on the Galtie Boy group, and is similar in character and mineralization. It is not quite as wide and possibly not as high in value, but it should produce a good tonnage of ore running from $12.00 to $16.00

The LESLIE-OHIO Vein is a somewhat similar vein, probably four feet in average width, which also is opened up with workings sufficient to justify starting the production of mill tonnage. In addition to the gold and silver values, it carries hubnerite (tungsten) which has attracted some considerable attention to it. This will add an interesting feature to this property, and any mill should provide

for concentrating and separating this tungsten product from the other minerals. The ores should run from $10.00 to $15.00, with whatever tungsten values there are additional. . . .

The BOYCOTTER Vein is a strong, promising vein, and may prove to be the largest tonnage producer of the future, but the amount of work is not sufficient to more than prove its value, size and gross assay. It will be best developed and operated through the Wetzel Tunnel, when that tunnel is extended to the intersection of the veins, and then the Boycotter vein should be followed to its probable intersections with the Bessie, Last Chance and Baltic Boy veins or into the veins in central area, if it leads there. . .

The [illegible] Vein is opened at a lower level than the others, and its lower tunnel, when extended, will probably be the main operating working for the entire group. It will cut the other veins at greater depths than they can be opened from other workings. The Wetzel vein itself is a strong fissure, with various branchings and parallel streaks of quartz, vein matter and waste. It is opened enough to produce a steady tonnage of mill ores, which should run from $[illegible] to $14.00, with some bunches of high grade occasionally. . . .

There is a good site for mill, on the Prospect Gulch Placer, alongside the railroad tracks, with the power lines nearby. There is an abundance of water for milling purposes, from Prospect Creek, with Dry Gulch Creek or even Cement Creek waters for use if needed. . . .

A tramway should be built to connect the mill with the Baltic Boy lower workings, with an intermediate station for handling the Bessie ores. The Wetzel tonnage can be transported directly to the mill. . . . .

As to milling methods, I can see from such examinations and study that I have made, no reason for milling difficulties... The same methods of treatment used by the other properties of the district, especially at the Sunnyside Mine and the Gold King Mine, should give the same results with these ores. . . . .

Altho the gold values predominate, there are sufficient silver, lead and tungsten to be of appreciable value, so the mill should be designed to handle the ores

of these various metals, . . . The Hubuerite (tungsten) should be also segregated and separated, so as to make a commercial product of it. . .

Milling methods used in the district vary greatly, and considerable experimental work is being carried on in an endeavor and with the expectation of increasing the percentage of saving, as well as secure the separation of the metals. . . into more commercial products. . . .

Conclusions:

25 tons to start with CMP

The Galtie Boy, Leslie and Wetzel properties, and workings, will produce a sufficient tonnage of ore to operate a mill of from 150 to 200 tons per day.

We estimate there is a developed tonnage of over 250,000 tons, of an average value of $12.00 per ton or more.

At least 500,000 tons additional ore reserves can be secured by extending the lower tunnels of the Galtie Boy and Leslie properties, (Gold Dollar, Camp Bird and Dawn of Day Tunnels), and by extending the Wetzel Tunnel all veins will be cut at greater depth, adding more than 1,500,000 tons.

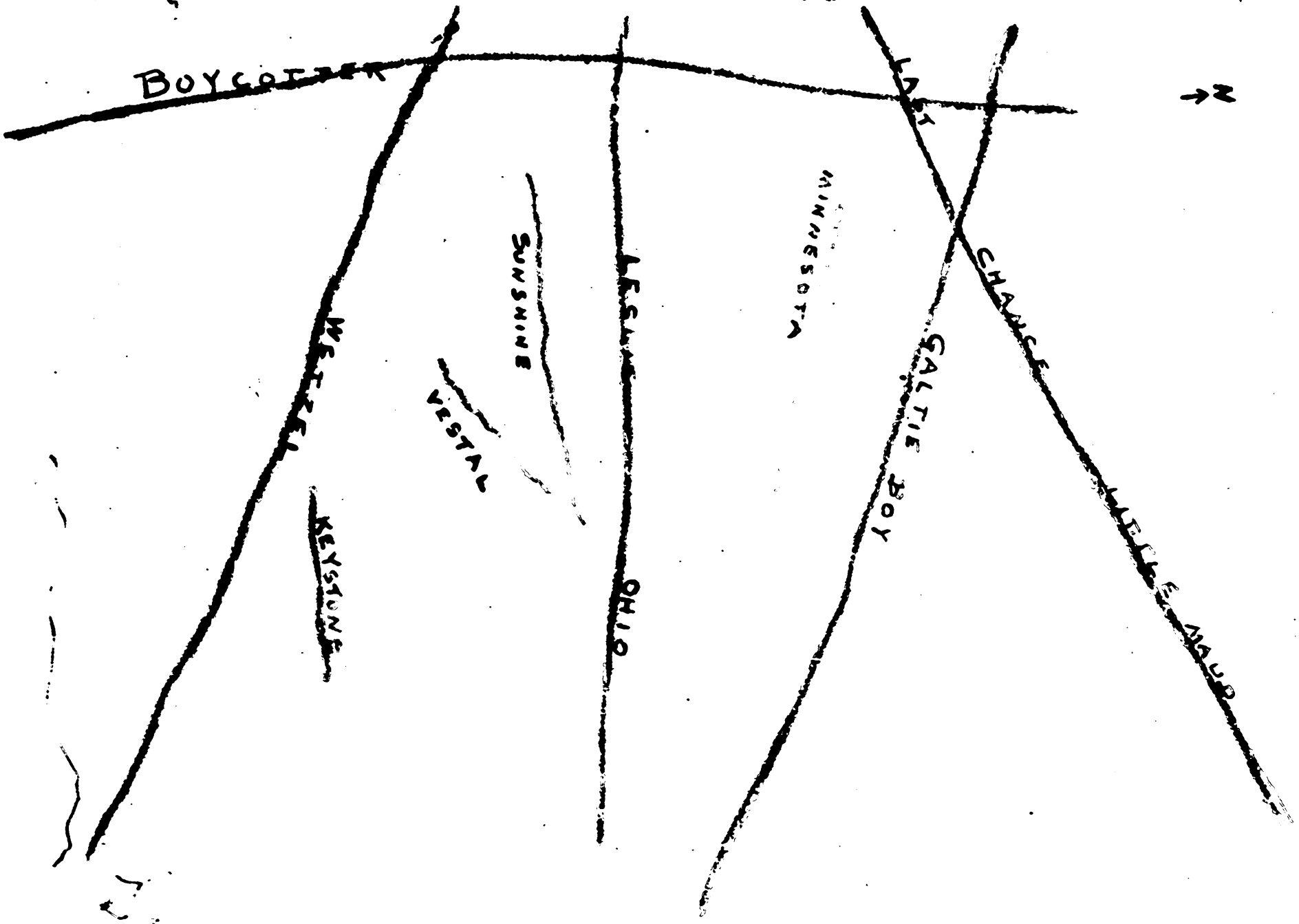
With this tonnage and these values available, a mill should be provided. . .

Further development work should be postponed until the mill is built, so production can carry future development as incidental to ore production. . .

Louis F. Sheafer,

Mining Engineer.

(NOTE: The oil flotation process was discovered several years after this report was prepared.)



GOLD GULCH VEIN SYSTEM

GOLD GULCH MINING COMPANY

ASSAYS:

Samples were taken from various places in workings and veins, and individual results were satisfactory showing values in gold and silver exceeding $12.00, and then composite samples, made by mixing rejects from samples taken from different veins, to show general contents of veins, showed following results:

	Gold.	Silver.	Lead.
9 samples from Peacock Vein,	.53	12.4	1.2%
5 " " Boycotter "	.54	8.6	1.4
8 " " Wetzel "	.49	6.8	2.3
14 " " Last Chance"	.56	11.3	1.2
20 " " Galtie Boy "	.71	9.2	1.0
General sample from all rejects mixed and blended for mill experimental work,	.57	7.5	1.4

- - - - -

Production of District:

The total production of San Juan District approximates $500,000,000, about $10,000,000 per year during its fifty years of operations. Various mines, nearby, on veins of similar nature, widths and contents, have produced

Smuggler-Union,	$60,000,000
Tom Boy,	30,000,000
Liberty Belle,	20,000,000
Virginius,	20,000,000
Camp Bird,	30,000,000
Silver Lake,	25,000,000
Iowa-Tiger,	15,000,000
Guston-Yankee Girl,	12,000,000
Gold King,	20,000,000
Sunnyside,	50,000,000
Dives-Shenandoah,	10,000,000

Other properties have good production records, and the Gold Gulch vein system of veins amd cross veins in similar to the vein and cross vein systems of the larger producers.

8-

ESTABLISHED 1892

The Central Bank & Trust Company

ELWOOD M. BROOKS, PRESIDENT

Denver 1, Colorado

December 5, 1950

U. S. Oil & Development Corporation
211 Mercantile Building
Denver, Colorado

Attention: Mr. Carl Peterson, Secretary

Dear Mr. Peterson:

This is to advise that we do not make loans in connection with mining properties, and therefore cannot consider your application for a loan on the Golty property.

Yours very truly,

C. M. Good
Executive Vice President

CMG/VG

2-1

GEORGE H. TEAL
MINING ENGINEER - GEOLOGIST
BOULDER, COLORADO

P.O. Box 37

October 6, 1941

SETTLEMENT SHEET
OF
TUNGSTEN CONCENTRATES

ROYALTIES DUE FRANK L. ROSS - from ore shipped by H. O. Williams.

LAB NO	GROSS WT	TARE	NET WT	% WO_3	LBS WO_3	UNITS WO_3	PRICE PER UNIT	TOTAL
Lot # 95								
6-478	286#	2#	284#	36.59%	103.81	5.1955	$ 19.54	$ 101.52
			Royalty due F. L. Ross - 7.5% - $ 7.61					
Lot # 98								
5	791#	4#	787#	62.07%	488.49	24.4245	$ 23.50	$ 573.97
			Royalty due F. L. Ross - 5% - $ 28.69					673.49

TOTAL ROYALTY DUE:

Lot # 95 - $ 7.61
Lot # 98 - $ 28.69
$ 36.30

GOLD, SILVER AND TUNGSTEN, INC.

BUYER OF TUNGSTEN ORES

BOULDER, COLORADO

PHONE 2171

PURCHASER

FERBERITE, HUBNERITE
SCHEELITE AND WOLFRAMITE

No._____

Shipped By Jover Stearling Vendor

SETTLEMENT SHEET

October 23, 1941 19____
Date of Sale

Nederland, Colo. Residence of Vendor

SHIPPED FROM Source from which vendor obtained same	LOT NO.	GROSS WEIGHT	Per Cent Moisture	NET WEIGHT	ASSAY	TUNGSTIC ACID	PRICE PER LB.	GROSS VALUE	SAMPLING AND ASSAY	NET VALUE
in..esota	-2564	833	2%	833	62.40	522.91	1.15	601.35		
						7½% F. L. Ross		+2.10		
								556.25		
					2½% Jack Rutherford			15.03		
								541.22		

The above MEMORANDUM OF SALE contains a true statement of 1—the date of sale; 2—residence of vendor; 3—the nature and amount of the article sold; 4—the source from which the vendor obtained same; and 5—the consideration actually paid; receipt of which, in full, as shown by the "Net Value" above, is hereby acknowledged.

_____

_____
VENDOR

2-1

GOLD, SILVER AND TUNGSTEN, INC.

BUYER OF TUNGSTEN ORES

BOULDER, COLORADO

PHONE 2171

PURCHASER

FERBERITE, HUBNERITE
SCHEELITE AND WOLFRAMITE

No.-

Shipped By Harold Williams, Vendor

SETTLEMENT SHEET

Nederland, Colo. Residence of Vendor

Nov. 1, 1941 19—
Date of Sale

SHIPPED FROM Source from which vendor obtained same	LOT NO.	GROSS WEIGHT	Per Cent Moisture	NET WEIGHT	ASSAY	TUNGSTIC ACID	PRICE PER LB.	GROSS VALUE	SAMPLING AND ASSAY	NET VALUE
Chio	M-2567	734.5	1%	727.5	58.52	425.73	1.12	476.82		
						5% H. L. Ross		23.84		
								452.98		
						5% Jack Rutherford		23.84		
								429.14		

2-1

The above MEMORANDUM OF SALE contains a true statement of 1—the date of sale; 2—residence of vendor; 3—the nature and amount of the article sold; 4—the source from which the vendor obtained same; and 5—the consideration actually paid; receipt of which, in full, as shown by the "Net Value" above, is hereby acknowledged.

VENDOR

GOLD, SILVER AND TUNGSTEN, INC.

BUYER OF TUNGSTEN ORES

BOULDER, COLORADO

PHONE 2171

PURCHASER

FERBERITE, HUBNERITE
SCHEELITE AND WOLFRAMITE

No._____

Shipped By [illegible] Vendor

SETTLEMENT SHEET

Nederland, Colo. Residence of Vendor

November 7, 1[illegible] 19____
Date of Sale

SHIPPED FROM Source from which vendor obtained same	LOT NO.	GROSS WEIGHT	Per Cent Moisture	NET WEIGHT	ASSAY	TUNGSTIC ACID	PRICE PER LB.	GROSS VALUE	SAMPLING AND ASSAY	NET VALUE
Minnesota	B-2572	411	1%	407	59.36	241.60	1.12	270.59		
					7½% P. L. Ross			20.29		
								250.30		
					2½% Jack Rutherford			6.76		
								243.54		

The above MEMORANDUM OF SALE contains a true statement of 1—the date of sale; 2—residence of vendor; 3—the nature and amount of the article sold; 4—the source from which the vendor obtained same; and 5—the consideration actually paid; receipt of which, in full, as shown by the "Net Value" above, is hereby acknowledged.

_____

_____
VENDOR

2-1

GOLD, SILVER AND TUNGSTEN, INC.

BUYER OF TUNGSTEN ORES

BOULDER, COLORADO

PHONE 2171

PURCHASER

FERBERITE, HUBNERITE
SCHEELITE AND WOLFRAMITE

No. _____

Shipped By Roger Scarling
Vendor

SETTLEMENT SHEET

Federland, Colo.
Residence of Vendor

November 7, 1941 19____
Date of Sale

SHIPPED FROM Source from which vendor obtained same	LOT NO.	GROSS WEIGHT	Per Cent Moisture	NET WEIGHT	ASSAY	TUNGSTIC ACID	PRICE PER LB.	GROSS VALUE	SAMPLING AND ASSAY	NET VALUE
Minnesota	#-2572	411	1%	407	59.36	241.60	1.12	270.59		
					7½% F. L. Rose			20.29		
								250.30		
					2½% Jack Rutherford			6.76		
								243.54		

The above MEMORANDUM OF SALE contains a true statement of 1—the date of sale; 2—residence of vendor; 3—the nature and amount of the article sold; 4—the source from which the vendor obtained same; and 5—the consideration actually paid; receipt of which, in full, as shown by the "Net Value" above, is hereby acknowledged.

_____

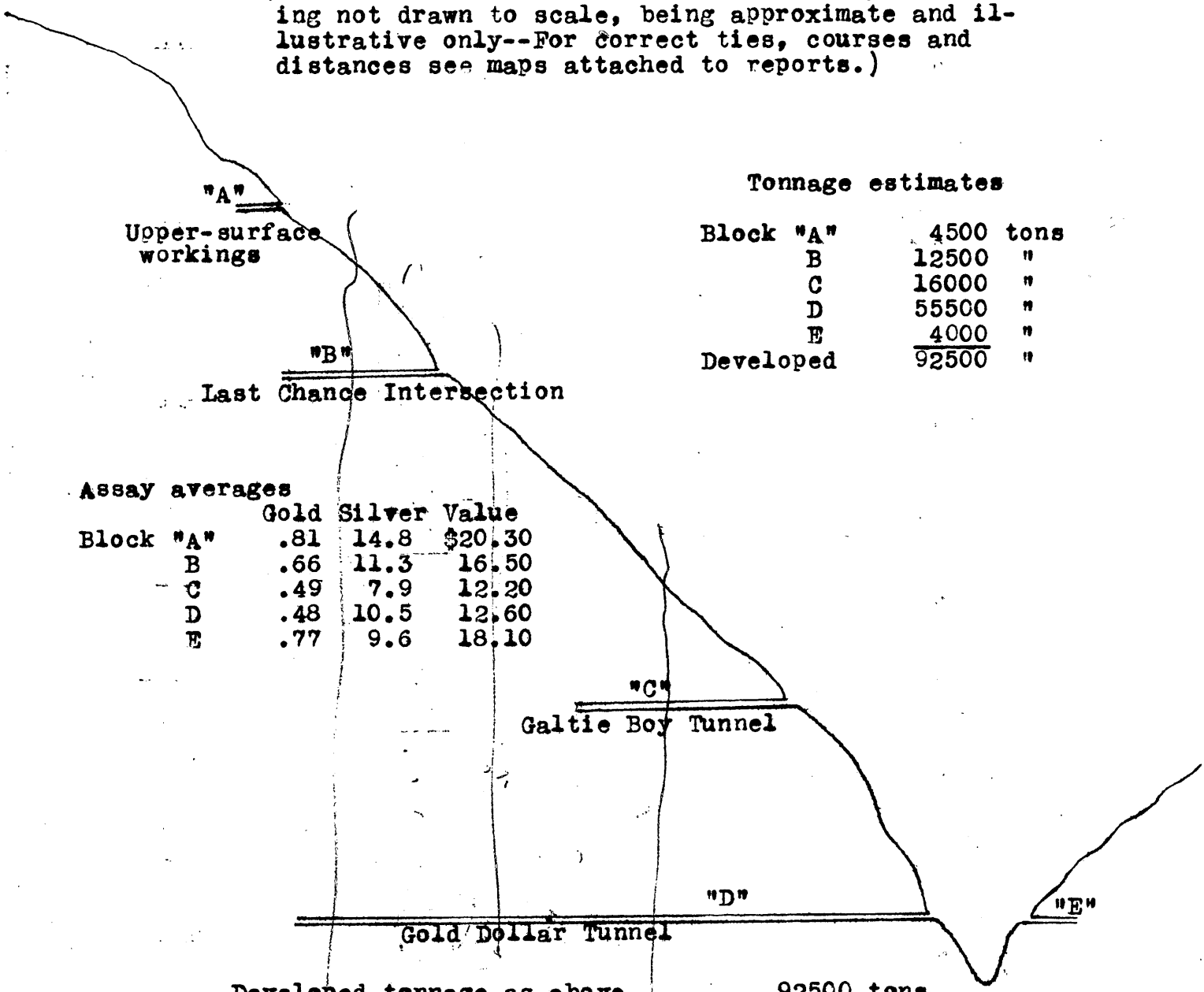
_____
VENDOR

1-1

Illustrative Profile of Workings on

GALTIE BOY VEIN

(Note: This and profile maps immediately following not drawn to scale, being approximate and illustrative only--For correct ties, courses and distances see maps attached to reports.)



Tonnage estimates

Block "A"	4500	tons
B	12500	"
C	16000	"
D	55500	"
E	4000	"
Developed	92500	"

Assay averages

	Gold	Silver	Value
Block "A"	.81	14.8	$20.30
B	.66	11.3	16.50
C	.49	7.9	12.20
D	.48	10.5	12.60
E	.77	9.6	18.10

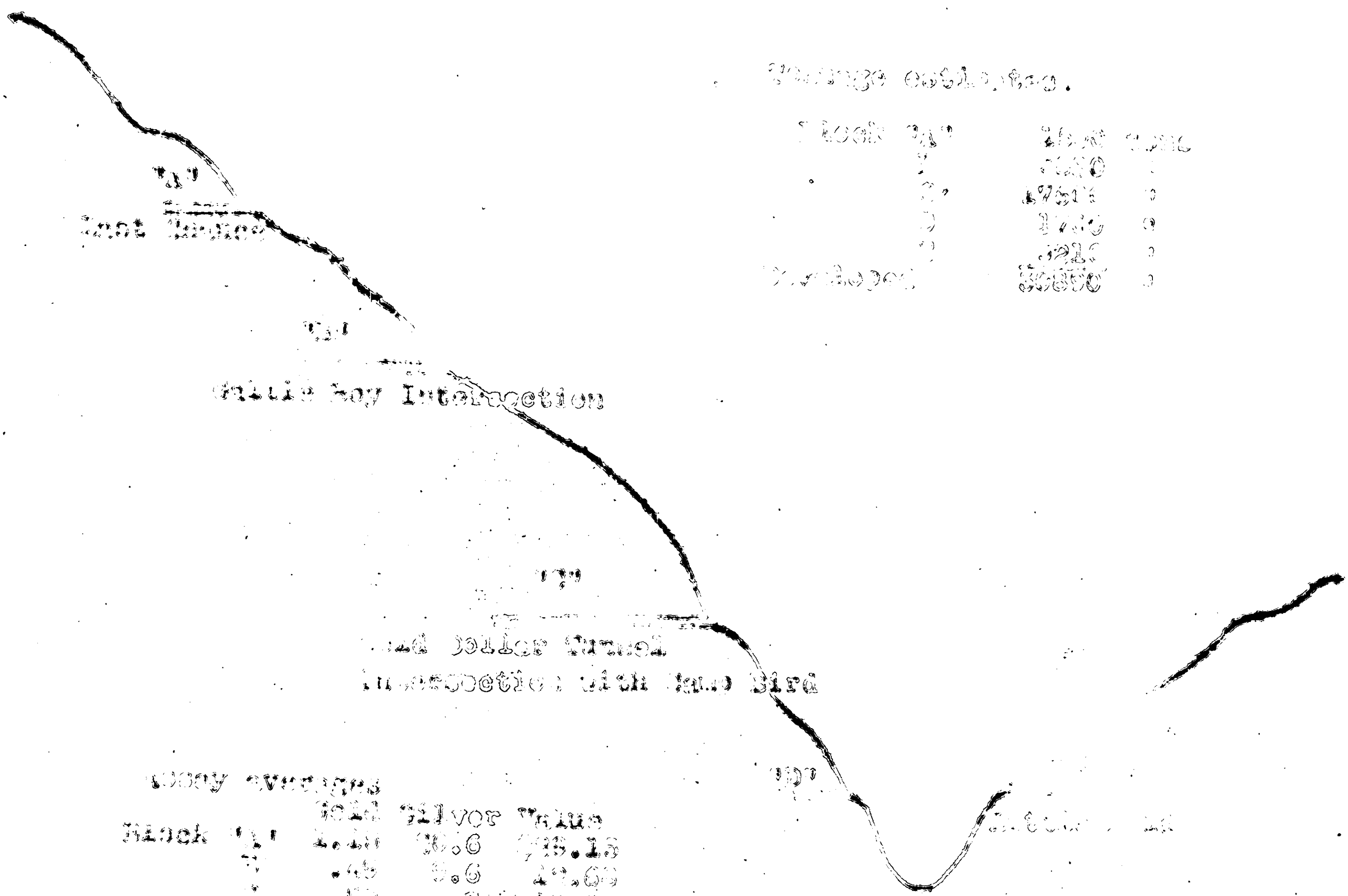
Developed tonnage as above,	92500	tons
Undeveloped:		
Above Gold Dollar Tn'l when extended	225000	"
" Wetzel Tunnel " "	300000	"
Vein should produce of $12.00 ore	600000	" or more

Wetzel Tunnel, when extended, should open veins over 400 feet deeper than Gold Dollar Tunnel.

3-a-5

Illustrative Profile of Workings on

LAST CHANCE, [illegible]



Tonnage estimates.

Block "A"	[illegible]	tons
[illegible]	[illegible]	"
[illegible]	17?1?	"
[illegible]	17?0	"
[illegible]	?21?	"
Developed	30850	"

Assay averages

	Gold	Silver	Value
Block "A"	1.1?	30.6	$?8.15
[illegible]	.45	8.6	1?.6?
[illegible]	.5?	?.7	13.6?
[illegible]	.??	13.1	?6.??
[illegible]	.6?	6.7	1?.?0

Developed tonnage, as above — 30?00 tons
Undeveloped:
Above Gold Dollar and Little [illegible] tunnels, when extended, — 1?0000 "
Above [illegible] Tunnel, when extended, — 375000 "
[illegible] produce of [illegible] — 500000 "

* Actual tunnel will average [illegible].

[illegible] distance, [illegible]

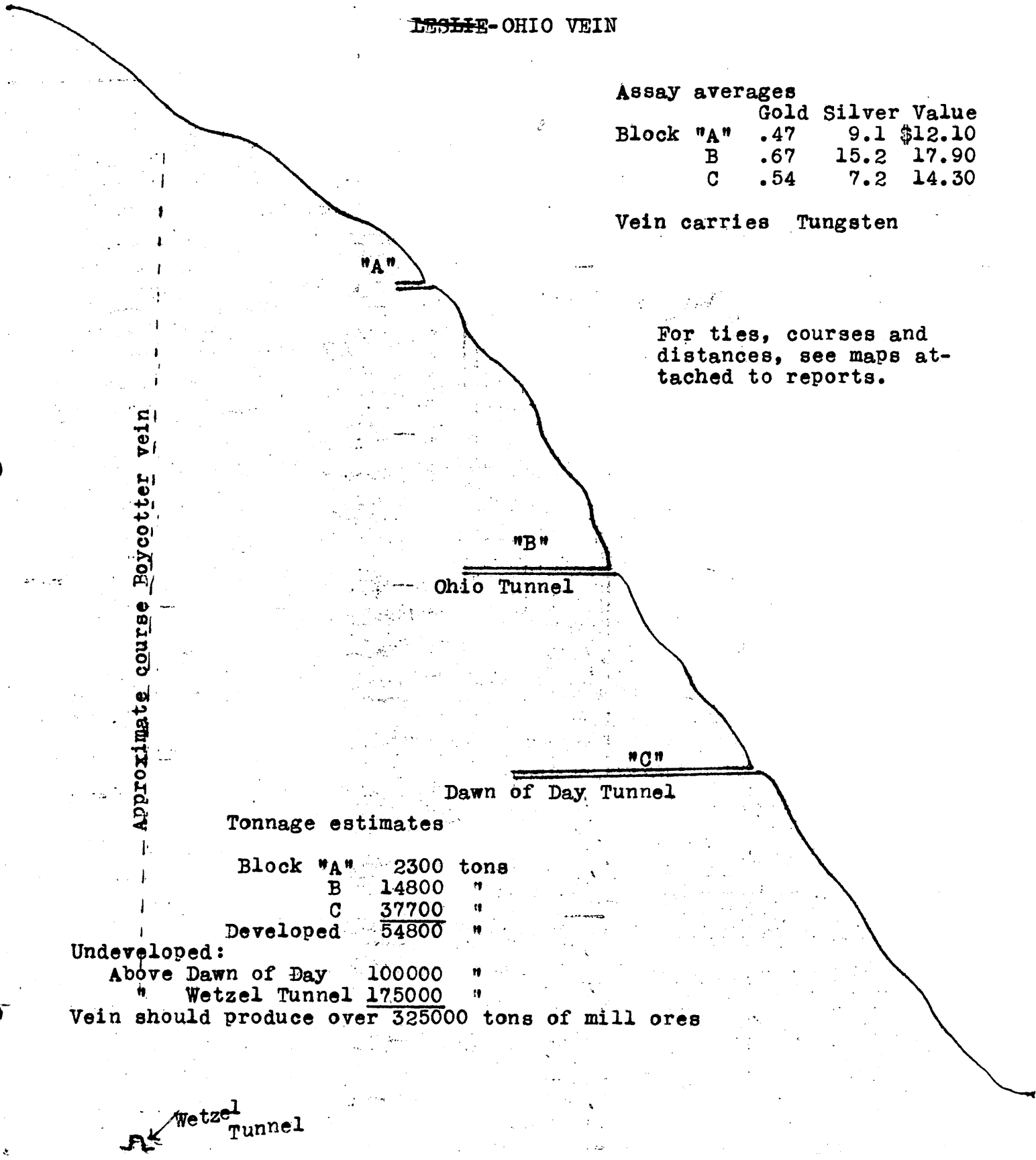
Illustrative Profile of Workings on

~~LESLIE~~-OHIO VEIN

Assay averages

	Gold	Silver	Value
Block "A"	.47	9.1	$12.10
B	.67	15.2	17.90
C	.54	7.2	14.30

Vein carries Tungsten



For ties, courses and distances, see maps attached to reports.

Tonnage estimates

Block "A"	2300	tons
B	14800	"
C	37700	"
Developed	54800	"
Undeveloped:		
Above Dawn of Day	100000	"
" Wetzel Tunnel	175000	"

Vein should produce over 325000 tons of mill ores

Illustrative Profile of workings on

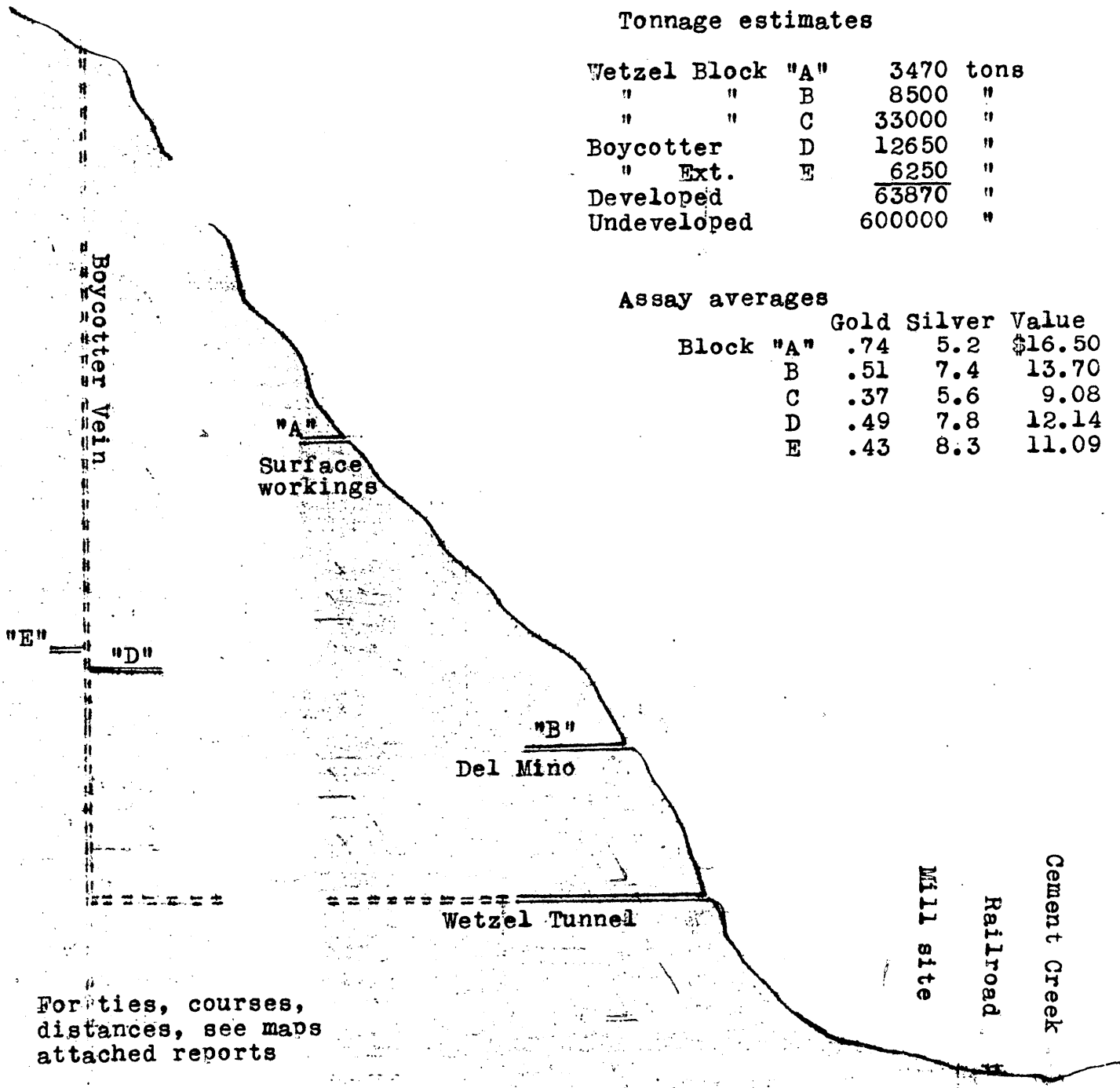
WETZEL-BOYCOTTER VEINS

Tonnage estimates

Wetzel Block	"A"	3470	tons
" "	B	8500	"
" "	C	33000	"
Boycotter	D	12650	"
" Ext.	E	6250	"
Developed		63870	"
Undeveloped		600000	"

Assay averages

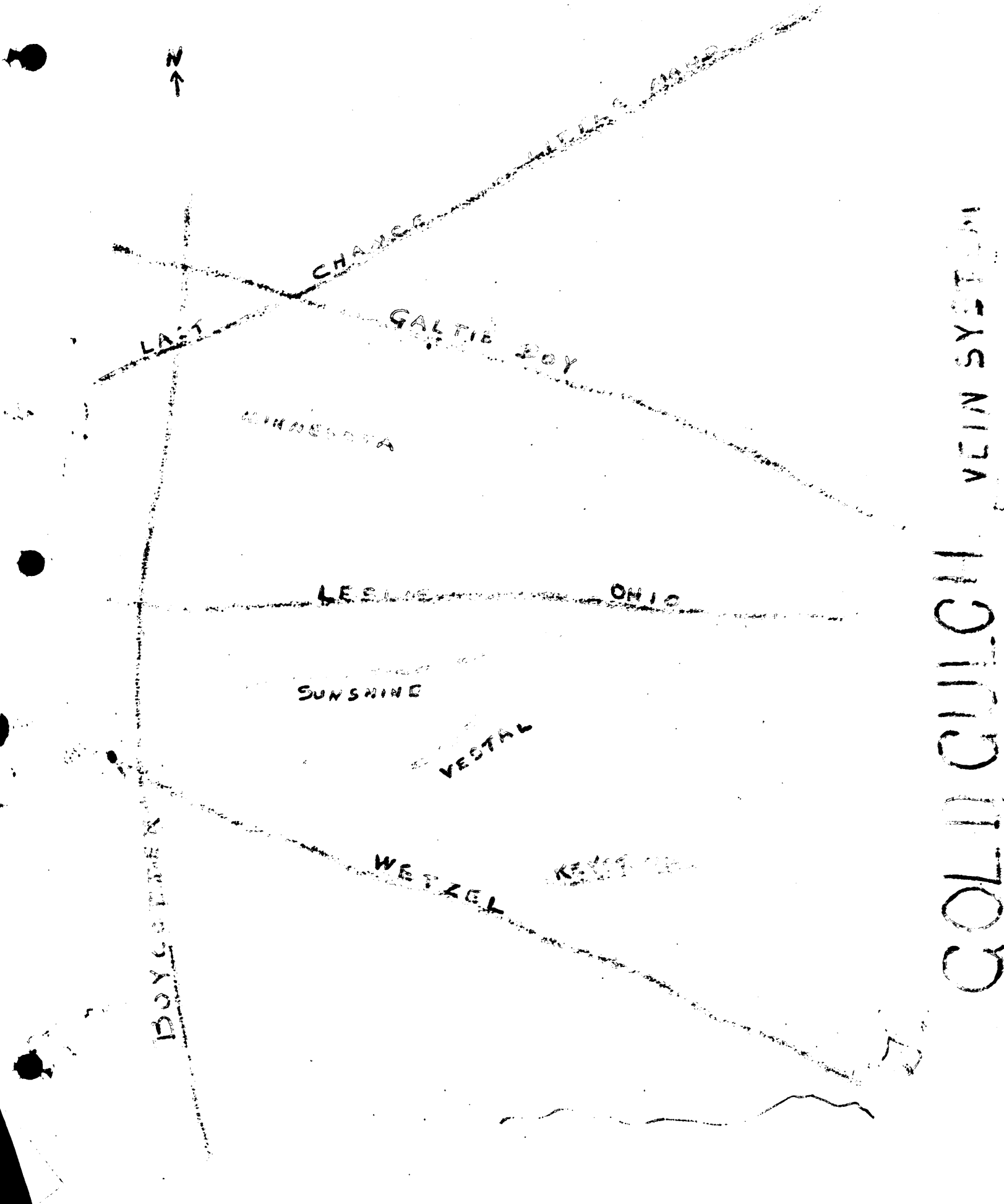
		Gold	Silver	Value
Block	"A"	.74	5.2	$16.50
	B	.51	7.4	13.70
	C	.37	5.6	9.08
	D	.49	7.8	12.14
	E	.43	8.3	11.09



For ties, courses, distances, see maps attached reports

3-a-8

3a-8


N
CHANCE
LAST
GALTIE BOY
MINNESOTA
LESLIE
OHIO
SUNSHINE
VESTAL
WETZEL
KEYS
BOYS
COLLINGWOOD VEIN SYSTEM

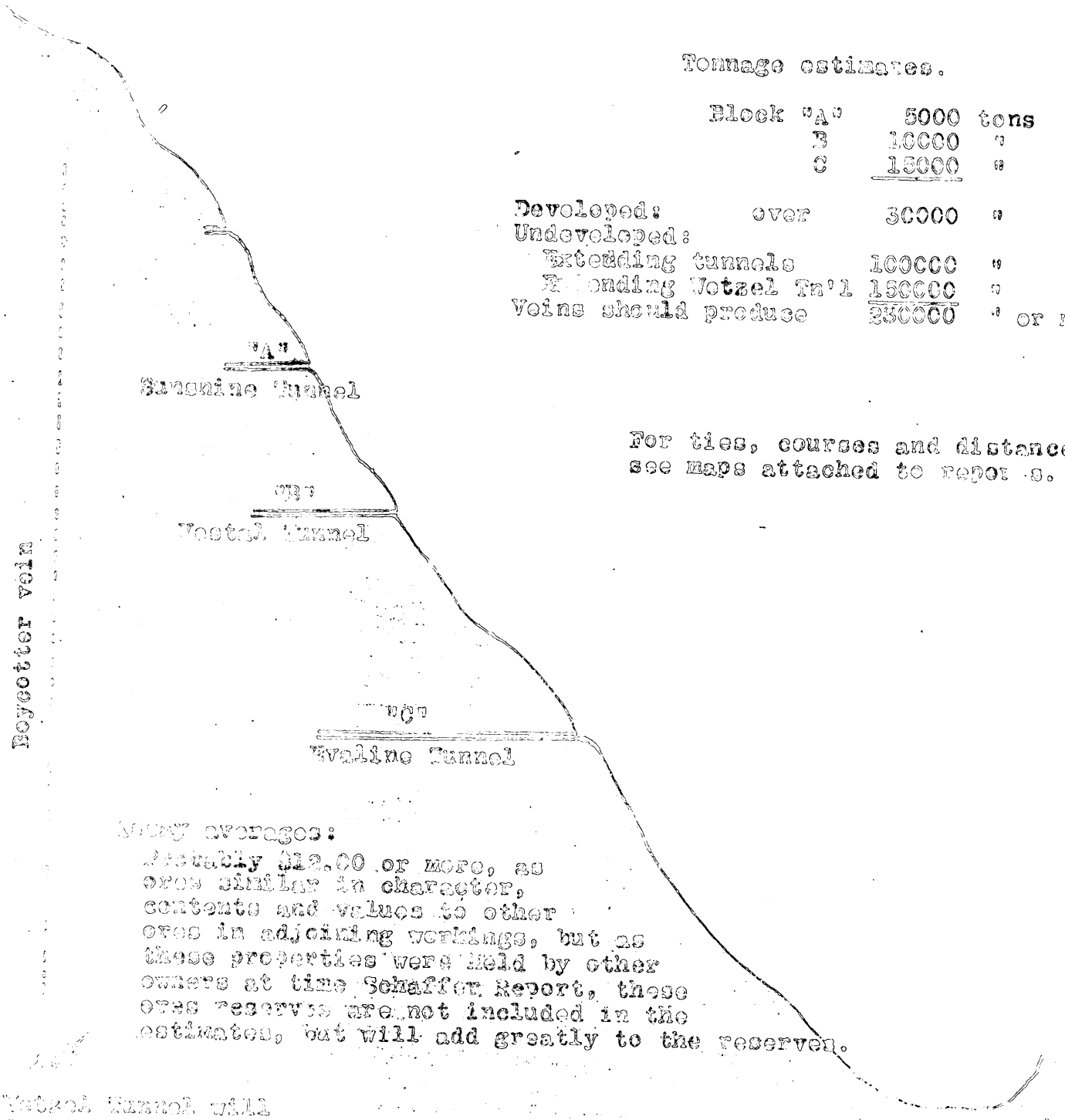
3-a-9

Illustrative Profile of Workings on

~~VESTAL~~-SUNSHINE VEIN SYSTEMS

Tonnage estimates.

Block "A"		5000	tons
B		10000	"
C		15000	"
Developed:	over	30000	"
Undeveloped:			
Extending tunnels		100000	"
Extending Vetzel Tn'l		150000	"
Veins should produce		230000	" or more



For ties, courses and distances see maps attached to report.

Ore averages:
Probably $12.00 or more, as ores similar in character, contents and values to other ores in adjoining workings, but as these properties were held by other owners at time Schaffer Report, these ores reserves are not included in the estimates, but will add greatly to the reserves.

Vetzel tunnel will develope these properties at depth.

AGREEMENT TO LEASE AND SELL
PATENTED AND UNPATENTED MINING CLAIMS

THIS AGREEMENT, Made and entered into this 1st day of January, A.D., 1951, by and between BLUE BIRD MINING AND MILLING COMPANY, a Corporation organized and existing under and by virtue of the laws of the State of Colorado and having its principal office in the City and County of Denver, State of Colorado, Party of the First Part, hereinafter referred to as Lessor, and U. S. OIL & DEVELOPMENT CORPORATION, a Corporation organized and existing under and by virtue of the laws of the State of Colorado, and having its principal office in the City and County of Denver, State of Colorado, Party of the Second Part, hereinafter referred to as Lessee:

W I T N E S S E T H; THAT

The Lessor for and in consideration of the payments, royalties, covenants and agreements hereinafter reserved and made and by the said Lessee to be paid, kept and performed, hereby agrees to sell and convey unto the Lessee all of its right, title and interest in and to the following patented and unpatented mining claims lying and being in the Red Mountain Mining District in the County of San Juan, State of Colorado, to wit:

> GALENA, U.S.M.S. #1573; Berdilla, U.S.M.S. #1524; Blackstone, U.S.M.S. #1333; Del Mino Millsite, U.S.M.S. #15526B; Henrietta, U.S.M.S. #15526A; Home Run, U.S.M.S. # 15526A; Humboldt, U.S.M.S. #15526A; Lizzie, U.S.M.S. #15520; Mineral King, U.S.M.S. #2051; Mineral Queen U.S.M.S. #1622; Narrow Gauge, U.S.M.S. #15526A; Game Cock, U.S.M.S. #19812; Also the following unpatented locations: Wilson, Gulch, Silver King, Juanita, Joe and John, Revenue, Paymaster, Commodore, J. C. Siblev, Tetrahedrite #1, Tetrahedrite #2, C.L.M., U. & I., Moodie #1 and Moodie #2; Also all its right, title and interest in the following patented claims: Prosperity U.S.M.S. #18621 and LaCross U.S.M.S. #18620.

The Lessee agrees to pay unto the Lessor as the purchase price of said above described patented and unpatented mining claims the full

sum of Sixty Thousand and No/100 Dollars($60,000.00) payable in the following manner, to wit:

The Lessee shall pay unto the Lessor Royalties of Ten Per Cent (10%) on all ores milled and Fifteen Per Cent (15%) on all ores shipped, said royalties to be paid on net returns from smelters and/or mills and/or bonuses from the Federal Government or any instrumentality thereof; all royalties due Lessor on account of ores shipped to mills or smelters are to be paid direct to the Lessor by said mills and/or smelters.

Within thirty(30) days after the Lessee has received an aggregate of Twenty-five Thousand and No/100 Dollars($25,000.00) from smelter and/or mill returns and/or bonuses from the Federal Government or any instrumentality thereof, the Lessee agrees to pay unto the Lessor the further sum of Five Hundred and No/100 Dollars($500.00); within thirty (30) days after the Lessee has received an aggregate of Fifty Thousand and No/100 Dollars($50,000.00) from any or all of such sources, the Lessee agrees to pay unto the Lessor the further sum of Five Hundred and No/100 Dollars($500.00); within thirty (30) days after the Lessee has received an aggregate of Seventy-Five Thousand and No/100 Dollars ($75,000.00) from any or all of such sources, the Lessee shall pay unto the Lessor the further sum of Five Hundred and No/100 Dollars ($500.00); within thirty(30) days after the Lessee has received an aggregate of One Hundred Thousand and No/100 Dollars($100,000.00) from any or all of such sources, the Lessee agrees to pay unto the Lessor the further sum of One Thousand and No/100 Dollars($1,000.00); thereafter Lessee agrees to pay unto the Lessor in addition to all royalties hereinabove provided the sum of Five Hundred and No/100 Dollars($500.00) out of each Twenty-Five Thousand and No/100 Dollars($25,000.00) over and above the sum of One Hundred Thousand and No/100 Dollars($100,000.00) received by the Lessee from any or all of such sources as aforesaid until all payments provided herein(including royalties, property and

haulage rentals) paid by the Lessee unto the Lessor equal the stipulated purchase price of Sixty Thousand and No/100 Dollars($60,000.00).

The Lessee hereby covenants and agrees to pay unto the Lessor a monthly property rental for said demised premises in the amount of Five Hundred and No/100 Dollars ($500.00) for the period June 15,1951, to February 15, 1952, and a monthly property rental in the amount of Seven Hundred Fifty and No/100 Dollars($750.00) each month thereafter until the full purchase price in the amount of Sixty Thousand and No/100 Dollars ($60,000.00) is fully paid. The said monthly property rentals to be paid on or before the 15th day of each and every calendar month for the month preceding that in which such payment is made, the first payment in the amount of Five Hundred and No/100 Dollars($500.00) to be due and payable hereunder on July 15, 1951.

The Lessee further agrees to pay unto the Lessor a haulage rental of twenty cents($0.20) per ton of two thousand(2,000) pounds of ore transported through, over or across the premises herein demised from other land which the Lessee may own, possess or in which it may have an interest.

It is understood and agreed that all royalties herein specified and all haulage rentals paid for ore transported through, over or across the demised premises during any month shall be credited as payment of said property rentals due for said month, it being understood and agreed that royalties and haulage rentals shall be due and payable to the Lessor on the 20th day of the calendar month for the preceding fiscal month, using the 15th day of the calendar month as the first day of the fiscal month; PROVIDED, HOWEVER, that nothing herein contained shall be construed to relieve the Lessee from the payment of said monthly property rentals in the various amounts as stated above in the event royalties and haulage rentals as hereinbefore mentioned do not equal said property rental amount for each month.

The Lessee hereby covenants and agrees to conduct its operations in a good and workmenlike manner in order to recover as much of the ore available therein as possible in keeping with good mining practice, and to conduct its operations in such a manner as to prevent the loss of ore in any vein by reason of mining ore from one or more of the other veins. The Lessee hereby covenants and agrees that it will lay out its workings in the demised premises in a manner approved by the Lessor and further agrees that it will comply with instructions issued by the Lessor pertaining to development of said claims and other matters in accordance with proper and safe mining practices.

Lessor, or any agent so designated by it, shall have the right at all reasonable times to enter upon and into all parts of the said demised premises for the purpose of inspection, sampling, surveying, etc., and the Lessee will render unto the Lessor, its agents and representatives, all the assistance in its power for such purposes.

Lessee agrees to furnish to Lessor free of charge in January and July of each year during the continuance of this lease maps or blue prints in duplicate made in accordance with the mining laws of the State of Colorado and instructions of Lessor disclosing the surface and underground workings of the demised premises. The Lessee agrees that in the event said maps or blue prints made in accordance with the mining laws of the State of Colorado and instructions of lessor are not furnished the Lessor as provided above, the Lessor may at its option have surveys and maps made of the Lessee's workings in the demised premises and the Lessee agrees to reimburse the Lessor for all expense in connection therewith. Lessee further agrees that it will furnish Lessor with any and all copies of analyses taken or obtained by the Lessee.

Lessee covenants and agrees that it will perform the necessary assessment work in the amount and within the time specified by law to prevent forfeiture of all of the demised unpatented claims and that it will not later than the 1st day of June in each calendar year during

the continuance of this Agreement furnish to Lessor a statement and account of the work, labor and materials expended upon said unpatented claims subsequent to the preceding first day of July.

IT IS UNDERSTOOD AND AGREED, that Lessee shall pay all taxes on said demised premises including but without in any manner limiting the generality of the foregoing any tax on production or Government gold or silver tax regardless of how levied or charged when the same are by law due and payable during the life of this agreement including real property taxes for the year 1950 and subsequent thereto.

Lessee agrees to conform to any law or laws which may hereafter be enacted by the State of Colorado or by the Government of the United States of America pertaining to the operation of metalliferous mines or in any way affecting this Agreement, it being understood and agreed that the Lessee shall conform in every way necessary to all present and future laws and save harmless the Lessor from and on account of any claims or demands arising directly or indirectly out of its operations on the demised premises.

Lessee agrees to occupy and hold all veins, spurs, feeders, cross lodes, parallel lodes or mineral deposits of any kind which may be discovered by the said Lessee, or any person or persons working under it in any manner, but working within or on the described premises, as the property of the Lessor and a part of the premises demised and to not permit or allow any person or persons not in privity with the parties hereto to take, and/or hold possession of the said premises or any part thereof under any pretense whatsoever. The Lessee does not agree to protect the legal title to any of the property described herein should controversy or litigation arise with respect thereto, nor shall Lessor be required except at its election to defend any action arising out of disputes as to apex rights.

Lessee covenants and agrees to conduct its operations in all

manner and respects in accordance with law; that it will save harmless the Lessor of and from all claims and demands of whatsoever kind or nature for or on account of any act or omission in the conduct of its operations, directly or indirectly in connection therewith; that it will at all times comply with any and all Workmen's Compensation or Occupational Disease Disability laws of the State of Colorado and maintain adequate insurance under those laws, submitting to the Lessor its policy or contract of insurance for approval as requested so to do. Any act or omission, whether caused by the Lessee or not, which places such policy or contract of insurance in jeopardy shall be cause for immediate cancellation of this agreement.

Lessee agrees that no lien of any kind shall be created or suffered to attach or be in any manner created by said Lessee upon or against said premises or any part thereof. Lessee shall keep and maintain posted at all times, in a conspicuous place near each and every entrance to the mine, and upon the principal buildings, a notice in clear and legible characters, in substance, as follows:

"NOTICE

"Notice is hereby given to all parties performing labor or furnishing skill, materials, machinery or other fixtures or supplies of any kind in, to, or for the use of the Lessee upon any part or portion of this leased mining property, being a part on which this notice is posted, that the undersigned, the owner of the property, shall not be responsible for any labor performed, or any skill, materials, machinery, fixtures or supplies of any kind furnished to or for the benefit of the Lessee, nor shall any interest of the owner be subject to any lien for the same, and all persons are hereby notified that these premises and the contiguous claims have been and are now leased to U.S. Oil & Development Corporation, of Denver, Colorado, to whom all persons must look for any compensation and pay.

"Dated this 1st day of January, A.D., 1951.

"Blue Bird Mining and Milling Company

By N. H. JONES
Secretary "

Time is the essence of this Agreement.

It is understood and agreed that each of the foregoing conditions, obligations or covenants required of the Lessee is necessary for the proper enjoyment of both parties in and to this Agreement and that should Lessee fail to keep any covenant, condition or obligation as hereinbefore set forth then, in that event, the said Lessor may on giving ten(10) days' notice in writing addressed to the Lessee at Denver, Colorado, declare this Agreement of Lease and Sale forfeited unless within said ten(10) days' period Lessee shall have done and performed each and every obligation, covenant or condition required of it to the date of said Notice and in the event of such cancellation or forfeiture said Lessor shall retain all payments made as liquidated damages and shall have the right to re-enter said premises and dispossess said Lessee or any person or firm holding by, through or under it using such force as may be necessary so to do and all rights hereby granted to the Lessee shall be terminated.

Subject to the foregoing provisions and conditions this Agreement shall enure to the benefit of and be binding upon the successors or assigns of the respective parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed in duplicate the day and year first herein set forth.

BLUE BIRD MINING AND MILLING COMPANY

ATTEST:

Naomi H. Jones
Secretary.

By William J. Woodruff
President.

U. S. OIL & DEVELOPMENT COMPANY

by Robert C. Brown

ATTEST:

Ed Peterson
Secretary.

By Ed Peterson
President

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BY PICK
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MAY 18 1951
PICK PHOTOGRAPH & BLUEPRINT CO
1619 - 17th ST. DENVER, COLO
CERTIFIED ON REQUEST

PHONE CHERRY 1112

JAMES S. HENDERSON
ATTORNEY AT LAW
208-210 EQUITABLE BUILDING
DENVER 2, COLO.

April 3, 1951

Blue Bird Mining and Milling Company
c/o Charles H. Groves
P. O. Box 1920
Denver 1, Colorado

Gentlemen:

Confirming our several conferences of recent date with Mr. M. R. Jones and Mr. Charles H. Groves relative to the proposed lease of the Blue Bird mining properties in San Juan County to the U. S. Oil and Development Corporation of Denver, I am authorized, on behalf of the lessee, to accept the Agreement to Lease and Sell said properties, dated January 1, 1951, which you have heretofore submitted to us, provided, however, that such agreement shall be modified in the following particulars:

1. The royalty shall be a straight 10% on all ores.

2. The $500.00 monthly payments are to continue for the period June 15, 1951 to March 15, 1952, inclusive.

3. In the event payments made by the lessee in any one year exceed the required minimum, whether such payments are from royalties, or otherwise, such excess may, at theoption of the lessee, be applied to the minimum payments due in the next succeeding calendar year, but shall not, without the consent in writing of the lessor, then obtained, be carried over to apply on subsequent minimum payments accruing more than one year next succeeding the calendar year during which such excess shall have been paid by the lessee.

4. Maps and blue prints of the workings shall be furnished by the lessee to the lessor once each year.

5. The lessee shall be granted a reasonable discretion as to the manner in which the leased claims are to be developed, and shall not be bound by instructions for such development issued by the les-

sor. In the event of a difference of opinion as to the manner of development, such difference of opinion shall be adjusted by conference between the parties.

6. Inspections made by the lessor shall be made at such times and in such manner that they will not interfere with the operation and development of the property by the lessee.

Insofar as the original agreement is modified by this letter, the terms and conditions hereof shall control, and this letter, by reference, is hereby incorporated in and made a part of the original agreement.

Please indicate your acceptance hereof by attaching your signature hereto and return the signed copy to this office. Upon receipt thereof, we will forward you a signed copy of theoriginal agreement, that your files may be complete.

Very truly yours,

U. S. OIL & DEVELOPMENT CORPORATION

By James S. Vandenburg
Attorney

APPROVED AND ACCEPTED:

Blue Bird Mining and Milling Company

By Jannie H. Jones
April 18, 1951 SECRETARY

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