DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED

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MF-200 (A)
(February 1952)

JAN 12 1953

Docket No. DMEA 2005

Commodity Asbestos

Idm-E473

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this 7th day of January, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Metate Asbestos Corp., Inc., an Arizona Corporation
P. O. Box 1906
Globe, Arizona

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Arizona, County of Gila, described as follows:[3] Five patented lode mining claims; the Apache #1, #2, #3, #4 and #5, all Mineral Survey No. 3996, known as the Apache Group, located on the San Carlos Indian Reservation, Gila County, Arizona

the Operator represents and undertakes:[4]

[redacted]

(*b*) That the Operator is a lessee, in possession and entitled to possession, [redacted]

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Asbestos

in or upon the described land; and shall bring the project to completion within a period of 4 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay ninety (90) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $2,745.00, which is 90 percent of $3,050.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

16—66329-1

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided,* that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

METATE ASBESTOS CORPORATION, INC.
(Operator)

By Charles Robert Neal
President

By W. H. King
Executive Officer, DMEA
Field Team, Region IV

I, Robert C. McNabb, certify that I am the duly elected secretary of the corporation named as Operator herein; that Charles Robert Neal, President, who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Robert C. McNabb
Secretary

[CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXHIBIT A

Description of the Work

The work consists of drifting 100 feet northwest from a point near the bottom of the stope; raising a total of 20 feet at locations to be determined after part or all of the drifting is completed and acceptable to the BMRA representative; a total of 100 feet of long hole drilling to determine if the limestone beds may be at different elevations and dips due to tilting. The point of starting the above drift must have prior approval of the BMRA representative.

The proposed drifting is shown on Figure 3A which is made a part of this exhibit. Figure 2 shows the location of the proposed work in relation to the property lines and is made a part of this Exhibit.

Estimated Costs of the Project

100 feet of drifting at $22.50 per foot	$2,250.00
20 feet of raising at $15.00 per foot	300.00
100 feet of long hole drilling at $5.00 per foot	500.00
Total -	$3,050.00
Government participation, 90%	$2,745.00

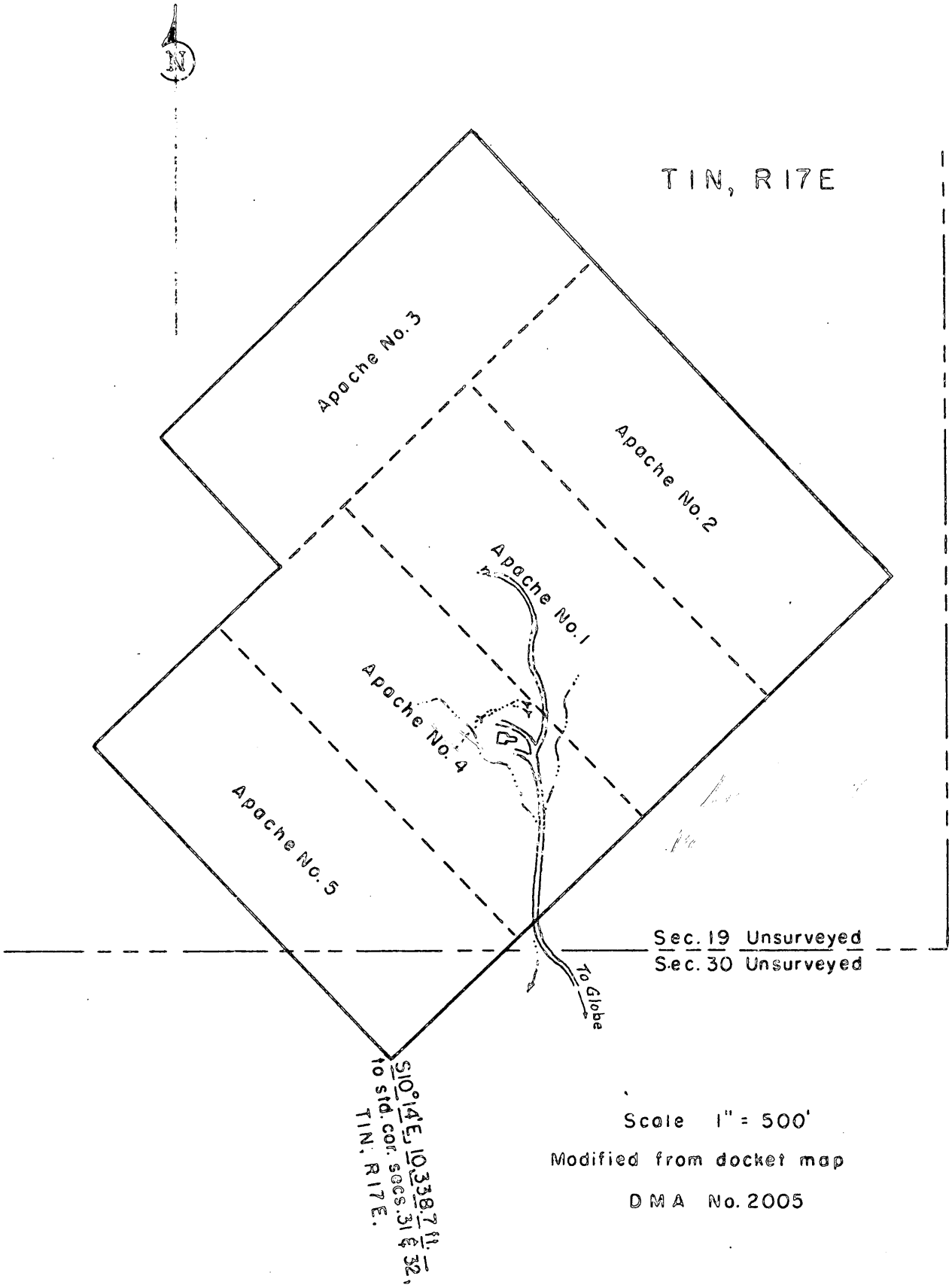
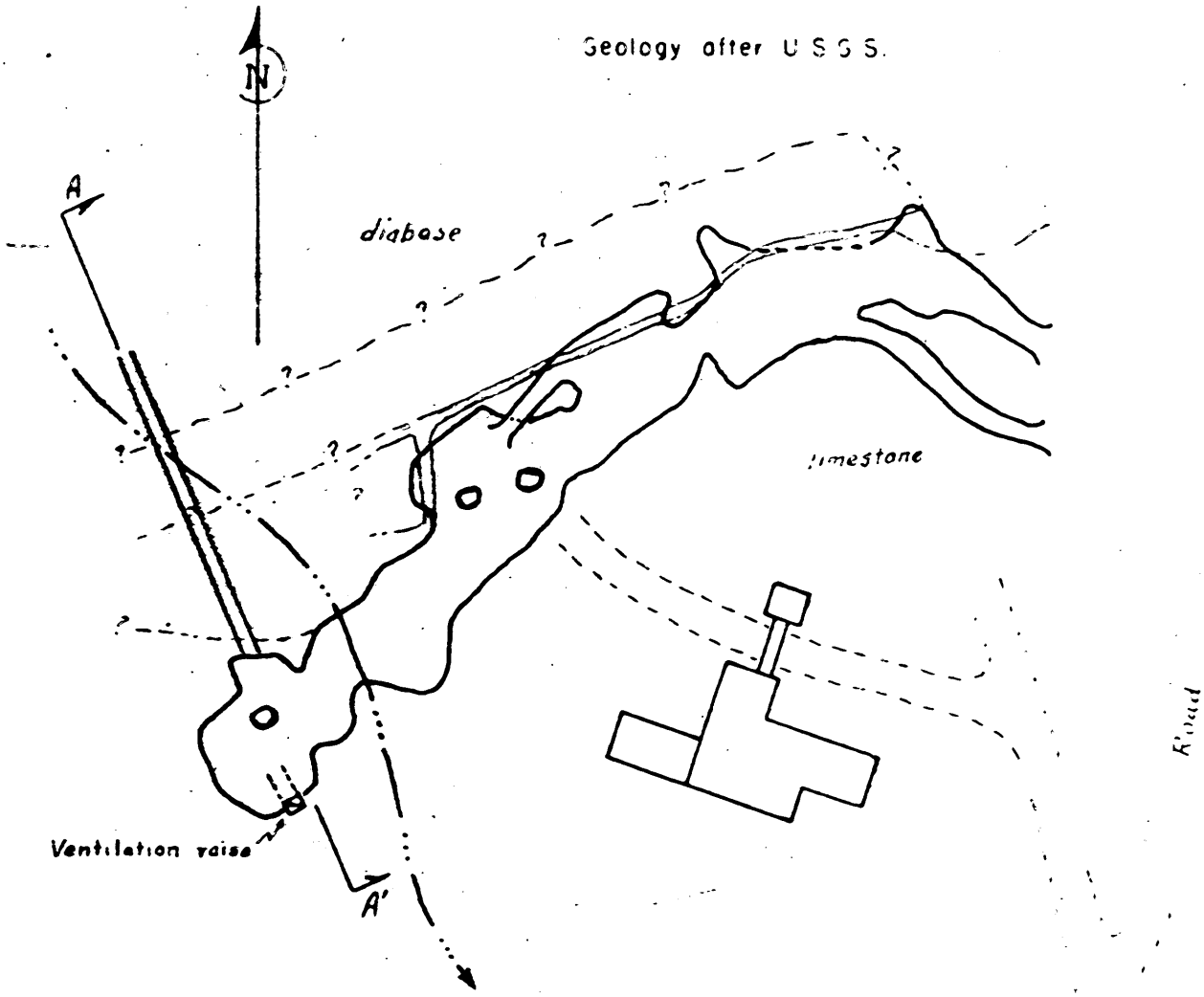
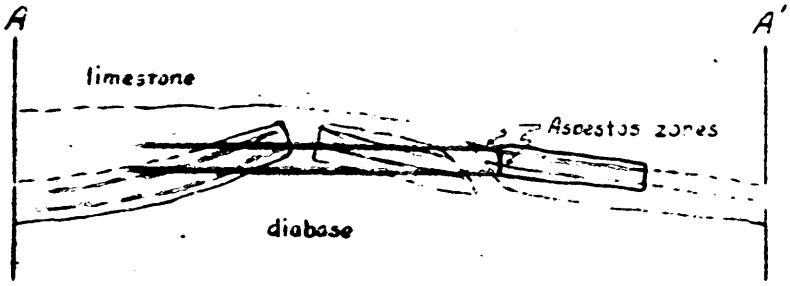


Fig. 2 Claim map - Metate Asbestos Corp. Gila County, Ariz.





Section A - A'.

Postulated cross section. See Fig. 6B, Geologic Report.

Scale 1" = 50'

Proposed drift

DMA 2005

Mine as of 8/23/52

Fig. 3A - Revised plan, Metate mine, showing proposed work.

DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 2005 X

DO NOT DETACH THIS SLIP

Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

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.

CODE - 370

Routing Slip

To:	Ind. Minerals Br.	Date	8-24-51
To:	Coor. Com. ~~Field Team IV~~	Date	8-30-51
To:	K & R	Date	8-30-51
To:		Date	
To:		Date	
To:		Date	
To:		Date	
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DO NOT DETACH

CONTROLLED DOCUMENT

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

RECEIVED
JUN 29 1956

224 New Customhouse
Denver 2, Colorado

June 26, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 2005 (Asbestos), Contract Idm-E473, Metate Asbestos Corporation (Apache mine), Gila County, Arizona

Enclosed is the original and three copies of the interim report requested by your letter dated April 20, 1956 to this office.

W. M. Traver

W. M. Traver

Enclosure

2005

ACTION ON INTERIM
OR FINAL FIELD TEAM REPORT
Date 6.29

Referred to:

1. ~~Mr. Muttendorf~~
2. ~~Mr. Johnson~~
3. ~~Mr. Chambers~~
4. ~~Docket Control Mails and Files~~
5. ~~Mon Probst Division~~
6. Docket Control Mails and Files

Note comments in report regarding:

1. Supplemental to
2. Semi annual
3.
4.

and take appropriate action.

- - - - - - - -

Action taken by Division:

Robert E. Adams

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

BOX 4097
TUCSON 5, ARIZONA

DMEA
Date Rec'd.
JUN 22 1956
BUREAU OF MINES
Denver, Colorado

June 19, 1956

Memorandum

To : W. R. Storms, Superintendent, Southwest Experimen Station, Region III

RECEIVED
JUN 29 1956

From : T. M. Romslo, Mining Engineer, Tucson, Arizona

Subject : Contract Idm-E473, Docket DMA-2005 (Asbestos), Metate Asbestos Corp. (Apache Mine), Gila County, Ariz.

The following information was requested in George A. Selfridge's letter of April 20, 1956 to W. M. Traver. It was obtained from Jack L. Neal during a visit to the corporation's office at Globe, Ariz. on June 8, 1956.

Reference is made to Figure 38 of B. of M. I.C. 7706, "Chrysotile-Asbestos Deposits of Arizona," by L. A. Stewart.

The Apache deposit had been explored and essentially mined out to the cross fault when the work of subject contract was completed. The contract work, designed to test for a strike extension of the deposit, indicated that an asbestos deposit in the exploration area could not be expected.

The operator then renewed exploratory work at the bottom of the mine. After a small amount of drifting and crosscutting, it was found that the strike length of the deposit was increasing and that the deposit persisted with depth. Since then the deposit has been explored to an inclined depth of 900 feet from the cross fault. Approximately 800 feet of the 900 feet has been mined out to widths that increased from about 40 feet near the fault to near 300 feet on the 800 level. On the 900 level, all of a 300-foot drift is in ore. Blocked out reserves, according to Neal, are 2 to 3 years of production at the present rate. This probably would amount to 300 to 400 tons of ore of all grades. Other reserves are several thousand tons of low-grade material in dumps.

CC W. M. Traver (Orig. & 8)
DMEA-2005
DF

TMRomslo:frj

Production from the mine from October 22, 1952 to May 4, 1956 totals 561.9395 tons of fiber: 163.315 tons of No. 1; 244.2985 tons of No. 2; and 154.3395 tons of No. 3. All of this fiber, except a small amount shipped for test purposes, has been sold to the Government under the Domestic Arizona Buying Program at per ton prices of $1,500.00 for No. 1, $900.00 for No. 2, and $400.00 for No. 3. Gross receipts from the 561.9395 tons of fiber have been estimated at $526,631.70. Production for April 1956 was 41.65 tons of fiber, of which 13.15 tons was No. 1, 9.7 tons was No. 2, and 18.9 tons was No. 3.

A total of 24 men are employed at the mine and mill.

Mining and milling costs for 1952 through 1955 total $448,000, of which $134,000 was for 2,700 feet of exploratory and development headings, about $75,000 was for equipment, and the remainder was for milling and mining.

The small lots of fiber for test purposes were shipped to the Southern Asbestos Corp., Tallmen and McClosky, and North American Asbestos. These firms have found that the semi-soft fibers from the Apache mine are a desired blend with Canadian short fibers in the manufacture of certain types of pipes. The firms probably would be interested in setting up a mill in the Globe area for production of this and other types of fiber if adequate ore reserves were assured. It is general knowledge that little or no ore was developed ahead of mining faces before early 1953 when the Governmental buying program was initiated. Since then, Neal and Jaquays have developed significant ore reserves. Neal also has started to explore the Pine Top harsh-fiber mine. He reportedly has encountered some better grade fiber in this mine and believes he has a good chance of developing sizeable reserves of fiber that could be useable if processed in the proper type of mill.

Credit for the more favorable ore reserve picture in the Globe area is largely due to the present assured market. To a small degree, the DMEA also has been helpful.

Termination of the Government's buying program could be expected to result in termination of all mining activity.

T. M. Romslo, Mining Engineer
Southwest Experiment Station

4-20-56

Mr. W. M. Traver
Executive Officer, DMEA
Field Team, Region III
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Subject: Docket No. DMEA-2867
Asbestos
Jaquays Mining Corporation
Regal Mine
Gila County, Arizona
Contract No. Idm-E589

Docket No. DMEA-3707
Asbestos
Jaquays Mining Corporation
Regal Mine
Gila County, Arizona

Dear Mr. Traver:

Reference is made to the subject Semi-Annual Report of Certified Project for the period July 1, 1955, through December 31, 1955, by T. M. Romslo, and Docket No. DMEA-3707.

The Semi-Annual Report on the subject property is essentially complete in many details; however, a number of points should be expanded to give this office a better picture of the net effect of the program and its encouragement to Jaquays Mining Corporation to develop this property. Our plans to revise the ore reserve estimates cannot be made effectively unless the reporting under the outline is complete and in detail. The use of "Other remarks" on the second page of the report to answer specific questions should be avoided. The second page of the report integrated with "Other remarks" contains some of the essential information, but here again it would be well to follow the suggested outline.

Our prime objective is to have an up-to-date ore reserve figure for the amount of ore remaining in the ground as of the date of the report. Production remarks should include, if possible, such information as number of men employed at the mine, at the mill, average monthly production, efficiency of management, sales problems (the effect of filling the stockpile quota for the Domestic Arizona Buying Program), and potential commercial markets that may be available. It is noted under "Other remarks" that approximately 3,000 feet of drifting have been performed by the Jaquays Mining Corporation. Can we convert this to a dollar value of say $100,000? Would this represent the total expenditure by the Jaquays Mining Corporation or have additional funds been

Mr. R. M. Traver
Executive Officer, DMEA
Field Team, Region III
Bureau of Mines
224 Sam Gustafson Building
Denver 2, Colorado

Subject: Docket No. DMEA-2707
Asbestos
Jaquaye Mining Corporation
Regal Mine
Gila County, Arizona
Contract No. Idm-5329

Docket No. DMEA-2707
Asbestos
Jaquaye Mining Corporation
Regal Mine
Gila County, Arizona

Dear Mr. Traver:

Reference is made to the subject Semi-Annual Report of Certified Project for the period July 1, 1955, through December 31, 1955, by T. M. Rosario, and Docket No. DMEA-2707.

The Semi-Annual Report on the subject property is essentially complete in many details; however, a number of points should be expanded to give this office a better picture of the net effect of the program and its encouragement to Jaquaye Mining Corporation to develop this property. Our plans to revise the ore reserve estimates cannot be made effectively unless the reporting under the outline is complete and in detail. The use of "Other remarks" on the second page of the report to answer specific questions should be avoided. The second page of the report intermixed with "Other remarks" contains some of the essential information, but here again it would be well to follow the suggested outline.

Our prime objective is to have an up-to-date ore reserve figure for the amount of ore remaining in the ground as of the date of the report. Production remarks should, if possible, show information as number of men employed at the mine, at the mill, average monthly production, efficiency of management, mine problems (the effect of fitting the stockpile quota for the Domestic Asbestos Buying Program), and potential commercial markets that may be available. It is noted under "Other remarks" that approximately 2,000 feet of drifting have been performed by the Jaquaye Mining Corporation. Can we convert this to a dollar value of say $100,000? Would this represent the total expenditure by the Jaquaye Mining Corporation or have additional funds been

expended for mine plant and facilities? The note on the second page of the outline which refers to but is not confined to uranium projects is applicable in this case. The reporting engineer should check with the Buying Depot at Globe or with the Regional Office at San Francisco and determine the amount of asbestos of grades #1, #2, and #3 sold by the Operator to the depot, the value of each grade and, if possible, the amount of the material that is eligible to go into the National Stockpile. It would be interesting to know the relative proportion of his asbestos that is going into the Arizona Asbestos Stockpile and that which has been sold to industry as filter fiber or other grades.

No mention is made in the Semi-Annual Report of Docket No. DMEA-3707 which, at the present time, is in the pending category awaiting information from the Applicant. On June 30, 1955, we wrote Mr. Jaquays asking him to supply us with the results of his exploration work on the near target area. No reply has been received. On April 18, 1956, we sent Mr. Jaquays a 30-day letter in order to finalize DMEA-3707.

It is understood that Mr. C. R. Neal of the Metate Asbestos Corp., Inc., has made a sizable discovery at the Apache Mine (DMEA-2005). While our work there did not result in a discovery we would appreciate any information you could supply us on the size of the orebody, development expenditures, etc. This need not be a formal report.

Sincerely yours,

Chairman, Operating Committee

Approved:

Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Kiilsgaard, 5222
Dr. Bowles, 3516
Mr. Houk (2)
Mr. Chambers

Member, Bureau of Mines

Member, Geological Survey

LGHouk:gad 4/19/56

expended for mine plant and facilities? The note on the second page of the outline which refers to but is not confined to uranium projects is applicable in this case. The reporting engineer should check with the Buying Depot at Globe or with the Regional Office at San Francisco and determine the amount of asbestos of grades #1, #2, and #3 sold by the Operator to the depot, the value of each grade and, if possible, the amount of the material that is eligible to go into the National Stockpile. It would be interesting to know the relative proportion of his asbestos that is going into the Arizona Asbestos Stockpile and that which has been sold to industry as filter fiber or other grades.

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It is understood that Mr. G. H. Neal of the Metate Asbestos Corp., Inc., has made a sizable discovery at the Apache Mine (DMEA-2005). While our work there did not result in a discovery we would appreciate any information you could supply us on the size of the orebody, development expenditures, etc. This need not be a formal report.

Sincerely yours,

Chairman, Operating Committee

Approved:

Member, Bureau of Mines

Member, Geological Survey

LGHoukgad 4/19/56

Copy to: Admr. R. File
Docket (2)
Operating Committee
Mr. Hillsgaard, 5222
Dr. Bowles, 3516
Mr. Houk (2)
Mr. Chambers

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

RECEIVED
JUL 2 - 1956

234 New Customhouse
Denver 2, Colorado

June 29, 1956

Mr. T. Sanders
Flanders Mining Company
P. O. Box 861
Grand Junction, Colorado

Re: Royalty payments, Docket DMEA 2128 (Uranium), Contract Idm-E408, Flanders Mining Company and Utarado Mining Company (formerly Gateway Mining and Development Company), Mesa County, Colorado

Dear Mr. Sanders:

For your request of June 27, 1956, please be advised of the royalty status of Contract E-408 as follows:

Total Amount of Government Participation	$46,772.10
Total Royalty Payments to Date	18,041.93
Balance Due	$28,730.17

Royalty payments are required on all shipments from the property described in the cited contract until September 26, 1962 or until the amount of $46,772.10 has been repaid, whichever occurs first.

Yours very truly,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

MMM/vj

cc: Royalty File E408
Sec. Opr. Comm. (2)
J. F.Shaw (2)
Marshall
Chron.

FILE COPY
SURNAME:

Robertson
Houk
Clement
Oakes
Burn

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

AUG 3 1953

Metate Asbestos Corp., Inc.
P. O. Box 1506
Globe, Arizona

Re: Docket No. [illegible]-2035 - Asbestos
Apache Mine
Gila County, Arizona
Contract No. Idm-8473

Gentlemen:

This is with reference to the subject Exploration Contract between your corporation and the Government.

The final audit of the contract expenditures and the final reports of the Operator and of the Field Team have been received and accepted by this Administration. Of the total amount of $3,050.00 approved under the contract, the sum of $1,681.25 was expended, 90 percent of which, or $1,513.12, represented the Government's share. There were no unused materials, supplies or equipment to be disposed of for the joint account of the Operator and the Government. The exploration work was completed in a satisfactory manner.

Because the results of the exploration were unfavorable, it is not our intention to make a certification of discovery or development which would create a lien against the subject property. We are, therefore, closing our books and records with respect to this project. Your attention is called, however, to Article 5 (d) of the Contract which requires the Operator to "keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract."

Your interest in the Exploration Program of the Defense Minerals Exploration Administration and your willingness to participate therein are appreciated.

Sincerely yours,

C. O. Mittendorf

Administrator

LGHouk:gad 7/24/53
Copy to: Admr. R. File
Docket File
Field Team, Region IV
Operating Committee
Mr. Larrabee, G-232 GSA Bldg.
Mr. Bowles, 3520
Mr. Houk

R. C. 8-3-53

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

July 30, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing review of Docket No. DMEA-2005 - Asbestos
Contract No. Idm-E472
Date of contract - January 7, 1953
Property: Apache Mine (or Shanley Apache Mine or Metate Mine) Gila County, Arizona. Mining lease from San Carlos Apache Tribe, Arizona. Lode Mining claims - Apache #1, #2, #3, #4 and #5, Mineral Survey No. 3996.
Applicant: Metate Asbestos Corp., Inc. an Arizona Corporation, P. O. Box 1506 Globe, Arizona. (Chas. R. Neal, Pres.)
Contract amount approved $3,050.00
Total accepted cost $1,681.25
Government's participation 90% $1,513.12
Project work started January 7, 1953
Discontinued work about February 25, 1953
Work accomplished: 52.5 ft. of drifting and one horizontal diamond drill hole 100 feet long.
Contract terminated by mutual consent May 12, 1953.

Project not certified, (See closing letter attached).

Docket Summary:

8/24/51	Received application MF-103, amount applied for $150,760.
8/24/51	Application acknowledged.
6/16/52	Received comprehensive report on the property by A. F. Shride, Geologist, USGS. Included maps and Sections.
7/2/52	Letter: Administrator to Senator McFarland. "A Field Team examination will be made on this property as soon as possible".
7/12/52	Letter from Metate Asbestos Corporation agreeing to reduce their application to $25,000 so it could be processed directly by the Denver Office, Region IV.
9/12/52	Received four copies of Report of Examination by Lincoln A. Stewart. A small exploration in the amount of $3,050 recommended.

10/3/52 Received from Executive Officer, Region IV a photostatic copy of certain Trust Agreement, dated April 1, 1951, in which Jack L. Neal and Charles Ross Neal, lessees, authorize the operation of the mine for the Metate Asbestos Corporation.

10/16/52 Letter to W. H. King, Executive Officer, Region IV, authorizing waiver of Owner's Consent to Lien with respect to San Carlos Apache Tribal lands.
Contract approved subject to approval by Bureau of Indian Affairs of the Trust Agreement.

1/7/53 Received telegram from Region IV requesting that a contract number be assigned.

1/7/53 Assigned Contract No. Idm-E473, date of contract 1/7/53.

1/12/53 Washington Office received one original and two copies of executed contract Idm-E473.

1/14/53 Nonmetallic Minerals Division approved contract as executed.

1/15/53 Received two copies of a letter from Operator and two copies of a memorandum from Lincoln A. Stewart, Examining Engineer in which some controversal matters were discussed.

2/4/53 Stewart and Shride examined the mine. Observed work done in January.

2/13/53 Received Progress Report for January. Drift in 52.5 ft. Operator and Engineers decided to stop the drift as it had encountered diabase. They decided to extend a long drill hole 100 feet from face of drift.
Drilling completed about February 20, 1953 with negative result; all in diabase. No further work on contract except a surface hole by operator at his own expense.

5/12/53 Contract terminated by mutual consent.

7/16/53 Received one original and one copy of Operator's Final Report.
Received one original and three copies of Final Examination Report by A. F. Shride, USGS.
Received one original and three copies of Final Examination Report by L. A. Stewart, USBM. All agreed that the work should be stopped because the diabase blanked out the expected more favorable limestone.
The Final Reports concurred in the recommendation that the contract should not be certified for discovery or development.

7/24/53 Memorandum from Dr. Oliver Bowles, asbestos specialist, USBM in which he concurs in the recommendations of the Field Team.

7/27/53 Memorandum from D. M. Larrabee, USGS recommending that no further work be done and that there should be no certification of discovery or development.

Resume of Work:

The following from the report of L. A. Stewart, USBM, concisely summarizes the project:

"The contract was set up for 100 feet of drifting, 20 feet of raising, and 100 feet of long hole drilling, for a total of $3,050. The drifting officially was started on Jan. 7, 1953 from the end of a 22-foot drift driven at company expense. On January 31, the contract drift had been advanced 52.5 feet. As no limestone had been encountered, the operator elected to use the long hole drilling from the end of the drift. A 100-foot horizontal drill hole was completed about February 12, then at their own expense the company drilled a hole from the surface to intersect the formations at a point 350 feet ahead of the end of the underground drill hole. As no asbestos zones were penetrated, the company under date of February 18 asked to close out the contract."

For geological information respecting the property it is best to refer to the excellent maps and cross-sections submitted by Andrew F. Shride, Geologist, USGS.

Unit Costs:

52.5 ft. of drifting cost	$22.50 per foot
100 ft. of diamond drilling cost	$ 5.00 per foot

Project Cost (Per final audit review, May 28, 1953.)

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by contractor		$1,681.25
Exceptions:		
By DMEA Finance Office	None	
By Review	None	None
Total Accepted Cost		$1,681.25

The contract calls for a 90 percent participation of exploration expense by the Government. Therefore, payment to the contractor by the Government in the amount of $1,513.12 is considered valid and proper.

Comments and Recommendation:

The work on this project was stopped as soon as it became apparent to the operator and the engineers that geological conditions had become unfavorable for making discoveries of asbestos. The work of the field mining engineer and geologist on this project was excellent, and their reports, maps, and sections extremely well done. The Nonmetallic Minerals Division concurs in their evaluation of the project. No ore was uncovered and it is recommended that this contract be closed and no certification be made.

Closing of Docket:

This project is not certified for a discovery or development. The docket is closed in accordance with the Administrator's closing letter to the Operator, a copy of which is attached hereto.

Jasper T. Robertson

Jasper T. Robertson
Nonmetallic Minerals Division

Attachment.

FILE COPY
SURNAME:

Robertson
Hook
Chamberlin

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
600
WASHINGTON 25, D. C.

July 30, 1953

Memorandum

To: Administrator

From: Nonmetallic Minerals Division

Subject: Closing review of Docket No. DMMA-2005 - Asbestos
Contract No. Idm-E472
Date of contract - January 7, 1953
Property: Apache Mine (or Shanley Apache Mine or Metate Mine) Gila County, Arizona. Mining lease from San Carlos Apache Tribe, Arizona. Lode Mining claims - Apache #1, #2, #3, #4 and #5, Mineral Survey No. 3996.
Applicant: Metate Asbestos Corp., Inc. an Arizona Corporation, P. O. Box 1506 Globe, Arizona. (Chas. R. Neal, Pres.)
Contract amount approved $3,050.00
Total accepted cost $1,681.25
Government's participation 90% $1,513.12
Project work started January 7, 1953
Discontinued work about February 25, 1953
Work accomplished: 52.5 ft. of drifting and one horizontal diamond drill hole 100 feet long.
Contract terminated by mutual consent May 12, 1953.

Project not certified, (See closing letter attached).

Docket Summary:

8/24/51 Received application MF-103, amount applied for $150,760.
8/24/51 Application acknowledged.
6/16/52 Received comprehensive report on the property by A. F. Shride, Geologist, USGS. Included maps and Sections.
7/2/52 Letter: Administrator to Senator McFarland. "A Field Team examination will be made on this property as soon as possible".
7/12/52 Letter from Metate Asbestos Corporation agreeing to reduce their application to $25,000 so it could be processed directly by the Denver Office, Region IV.
9/12/52 Received four copies of Report of Examination by Lincoln A. Stewart. A small exploration in the amount of $3,050 recommended.

R.C.B.
8-3-53

10/3/52	Received from Executive Officer, Region IV a photostatic copy of certain Trust Agreement, dated April 1, 1951, in which Jack L. Neal and Charles Ross Neal, lessees, authorize the operation of the mine for the Metate Asbestos Corporation.
10/16/52	Letter to W. H. King, Executive Officer, Region IV, authorizing waiver of Owner's Consent to Lien with respect to San Carlos Apache Tribal lands. Contract approved subject to approval by Bureau of Indian Affairs of the Trust Agreement.
1/7/53	Received telegram from Region IV requesting that a contract number be assigned.
1/7/53	Assigned Contract No. Idm-E473, date of contract 1/7/53.
1/12/53	Washington Office received one original and two copies of executed contract Idm-E473.
1/14/53	Nonmetallic Minerals Division approved contract as executed.
1/15/53	Received two copies of a letter from Operator and two copies of a memorandum from Lincoln A. Stewart, Examining Engineer in which some controversal matters were discussed.
2/4/53	Stewart and Shride examined the mine. Observed work done in January.
2/13/53	Received Progress Report for January. Drift in 52.5 ft. Operator and Engineers decided to stop the drift as it had encountered diabase. They decided to extend a long drill hole 100 feet from face of drift. Drilling completed about February 20, 1953 with negative result; all in diabase. No further work on contract except a surface hole by operator at his own expense.
5/12/53	Contract terminated by mutual consent.
7/16/53	Received one original and one copy of Operator's Final Report. Received one original and three copies of Final Examination Report by A. F. Shride, USGS. Received one original and three copies of Final Examination Report by L. A. Stewart, USBM. All agreed that the work should be stopped because the diabase blanked out the expected more favorable limestone. The Final Reports concurred in the recommendation that the contract should not be certified for discovery or development.
7/24/53	Memorandum from Dr. Oliver Bowles, asbestos specialist, USBM in which he concurs in the recommendations of the Field Team.
7/27/53	Memorandum from D. M. Larrabee, USGS recommending that no further work be done and that there should be no certification of discovery or development.

Resume of Work:

The following from the report of L. A. Stewart, USBM, concisely summarizes the project:

"The contract was set up for 100 feet of drifting, 20 feet of raising, and 100 feet of long hole drilling, for a total of $3,050. The drifting officially was started on Jan. 7, 1953 from the end of a 22-foot drift driven at company expense. On January 31, the contract drift had been advanced 52.5 feet. As no limestone had been encountered, the operator elected to use the long hole drilling from the end of the drift. A 100-foot horizontal drill hole was completed about February 12, then at their own expense the company drilled a hole from the surface to intersect the formations at a point 350 feet ahead of the end of the underground drill hole. As no asbestos zones were penetrated, the company under date of February 18 asked to close out the contract."

For geological information respecting the property it is best to refer to the excellent maps and cross-sections submitted by Andrew F. Shride, Geologist, USGS.

Unit Costs:

52.5 ft. of drifting cost	$22.50 per foot
100 ft. of diamond drilling cost	$ 5.00 per foot

Project Cost (Per final audit review, May 28, 1953.)

The review disclosed the following facts in regard to the amount paid or to be paid the contractor:

Total cost as billed by contractor		$1,681.25
Exceptions:		
By DMEA Finance Office	None	
By Review	None	None
Total Accepted Cost		$1,681.25

The contract calls for a 90 percent participation of exploration expense by the Government. Therefore, payment to the contractor by the Government in the amount of $1,513.12 is considered valid and proper.

Comments and Recommendation:

The work on this project was stopped as soon as it became apparent to the operator and the engineers that geological conditions had become unfavorable for making discoveries of asbestos. The work of the field mining engineer and geologist on this project was excellent, and their reports, maps, and sections extremely well done. The Nonmetallic Minerals Division concurs in their evaluation of the project. No ore was uncovered and it is recommended that this contract be closed and no certification be made.

Closing of Docket:

This project is not certified for a discovery or development. The docket is closed in accordance with the Administrator's closing letter to the Operator, a copy of which is attached hereto.

Jasper T. Robertson
Nonmetallic Minerals Division

Attachment.

JTRobertson:gad 7/31/53
Copy to: Admr. R. File
Docket File
Mr. Houk

IN REPLY REFER TO:

G-MD-CNM

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

July 27, 1953

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 27 1953

Memorandum

REVIEW OF FIELD TEAM REPORT ON APPLICATION DMEA-2005 (asbestos)

To: L. G. Houk, Defense Minerals Exploration Administration
From: D. M. Larrabee, U. S. Geological Survey
Applicant: Metate Asbestos Corporation, Gila County, Arizona.
Name of property: Shanley Apache Mine.
Location of property: Gila County, Arizona.
Date of field team report: July 3, 1953.
Authorship of field team report: A. F. Shride and L. A. Stewart.
Field team's recommendation:

1. No additional exploration.
2. No certification be made.

Comments:

None.

ACTION SUGGESTED:

Follow field team's recommendation.

D. M. Larrabee

D. M. Larrabee

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

July 24, 1953

Memorandum

To: Lawrence G. Houk, Director, Non-Metallic Minerals Division, DMEA

From: Oliver Bowles, Commodity Specialist, Construction and Chemical Materials Branch

Subject: Metate Asbestos Corporation, Inc., DMEA-2005 (Asbestos)

In view of the fact that no significant discovery has resulted from exploration work under this contract, I concur in the decision that the contract be terminated.

Oliver Bowles

Oliver Bowles, Commodity Specialist
Construction and Chemical Materials Branch

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

July 23, 1953

Memorandum

Docket No. DMEA-2005 - Asbestos
Metate Asbestos Corporation, Inc.
Gila County, Arizona
Contract No. Idm-E473

To: Mr. C. O. Mittendorf

From: Lawrence G. Houk

Subject: Concurrence of the recommendation that no certification of discovery be made.

The Nonmetallic Minerals Division concurs with Region IV that no certification of discovery be made as the exploration work did not encounter the Mescal Limestone and no further work is warranted in the area of this deposit.

Noted
COM

FILE COPY
SURNAME: 8/B

Robertson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
600
WASHINGTON 25, D. C.

July 23, 1953

Memorandum

Docket No. DMEA-2005 - Asbestos
Metate Asbestos Corporation, Inc.
Gila County, Arizona
Contract No. Idm-E473

To: Mr. C. O. Mittendorf

From: Lawrence G. Houk

Subject: Concurrence of the recommendation that no certification of discovery be made.

The Nonmetallic Minerals Division concurs with Region IV that no certification of discovery be made as the exploration work did not encounter the Mescal Limestone and no further work is warranted in the area of this deposit.

LGHouk:gad 7/23/53

Copy to: Admr. R. File
Docket File
Mr. Houk

R.C.G. 8/3/53

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

213

224 New Customhouse
Denver 2, Colorado

July 10, 1953

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket No. DMEA-2005 (Asbestos), Contract Idm-E473
Metate Asbestos Corporation, Inc., Gila County, Arizona

Enclosed are the following final reports pertaining to the work, and results thereof, which was performed under the subject contract.

1. Original and one copy of the operator's final report. Returned to R+R

2. Original and three copies of the final report by the Geological Survey.

3. Original and three copies of the final engineering report by the Bureau of Mines.

The contract was terminated by mutual agreement effective May 12, 1953. The exploration work consisted of 52.5 feet of drifting and 100 feet of long hole drilling at a cost of $1,681.25, in which the Government participated to the extent of 90% or $1,513.12.

The operator has complied with the terms of the contract and final payment to him was processed in this office July 10, 1953. The exploration work did not result in a significant discovery, therefore no certification of such is recommended. The work completed indicated that further exploration was not warranted.

W. H. King
W. H. King

Enclosures

A. H. Koschmann
A. H. Koschmann

Reviewed by
DMEA OPERATING COMMITTEE
7-20-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
200 New Customhouse
Denver 2, Colorado

July 9, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2055, Contract Idm-E473, "Shanley" Apache Mine, Metate Asbestos Corporation, Gila County, Arizona

Enclosed are the original and 8 copies of a final geologic report by Raymond F. Robinson of the U. S. Geological Survey covering the above docket.

Since an ore body was not located, no certification of discovery should be made.

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

Reviewed by
DMEA OPERATING COMMITTEE
7-20-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. Box 4126, University Station
Tucson 5, Arizona

July 6, 1953

Memorandum

To: A.H. Koschmann, Denver, Colorado

From: R.F. Robinson, Tucson, Arizona

Subject: DMA-2055, Contract Idm-E473, "Shanley" Apache Mine, Metate Asbestos Corporation, Gila County, Arizona

Enclosed please find the original and 8 copies of a final report on the subject docket.

Exploration was conducted as planned. It was unsuccessful in locating an ore body and proved that in the area under investigation the limestone horizon was displaced by a diabase intrusion.

No certification should be made.

Raymond F. Robinson

Raymond F. Robinson
Acting District Supervisor
Arizona - New Mexico

Enclosures 9

Reviewed by
DMEA OPERATING COMMITTEE
7-20-53
(date)

JUL 1953
RECEIVED
U.S. Geological Survey
Mineral Deposits Branch
Denver

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. Box 4126, University Station
Tucson 5, Arizona

July 3, 1953

Memorandum

To: A. H. Koschmann, Denver, Colorado

From: A. F. Shride, Tucson, Arizona

Subject: Final Report, DMA-2055, Contract Idm-E473, "Shanley" Apache Mine, Metate Asbestos Corporation, Gila County, Arizona

Exploration under contract Idm-E473 was to probe for, by drifting and long hole drilling, asbestos-bearing limestone beds northwest of the known ore shoot in the Apache mine. This probing was accomplished by 75 feet of drifting (only 52½ feet on the contract account) and by a 100-foot drill hole from the end of the drift.

The known ore body is bounded on the northwest side by a discordant diabase intrusion. The applicant had hoped that one thin lense of limestone surrounded by diabase, would be found southeast of this discordancy beneath a local irregularity in the diabase sill that underlies the ore shoot, and that a thin wedge of limestone elongated parallel to and northwest of the discordancy would be found in the exploration. The expected limestones were those known to be stratigraphically favorable to asbestos deposits.

The exploratory drift did not penetrate limestone, but was entirely in diabase. The drift penetrated the diabase for approximately 55 feet beyond the point at which limestone on the northwest side of

Reviewed by
DMEA OPERATING COMMITTEE
7-20-53
(date)

the discordancy might first have been encountered. The hole drilled horizontally 100 feet beyond the end of the drift was also entirely in diabase.

The area was more than adequately tested for the expected limestone lense and the elongate wedge of limestone. No host for asbestos was penetrated and the completed exploration in no way extended or added information concerning the reserves of the known ore shoot in the Apache mine. Therefore, no certification of discovery should be made.

Andrew F. Shride

Andrew F. Shride
Geologist

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

MINING DIVISION
REGION IV

Mining Division
Date Rec'd.
MAY 18 1953

TUCSON, ARIZONA

May 13, 1953

BUREAU OF MINES
Denver, Colorado

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Final Contract Report, Contract Idm-E473, Docket DMA-2005X, Metate Asbestos Corp., Gila County, Ariz.

Enclosed are original and 8 copies of the final report for Contract Idm-E473. We understand that A. F. Shride of the Geological Survey will not submit a separate geological report as he has read and approved this report by L. A. Stewart of the Bureau of Mines.

Walter R. Storms

Walter R. Storms

CC W. H. King (8)
DMA-2005X
R. F. Robinson
DF

Reviewed by
DMEA OPERATING COMMITTEE
7-20-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMA-2005X, Contract Idm-E473, Metate Asbestos Corporation

Gila County, Arizona

FINAL REPORT

Lincoln A. Stewart, Mining Engineer
U. S. Bureau of Mines

May 1953

Reviewed by
DMEA OPERATING COMMITTEE
7-20-53
(date)

DMA-2005X, CONTRACT Idm-E473, METATE ASBESTOS CORPORATION
GILA COUNTY, ARIZONA

CONTENTS

Final engineering report	Page
Summary, conclusions, and recommendations	1
Introduction	1
Description of work completed	2
Description of geology	2
Expenditures	4
Efficiency of operations	4
Equipment and supplies	4

ILLUSTRATIONS

Figure		Following page
1	Plan and section of mine	3

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The exploration for asbestos of the area northwest of the central part of the Metate mine under Defense Minerals Exploration Administration contract Idm-E473, by drifting and by a horizontal drill hole, plus a hole from the surface at company expense, was started January 7 and completed about the middle of February 1953. The work indicates that the diabase sill, which cut out the ore-bearing bed to the northwest of the mine, is apparently concordant with the limestone formation in a plane above the favorable beds. Thus no asbestos deposit could be expected in the exploration area and no additional work is justified in that direction.

INTRODUCTION

After slightly more than one-half the approved exploration fund for the Defense Mineral Exploration Administration contract Idm-E473 was used, information gained by the work indicated that it was useless to continue the remaining contract work. By mutual agreement between the operator and the DMEA examining team[1/], work was suspended. This action probably should be considered termination, rather than completion of the contract.

The exploration application is docketed as DMA-2005X (asbestos) and the work was performed under contract Idm-E473. The operator of the property is the Metate Asbestos Corp., Box 1506, Globe, Ariz.

1/ Stewart, L. A., Bureau of Mines
Shride, A. F., Geological Survey

The property, known as the Metate or Apache mine, is situated on the San Carlos Indian Reservation in approximate secs. 19 and 30, T. 1 N., R. 17 E., unsurveyed, about 12 airmiles east of Globe, Gila County, Ariz.

DESCRIPTION OF WORK COMPLETED

The contract was set up for 100 feet of drifting, 20 feet of raising, and 100 feet of long hole drilling, for a total of $3,050. The drifting officially was started on Jan. 7, 1953 from the end of a 22-foot drift driven at company expense. On January 31, the contract drift had been advanced 52.5 feet. As no limestone had been encountered, the operator elected to use the long hole drilling from the end of the drift. A 100-foot horizontal drill hole was completed about February 12, then at their own expense the company drilled a hole from the surface to intersect the formations at a point 350 feet ahead of the end of the underground drill hole. As no asbestos zones were penetrated, the company under date of February 18 asked to close out the contract.

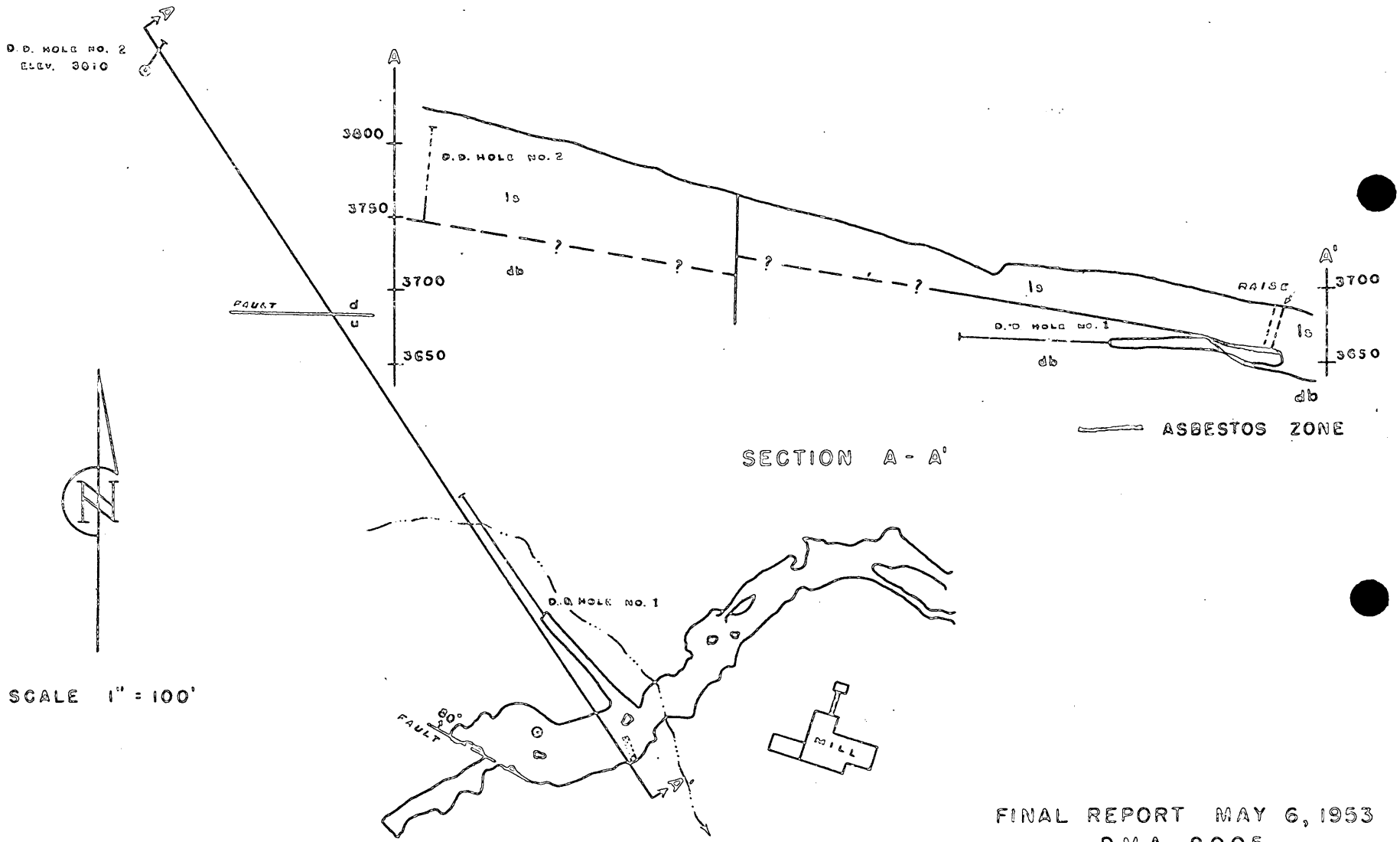
DESCRIPTION OF GEOLOGY

At the Apache (Metate) mine, the pre-Cambrian Mescal limestone formation dips southeastward at an angle of 20° to 25°. The deposit crops out at the top of a ridge some 50 feet vertically above the bottom of a wash and dips in the same direction as the hillside, which is virtually a dip slope. The deposit, averaging about 30

feet wide, occurs along the southeast side of a diabase structure that has warped the limestone bedding. The deposit has been mined down the slope, with variations of dip and direction for nearly 400 feet (figure 1).

In the upper portion of the mine where the diabase structure appears as a dike, small amounts of asbestos were found at the 3 places where the workings penetrated the dike. If the dike continued down dip as a crosscutting feature, there was a possibility that an asbestos deposit would be present on the northwest side, similar to the ore body found on the southeast side. The exploration project was set up to test this possibility.

At a point in the mine about 250 feet down dip from the outcrop, a crosscut was driven northwesterly from the mine workings for 75 feet. Another 100 feet was tested by a horizontal drill hole. No limestone was encountered in this work. At company expense a second hole, 350 feet in advance of the end of hole No. 1, was drilled from the surface. The diabase contact was intersected at 68.5 feet and no asbestos zone was encountered in the limestone above the diabase. Thus it appears that the dike encountered near-surface in the mine is merely an offshoot from the diabase sill into which the crosscut was driven. Although the sill cut up across the limestone beds and mineralized the favorable beds, this discordancy also cut out the favorable beds. The sill



FINAL REPORT MAY 6, 1953
DMA 2005

FIGURE 1. - PLAN AND SECTION, APACHE MINE
METATE ASBESTOS CORPORATION GILA COUNTY, ARIZONA

apparently remains concordant with a higher bedding plane for at least 600 feet northwest of the mine workings. Allowing for displacement of the beds by a known fault, the dip of the limestone bedding (projected from the mine to hole 2) appears to be conformable with that indicated by A. F. Shride[2/] on his geologic map in the original report. Section A-A' of figure 1 is considered a logical portrayal of geologic conditions in this area.

EXPENDITURES

Total approved	$3,050.00
Total cost of project	1,681.25
Government's share of approved cost	2,745.00
Government's share unexpended	1,231.88

No production has been made from the area of this exploration.

EFFICIENCY OF OPERATIONS

The exploration was conducted in a workman-like manner and according to contract specifications.

EQUIPMENT AND SUPPLIES

This contract was on a unit cost basis, consequently there was no Government participation in cost of equipment or supplies.

2/ Geologist, U. S. Geological Survey

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

224 New Customhouse
Denver 2, Colorado

July 10, 1953

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket No. DMEA-2005 (Asbestos), Contract Idm-E473
Metate Asbestos Corporation, Inc., Gila County, Arizona

Enclosed are the following final reports pertaining to the work, and results thereof, which was performed under the subject contract.

1. Original and one copy of the operator's final report.

2. Original and three copies of the final report by the Geological Survey.

3. Original and three copies of the final engineering report by the Bureau of Mines.

The contract was terminated by mutual agreement effective May 12, 1953. The exploration work consisted of 52.5 feet of drifting and 100 feet of long hole drilling at a cost of $1,681.25, in which the Government participated to the extent of 90% or $1,513.12.

The operator has complied with the terms of the contract and final payment to him was processed in this office July 10, 1953. The exploration work did not result in a significant discovery, therefore no certification of such is recommended. The work completed indicated that further exploration was not warranted.

W. H. King

Enclosures

A. H. Koschmann

A. H. Koschmann

Reviewed by
DMEA OPERATING COMMITTEE

7-20-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.
200 New Customhouse
Denver 2, Colorado

July 9, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: DMEA Docket 2055, Contract Idm-E473, "Shanley" Apache Mine, Metate Asbestos Corporation, Gila County, Arizona

Enclosed are the original and 8 copies of a final geologic report by Raymond F. Robinson of the U. S. Geological Survey covering the above docket.

Since an ore body was not located, no certification of discovery should be made.

A. H. Koschmann
A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (9)

Reviewed by
DMEA OPERATING COMMITTEE
7-20-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P.O. Box 4126, University Station
Tucson 5, Arizona

July 6, 1953

Memorandum

To: A.H. Koschmann, Denver, Colorado

From: R.F. Robinson, Tucson, Arizona

Subject: IMA-2055, Contract Ida-1473, Shanley Apache Mine, Metate Asbestos Corporation, Gila County, Arizona

Enclosed please find the original and 8 copies of a final report on the subject docket.

Exploration was conducted as planned. It was unsuccessful in locating an ore body and proved that in the area under investigation the limestone horizon was displaced by a diabase intrusion.

No certification should be made.

Raymond F. Robinson
Raymond F. Robinson
Acting District Supervisor
Arizona - New Mexico

Enclosures 9

Reviewed by
IMA OPERATING COMMITTEE
7-20-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O. Box 1216, University Station
Tucson 5, Arizona

July 3, 1953

Memorandum

To: A. H. Koschmann, Denver, Colorado

From: A. F. Shride, Tucson, Arizona

Subject: Final Report, INA-2055, Contract Ind-143, "Stanley" Apache Mine, Estate Asbestos Corporation, Gila County, Arizona

Exploration under contract Ind. 143 was to prove by, by drifting and long hole drilling, asbestos-bearing limestone beds northwest of the known ore shoot in the Apache mine. This probing was accomplished by 55 feet of drifting (only 32 feet on the contract account) and by a 100-foot drill hole from the end of the drift.

The known ore body is bounded on the northwest side by a discordant diabase intrusion. The applicant had hoped that one thin lense of limestone surrounded by diabase, would be found northeast of this discordancy beneath a local irregularity in the diabase sill that underlies the ore shoot, and that a thin wedge of limestone elongated parallel to and northwest of the discordancy would be found in the exploration. The expected limestones were thought to be stratigraphically favorable to asbestos deposits.

The exploratory drift did not penetrate limestone, but was entirely in diabase. The drift penetrated the diabase for approximately 55 feet beyond the point at which limestone on the northwest side of

Data Submitted on
7-20-53
(date)

the discordancy might first have been encountered. The hole drilled horizontally 100 feet beyond the end of the drift was also entirely in diabase.

The area was more than adequately tested for the expected limestone lines of the longest wedge of limestone. No hope for asbestos was noted and the completed exploration in no way extended or added information concerning the reserves of the known ore shoot in the Spring mine. Therefore, no certificate of discovery should be made.

Andrew F. Shields
Geologist

MINING DIVISION
REGION IV

May 13, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Final Contract Report, Contract Idm-1473, Docket DMA-2005X, Metate Asbestos Corp., Gila County, Ariz.

Enclosed are original and 8 copies of the final report for Contract Idm-1473. We understand that A. F. Shride of the Geological Survey will not submit a separate geological report as he has read and approved this report by L. A. Stewart of the Bureau of Mines.

Walter R. Storms

Walter R. Storms

CC W. H. King (8)
DMA-2005X
R. F. Robinson
DF

WRStorms:frj

Reviewed by
DMEA OPERATING COMMITTEE

7-20-53
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMA-2005A, Contract Idm-E473, Metate Asbestos Corporation

Gila County, Arizona

FINAL REPORT

Lincoln A. Stewart, Mining Engineer
U. S. Bureau of Mines

May 1953

Reviewed by
DMEA OPERATING COMMITTEE
7-20-53
(date)

DMA-2005X, CONTRACT Idm-E473, METATE ASBESTOS CORPORATION
GILA COUNTY, ARIZONA

CONTENTS

Final engineering report	Page
Summary, conclusions, and recommendations	1
Introduction	1
Description of work completed	2
Description of geology	2
Expenditures	4
Efficiency of operations	4
Equipment and supplies	4

ILLUSTRATIONS

Figure		Following page
1	Plan and section of mine	3

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

The exploration for asbestos of the area northwest of the central part of the Metate mine under Defense Minerals Exploration Administration contract Idm-2473, by drifting and by a horizontal drill hole, plus a hole from the surface at company expense, was started January 7 and completed about the middle of February 1953. The work indicates that the diabase sill, which cut out the ore-bearing bed to the northwest of the mine, is apparently concordant with the limestone formation in a plane above the favorable beds. Thus no asbestos deposit could be expected in the exploration area and no additional work is justified in that direction.

INTRODUCTION

After slightly more than one-half the approved exploration fund for the Defense Mineral Exploration Administration contract Idm-2473 was used, information gained by the work indicated that it was useless to continue the remaining contract work. By mutual agreement between the operator and the DMEA examining team,[1] work was suspended. This action probably should be considered termination, rather than completion of the contract.

The exploration application is docketed as AMA-2003A (asbestos) and the work was performed under contract Idm-2473. The operator of the property is the Metate Asbestos Corp., Box 1506, Globe, Ariz.

1/ Stewart, L. A., Bureau of Mines
Shride, A. F., Geological Survey

The property, known as the Metate or Apache mine, is situated on the San Carlos Indian Reservation in approximate secs. 19 and 30, T. 1 N., R. 17 E., unsurveyed, about 12 airmiles east of Globe, Gila County, Ariz.

DESCRIPTION OF WORK COMPLETED

The contract was set up for 100 feet of drifting, 20 feet of raising, and 100 feet of long hole drilling, for a total of $3,050. The drifting officially was started on Jan. 7, 1953 from the end of a 22-foot drift driven at company expense. On January 31, the contract drift had been advanced 32.5 feet. As no limestone had been encountered, the operator elected to use the long hole drilling from the end of the drift. A 100-foot horizontal drill hole was completed about February 12, then at their own expense the company drilled a hole from the surface to intersect the formations at a point 350 feet ahead of the end of the underground drill hole. As no asbestos zones were penetrated, the company under date of February 18 asked to close out the contract.

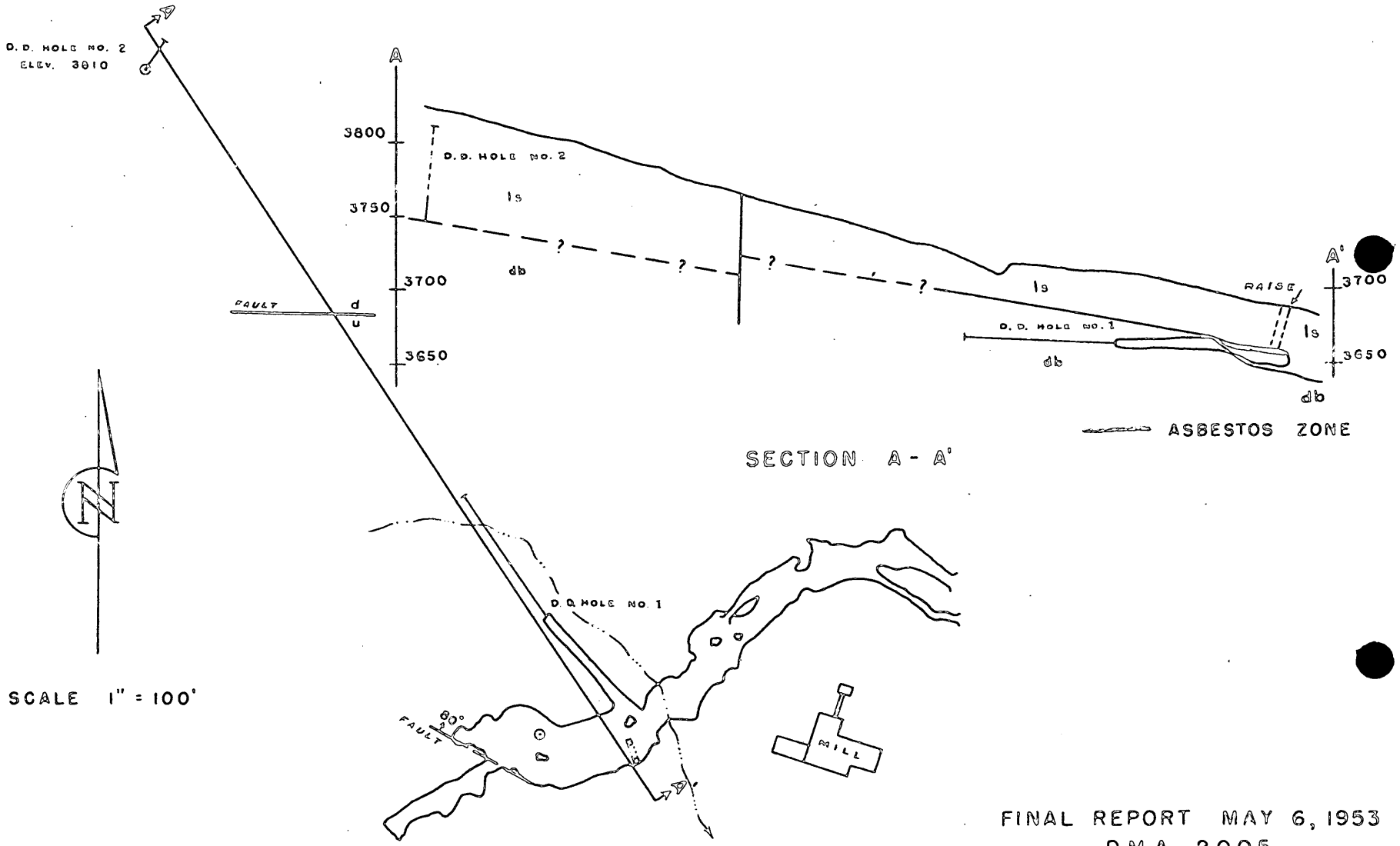
DESCRIPTION OF GEOLOGY

At the Apache (Metate) mine, the pre-Cambrian Mescal limestone formation dips southeastward at an angle of 20° to 25°. The deposit crops out at the top of a ridge some 50 feet vertically above the bottom of a wash and dips in the same direction as the hillside, which is virtually a dip slope. The deposit, averaging about 30

feet wide, occurs along the southeast side of a diabase structure that has warped the limestone bedding. The deposit has been mined down the slope, with variations of dip and direction for nearly 400 feet (figure 1).

In the upper portion of the mine where the diabase structure appears as a dike, small amounts of asbestos were found at the 3 places where the workings penetrated the dike. If the dike continued down dip as a crosscutting feature, there was a possibility that an asbestos deposit would be present on the northwest side, similar to the ore body found on the southeast side. The exploration project was set up to test this possibility.

At a point in the mine about 250 feet down dip from the outcrop, a crosscut was driven northwesterly from the mine workings for 75 feet. Another 100 feet was tested by a horizontal drill hole. No limestone was encountered in this work. At company expense a second hole, 350 feet in advance of the end of hole No. 1, was drilled from the surface. The diabase contact was intersected at 68.5 feet and no asbestos zone was encountered in the limestone above the diabase. Thus it appears that the dike encountered near-surface in the mine is merely an offshoot from the diabase sill into which the crosscut was driven. Although the sill cut up across the limestone beds and mineralized the favorable beds, this discordancy also cut out the favorable beds. The sill



FINAL REPORT MAY 6, 1953
DMA 2005

FIGURE 1. - PLAN AND SECTION, APACHE MINE

METATE ASBESTOS CORPORATION GILA COUNTY, ARIZONA

apparently remains concordant with a higher bedding plane for at least 600 feet northwest of the mine workings. Allowing for displacement of the beds by a known fault, the dip of the limestone bedding (projected from the mine to hole 2) appears to be conformable with that indicated by A. F. Shride[2] on his geologic map in the original report. Section A-A' of figure 1 is considered a logical portrayal of geologic conditions in this area.

EXPENDITURES

Total approved	$3,050.00
Total cost of project	1,681.25
Government's share of approved cost	2,745.00
Government's share unexpended	1,231.88

No production has been made from the area of this exploration.

EFFICIENCY OF OPERATIONS

The exploration was conducted in a workman-like manner and according to contract specifications.

EQUIPMENT AND SUPPLIES

This contract was on a unit cost basis, consequently there was no Government participation in cost of equipment or supplies.

2/ Geologist, U. S. Geological Survey

MINING DIVISION
REGION IV

July 6, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Final Operator's Report, Contract Idm-E473, Docket DMEA-2005, Metate Asbestos Corp., Gila County, Ariz.

Enclosed are original and 5 copies of the final report for Contract Idm-E473 by Jack L. Neal of the Metate Asbestos Corp.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMEA-2005
DF

WRStorms:frj

Cable Address METABEST

MINES
GILA COUNTY
GLOBE, ARIZONA

ARIZONA ASBESTOS MEMBER PRODUCERS ASS'N.

P. O. BOX 1506
GLOBE, ARIZONA
TELEPHONE 261-J

HOME OFFICE
P. O. BOX 51
JOPLIN, MO.

METATE ASBESTOS MINES COMPANY

Producers of

WORLD'S FINEST CRUDES AND SPINNING FIBRE

NARRATIVE REPORT

Docket No. DMEA 2005
Contract No. IDM-E473
Minerals, Asbestos

Contract Amount $3,050.00 Government Participation 90%
Amount $2,745.00

Att'n: Walter R. Storms:

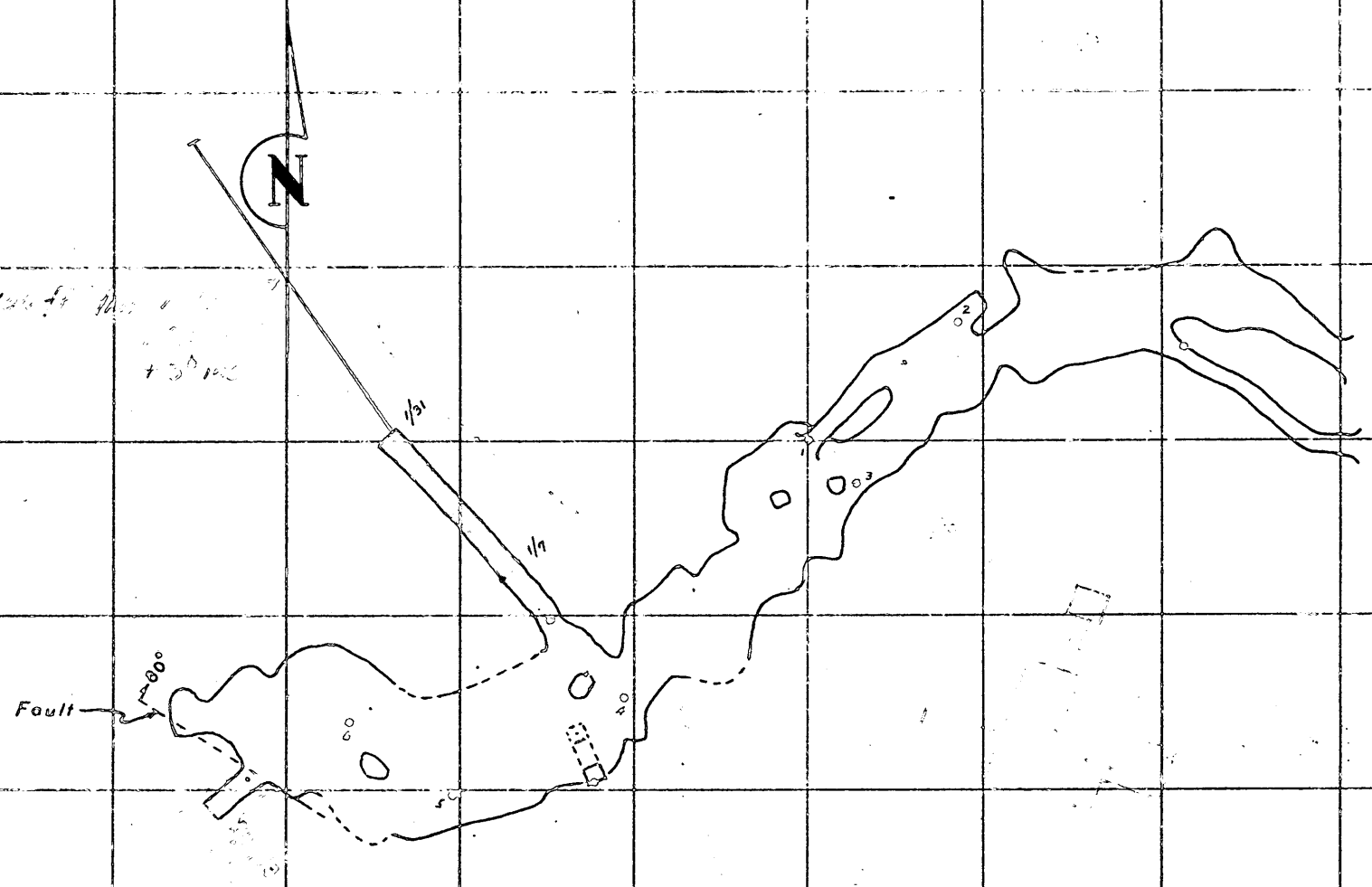
Dear Mr. Storms:

The M etate Asbestos Corporation on the 2nd day of January 1953 started driving an exploration crosscut into our diabase roll and carried it for 24 feet before DMEA Contract No. IDM-E473 was signed and certified and point established by Mr. Linclon Stewart, U. S. Bureau of Mines. On January 10th work was begun under DMEA Contract No. IDM-E473, tunnel was driven 5x7 into the diabase as per map attached for total of 52½ feet in addition to the 24 feet we had already driven without encountering any limestone formation. At the end of this footage a consultation was held between Mr. Andrew Shride, U. S. Geologigal Survey and Mr. Lincoln Stewart, Engineer U. S. Bureau of Mines and Jack L. Neal, Superintendent of Metate Asbestos Mines. An agreement was reached to discontinue tunnel and to do the longhole portion of the contract. On or about the 20th of February Mr. D.W, Jaquays of Phoenix, Arizona was contracted to diamond drill 100 foot longhole and in a northerly direction at the end of the 52½ foot crosscut into the diabase in an attempt to locate limestone formation. The longhole was driven 101 feet without encountering any limestone formation. The Metate Asbestos Corporation at this time on our own projected a line 400 feet on the surface and drilled 62½ foot vertical hole for an additional check for fibre zone or diabase roll. A very small amount of Asbestos was indicated at 61 feet and diabase was intersected at 62½ feet. At the end of this drilling contract we concluded there was no possibility of commercial ore therefore we asked for termination of Contract No. IDM-E473.

Yours very truly,

JLN:EN

METATE ASBESTOS CORPORATION
BY. Jack L Neal



SCALE 1" = 50'

DMA 2005

PROGRESS MAP APACHE MINE METATE ASBESTOS CORP.
GILA COUNTY, ARIZONA

Mining Division
Date Rec'd: JUL 8 - 1953
BUREAU OF MINES
Denver, Colorado

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SOUTHWEST EXPERIMENT STATION
Box 4097
UNIVERSITY STATION

MINING DIVISION
REGION IV

TUCSON, ARIZONA

July 6, 1953

Memorandum

To : W. H. King, Chief, Mining Division, Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Final Operator's Report, Contract Idm-E473, Docket DMEA-2005, Metate Asbestos Corp., Gila County, Ariz.

Enclosed are original and 5 copies of the final report for Contract Idm-E473 by Jack L. Neal of the Metate Asbestos Corp.

Walter R. Storms

Walter R. Storms

CC W. H. King (5)
DMEA-2005
DF

Cable Address METABEST

MINES
GILA COUNTY
GLOBE, ARIZONA

ARIZONA ASBESTOS PRODUCERS ASSN. MEMBER

P. O. BOX 1506
GLOBE, ARIZONA
TELEPHONE 261-J

HOME OFFICE
P. O. BOX 51
JOPLIN, MO.

METATE ASBESTOS MINES COMPANY

Producers of

WORLD'S FINEST CRUDES AND SPINNING FIBRE

NARRATIVE REPORT

Docket No. DMEA 2005
Contract No. IDM-E473
Minerals, Asbestos
Government Participation 90%
Amount $2,745.00

Contract Amount $3,050.00

Att'n: Walter R. Storms:

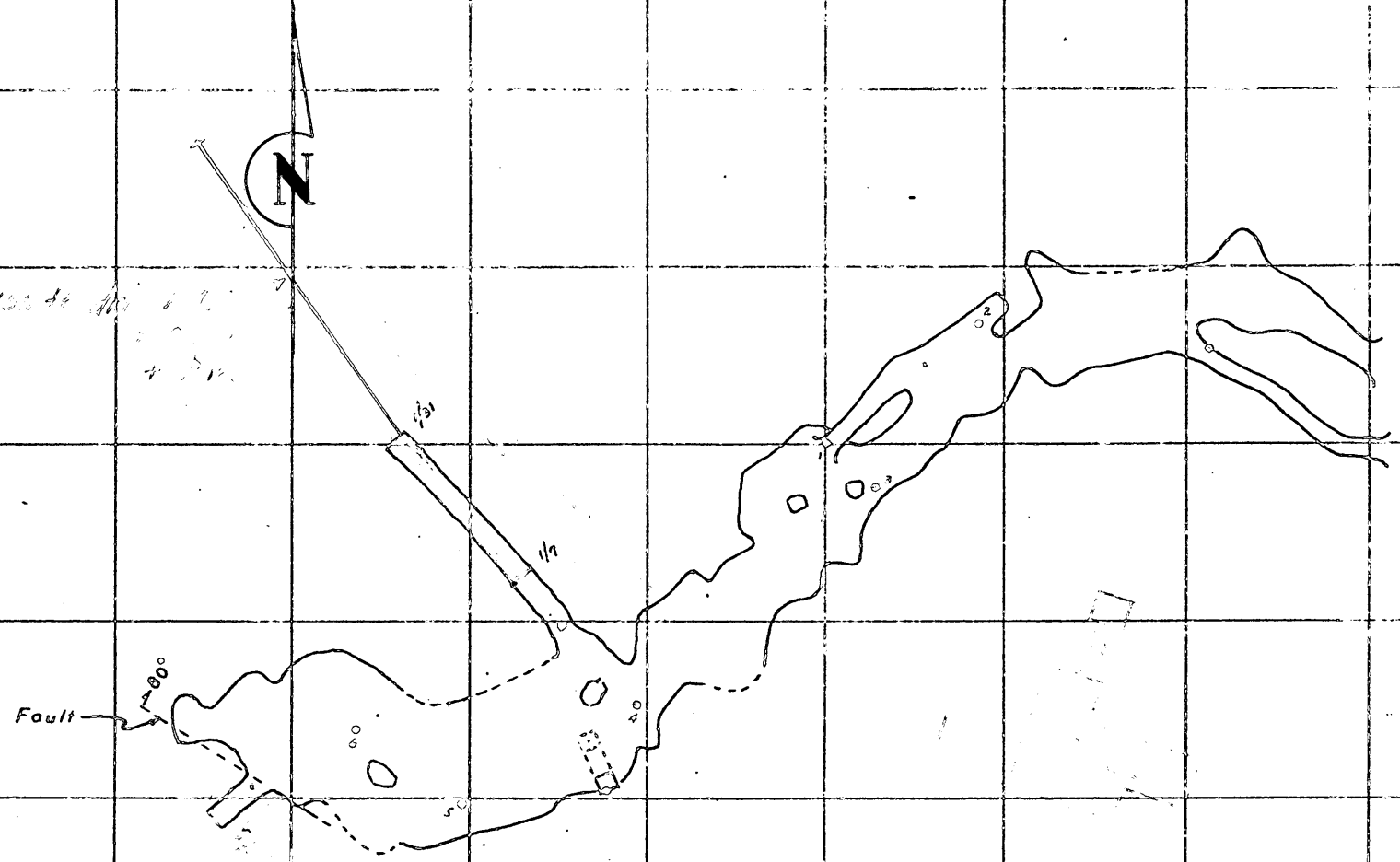
Dear Mr. Storms:

The Metate Asbestos Corporation on the 2nd day of January 1953 started driving an exploration crosscut into our diabase roll and carried it for 24 feet before DMEA Contract No. IDM-E473 was signed and certified and point established by Mr. Linclon Stewart, U. S. Bureau of Mines. On January 10th work was begun under DMEA Contract No. IDM-E473, tunnel was driven 5x7 into the diabase as per map attached for total of 52½ feet in addition to the 24 feet we had already driven without encountering any limestone formation. At the end of this footage a consultation was held between Mr. Andrew Shride, U. S. Geologigal Survey and Mr. Lincoln Stewart, Engineer U. S. Bureau of Mines and Jack L. Neal, Superintendent of Metate Asbestos Mines. An agreement was reached to discontinue tunnel and to do the longhole portion of the contract. On or about the 20th of February Mr. D.W, Jaquays of Phoenix, Arizona was contracted to diamond drill 100 foot longhole and in a northerly direction at the end of the 52½ foot crosscut into the diabase in an attempt to locate limestone formation. The longhole was driven 101 feet without encountering any limestone formation. The Metate Asbestos Corporation at this time on our own projected a line 400 feet on the surface and drilled 62½ foot vertical hole for an additional check for fibre zone or diabase roll. A very small amount of Asbestos was indicated at 61 feet and diabase was intersected at 62½ feet. At the end of this drilling contract we concluded there was no possibility of commercial ore therefore we asked for termination of Contract No. IDM-E473.

Yours very truly,

JLN:EN

METATE ASBESTOS CORPORATION
BY. Jack L Neal



SCALE 1" = 50'

DMA 2005

PROGRESS MAP APACHE MINE METATE ASBESTOS CORP.
GILA COUNTY, ARIZONA

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

224 New Customhouse
Denver 2, Colorado

May 25, 1953

Memorandum

To: C.O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Termination of Contract Idm-E473, Docket DMEA 2005, Metate Asbestos Corporation

Enclosed are the original and two copies of "Termination of Exploration Project Contract by Agreement After Commencement but Before Completion of the Work". Copies of this notice have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W.H. King

W.H. King

Enclosures

coe
5/28

DOCKET COPY

Hook
Chamberlin
as Rec'd 6/9/53
Rubin

TERMINATION OF EXPLORATION PROJECT CONTRACT BY
AGREEMENT AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 12th day of May, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Metate Asbestos Corporation, Inc., hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E473, Docket No. DMEA 2005, dated January 7, 1953, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

Witness the following signatures as of the day and year first above written.

METATE ASBESTOS CORPORATION, INC.

By Chas Robt Neal (Pres)

UNITED STATES OF AMERICA

By W.H. King
W.H. King, Executive Officer,
DMEA Field Team, Region IV

Seal

FILE COPY
SURNAME:

Houk
Chamberlain
Ontin
McKane
Johnson

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

BL

DMEA

2971 4637

14X3923.970 Working Fund, Interior, Defense Minerals Exploration Administration
May 11, 1953
3:30 P. M.

Mr. W. H. King, Executive Officer, DMEA Field Team, Region IV, Bureau of Mines
224 New Customhouse Bldg., Denver 2, Colorado
Docket No. DMEA-2005, Metate Asbestos Corp., Inc., Contract No. Idm-8473

You are authorized to terminate Metate Asbestos Corp., Inc., Contract No. Idm-8473 by mutual agreement, by eliminating second paragraph from termination form 18262-1.

C. O. Mittendorf (for)
Administrator

S.H.
5-12-53

LGHouk:gad 5/11/53
Copy to: Admr. R. File
Docket File
Field Team, Region IV (Confirmation copy)
Mr. Houk

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY .....

TELETYPE

Originator:
Ext.: ..... Room: .....

Appro.: July 1
Date: ~~June 30,~~ 1952
Time:
No.:
To: L. C. Houk, DMEA, Washington

Subject:

Reurtelephone: DMEA 2338 Jaquays Asbestos, final report expected this week. DMEA 2384 Apache Asbestos, applicant has exposed some good grade asbestos and requests report be held up until August 1 as he may decide to cancel loan application. Information on DMEA 2550 and DMEA 2005 are as given by telephone.

W. H. King

W. H. King

Authorized: ME

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 7 1952

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

Mr. C.O. Mittendorf
May 8, 1953
3:55 p.m.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 11 1953

BUR MINES DN 235 5-8-53 120 XXX 12-47 PM

C O MITTENDORF

METATE ASBESTOS CORPORATION DOCKET NO. DMEA 2005, CONTRACT IDM-E473 DISCONTINUED OPERATIONS ON FEBRUARY 18,1953 BECAUSE THEY DID NOT THINK THERE WAS ANY LIKELIHOOD OF DISCOVERY OF ORE. BUREAU OF MINES EXAMINING ENGINEER CONCURS THAT ADDITIONAL WORK WILL NOT RESUL T IN DISCOVERY OF SIGNIFICANT AMOUNT OF ASBESTSXXXX ASBESTOS. PLEASE TELETYPE AUTHORIZATION FOR US TO TERMINATE CONTRACT BY MUTUAL AGREEMENT.

W H KI NG

Denver, Colo

MAY 11 8 52 AM '53
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY Bureau of Mines

TELETYPE

Originator:
Ext.: Room:

Appro.:
Date: May 8, 1953
Time:
No.:
To: C. O. Mittendorf DMEA Washington

Subject:

Metate Asbestos Corporation Docket No. DMEA 2005, Contract Idm-E473 discontinued operations on February 18, 1953 because they did not think there was any liklihood of discovery of ore. Bureau of Mines examining engineer concurs that additional work will not result in discovery of significant amount of asbestos. Please teletype authorization for us to terminate contract by mutual agreement.

W. H. King
W. H. KING

Authorized:

CONFIRMATION

WHK:ld

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—50915-1

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

224 New Customhouse
Denver 2, Colorado

May 7, 1953

Mr. Jack L. Neal, Vice President
Metate Asbestos Corporation, Inc.
Box 1506
Globe, Arizona

Re: Docket DMEA 2005
Contract Idm-E473

Dear Mr. Neal:

Reference is made to the last paragraph of your letter dated May 1, 1953, wherein you inquire as to the status of the final payment for the long hole drilling accomplished as the last item of work under Contract Idm-E473.

Before final payment can be made on any DMEA contract it is necessary that the operator's final engineering and geologic report be received. Relative to the required final report and accounting upon completion of the exploration project, you are referred to Article 5 (b), (c), and (d) of Exploration Project Contract Form MF-200(A).

When the final engineering and geologic report is received, your final claim for reimbursement under the terms of the contract will be processed for payment.

Very truly yours,

W. H. King

W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Sec. Oper. Committee
AWStorms
AHKoschmann
JWTownsend
Contract
Chron

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

224 New Customhouse
Denver 2, Colorado

March 12, 1953.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 16 1953

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, DMEA Field Team, Region IV

Subject: Form MF-104, DMEA Docket 2005, Contract Idm-E473, (Asbestos) Metate Asbestos Corp., Gila County, Arizona.

Enclosed are two copies of the Operator's Monthly Progress Report MF-104 and 104A, Operator's Narrative Report, Inspecting Engineer's Narrative Report, and other supporting data for the month of January 1953, pertaining to DMEA Docket 2005, Contract Idm-E473, (Asbestos) Metate Asbestos Corp., Gila County, Arizona.

Enclosures

for W. H. King

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
FEB 2 1953

224 New Customhouse
Denver 2, Colorado

February 19, 1953

Memorandum

To: Chairman, Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2005, Contract Idm-473, Metate Asbestos Corporation

Reference is made to your letter dated January 30, 1953 to which was attached a letter dated January 26, 1953 from Jack L. Neal regarding the fault in the Apache Mine.

We are enclosing two copies of a memorandum from the Chief of the Mining Methods Branch in which he indicates that the fault is not serious.

W. H. King
W. H. King

Enclosure

BL

MINING DIVISION
REGION IV

February 17, 1952

Memorandum

To : W. H. King, Chief, Mining Div., Region IV

From : Chief, Mining Methods Br., Mining Div., Region IV

Subject : Docket DMEA-2005, Metate Asbestos Corp's. Apache Mine, Gila County, Ariz.

In answer to your memorandum of February 6, with attached letter from DMEA Operating Committee to you and letter from Jack L. Neal to DMEA, Washington, L. A. Stewart visited the Apache mine on February 10 and states that Neal picked up asbestos fiber on the far side of the fault. He merely "hollered before he was hurt".

Walter R. Storms

cc W. H. King (6)
DMEA-2005
DF

WRStorms:frj

February 12, 1953

Memorandum

To: Miss Lanahan, Statistics and Control Division, DMEA

From: Hazel Berry, Operating Committee, DMEA

Subject: Region IV Contract

Attached is the docket copy of a contract executed in Region IV, under delegated authority, which has been reviewed and approved by the Commodity Division, Contract Administration and Audit Division, and the Legal Division:

METATE ASBESTOS CORPORATION, DMEA-2005, Idm-E473, and memorandum dated January 14, 1953 from the Nonmetallic Minerals Division.

Attachment

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

Houk
Selfridge
Mott

JAN 30 1953

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region IV
Bureau of Mines
224 New Customhouse Bldg.
Denver 2, Colorado

Subject: Docket No. DMEA-2763 - Asbestos
Metate Asbestos Corp.
Chiricahua Mine
Gila County, Arizona

Docket No. DMEA-2005 - Asbestos
Apache Mine (Idm-E473)
Gila County, Arizona

Dear Mr. King:

Transmitted herewith is letter of January 26, 1953, from Mr. Jack L. Neal of the Metate Asbestos Corp., requesting that their application on the Chiricahua Mine be held in suspension until such time as they can do some prospecting work on their own.

The location of the faulted segment at the Apache Mine, DMEA-2005, could make a good exploration project, if the field engineers think the size of the target justifies the search. A copy of our letter to you and Neal's letter to Washington are enclosed for transmittal to the Tucson office to bring their files up to date and for their reaction to an exploration project for the location of the faulted segment.

Sincerely yours,

George C. Selfridge (JHB)

Chairman, Operating Committee

J.N. 1-30-53

Approved:

J. H. Hodges (JHB)

Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)

Member, Geological Survey

LGHouk:gad 1/29/53
Copy to: Admr. R. File
Docket File (2)
Operating Committee
Dr. Bowles, 3516
Mr. Norton, G-232 GSA Bldg.
Mr. Houk

Enclosures 3

Cable Address METABES

GILA COUNTY
GLOBE, ARIZONA

ARIZONA ASBESTOS MEMBER PRODUCERS ASSN.

P. O. BOX 1506
GLOBE, ARIZONA
TELEPHONE 261-J

HOME OFFICE
P. O. BOX 51
JOPLIN, MO.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 28 1953

METATE ASBESTOS MINES COMPANY

Producers of

WORLD'S FINEST CRUDES AND SPINNING FIBRE

DMEA-1763

January 26, 1953

Defense Minerals Administration
Washington 25, D. C.

Attention Mr. Larry Houck

Dear Larry,

This is to confirm our recent conversation on the telephone that the Metate Asbestos Corporation request's that their Chiricahua mine exploration loan be held in suspension until such time that we can do some exploratory work on our own and recall the field team for another inspection if we think it will warrent it.

DMEA-1005 Yesterday at our Apache mine the swing shift broke into a large fault on our production face which looks bad. This might be the bottom for the Apache. We plan to do some test drilling to see if the vein faulted up or down but it may be all.

We hope to get the Chiricahua lease back soon so we can explore it and see if we can develop some fibre there to keep our mill running.

Very truly yours,

Jack L. Neal

Jack L. Neal

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C. 600

Hugh Selfridge

730

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region IV
Bureau of Mines
224 New Customhouse Building
Denver 2, Colorado

Subject: Docket No. DMEA-2005 - Asbestos
Metate Asbestos Corporation
Gila County, Arizona
Contract No. Idm-2473

JAN 28 1953

Dear Mr. King:

J. C. 1/28/53

Reference is made to your memorandum of January 15, 1953, transmitting a copy of the letter from Jack Neal of Metate Asbestos Corporation complaining of poor service from the Tucson office, and the able rebuttal prepared by Lincoln Stewart of the Bureau of Mines.

The Washington office has every confidence in Mr. A. F. Shride of the Geological Survey and Lincoln Stewart of the Bureau of Mines, and feels that they are fully equipped from a standpoint of experience and education to carry on the work of the DMEA. No thought should be given to replacing these men, but rather some thought should be given to relieving them from the other duties. Inasmuch as only Stewart and Shride are capable of making asbestos examinations, it is suggested that training of young engineers for this work be initiated. It is felt by this office that the work they perform is vitally essential for the successful carrying out of our program on asbestos. Our confidence in Stewart's and Shride's ability is such that examinations and reports by either may be accepted in lieu of joint geological and engineering reports by both.

Your letter to Neal should point out the scarcity of engineers with specific training and experience in evaluating asbestos prospects; that Shride and Stewart are the best in this field; and that the DMEA program does not provide consulting service to the applicants but a program of assistance to explore and reasonably delineate unknown and undeveloped sources of asbestos. While Neal states that the Tucson field office is giving poor service, it is inferred that he is actually complaining of the field engineers refusal to recommend assistance for poor prospects.

While the processing of access road application No. 158 is not within the province of this Administration, it is suggested that

the examination be made at the earliest possible date and the Operating Committee of DMPA be advised of the findings.

This application should be processed solely for an access road for production, inasmuch as no exploration application has been received.

Please give this information the publicity you think it deserves.

Sincerely yours,

George C. Selfridge (JHB)

Chairman, Operating Committee

Approved:

J. H. Hedges. (JHB)

Member, Bureau of Mines

A. R. Kinkel, Jr. (JHB)

Member, Geological Survey

LGHouk:gad 1/27/53

Copy to: Admr. R. File
Docket File
Operating Committee (2)
Mr. Norton, G-232 GSA Bldg.
Dr. Bowles, 3516
Mr. Houk
Mr. Shride
Mr. Stewart

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

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 22 1953

January 19, 1953

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Final Report, DMA Docket 2005 (Asbestos) Metate Asbestos Corporation, Gila County, Arizona [Contract No. Idm-E473]

Attached are the original and three copies of the final report on the subject docket.

The contract has been signed and is in effect.

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures

Reviewed by
DMEA OPERATING COMMITTEE
1-26-53
(date)

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

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 22 1953

January 19, 1953

Memorandum

To: Administrator, Defense Minerals Exploration Administration
Attention: 200

From: Field Team, Region IV

Subject: Final Report, DMA Docket 2005 (Asbestos) Metate Asbestos Corporation, Gila County, Arizona

Attached are the original and three copies of the final report on the subject docket.

The contract has been signed and is in effect.

W. H. King
W. H. King

A. N. Koechmann
A. N. Koechmann

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

WASHINGTON 25, D. C.

Air Mail

January 15, 1953

Rcd 1/26/53

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 16 1953

To: C. O. Mittendorf

From: Executive Officer, Field Team, Region IV

Subject: Letter from Jack L. Neal, Metate Asbestos Corp., DMEA Docket 2005, Contract Idm-E473

Enclosed are two copies of a letter dated January 5, 1953 from Jack L. Neal, Metate Asbestos Corp. Also enclosed are two copies of a memorandum from Lincoln A. Stewart, Bureau engineer, which refutes the charges in this memorandum.

W. H. King

W. H. King

Enclosures

MINING DIVISION
REGION IV

January 12, 1953

Memorandum

To : Walter R. Sterns, Chief, Mining Methods Branch, Mining Division, Region IV.

From : Lincoln A. Stewart, Mining Engineer

Subject : Memo of Jan. 8 from King enclosing letter from Jack Neal, Metate Asbestos Corp., Gila County, Ariz.

I would like to refute a few statements made by Neal. It is possible that Mr. King or East would appreciate this clarification. I believe that the Arizona Asbestos Producers Association is a step in the right direction toward unifying the asbestos industry of Gila County. However, the name is somewhat misleading. It is more nearly a club than an association. It is not a legal entity in that it has no by-laws and is not incorporated in the State.

It would appear that Neal is airing his "gripes" under the guise of the Association. The association president, Mr. Green, has told me several times that an expression of the association is not valid unless it appears on a letter head of the Association, signed by himself as president, or Neal as secretary.

Neal has taken the attitude that we are discriminating against him because we have denied two of his applications and drastically modified the third. The examiner's justifications appear in the various reports. Point one to be refuted is that Neal states all three applications have been denied. Point two; the Apache (DMEA 2384) application was not withdrawn on Jan. 5, the date of Neal's letter. Without knowledge of this letter, I discussed the situation with Hayes, president of Apache, on Jan. 9. At that time he was undecided whether to withdraw the application or allow an adverse report to be submitted. He finally stated he would withdraw the application and save us the work of writing the report. The Tucson office has not yet received this notification of withdrawal. I am sure Hayes would not subscribe to the statement made by Neal. Point three: the Regal mine has not submitted an application to date. At the request of Jaquays, we have today sent him application blanks for exploration work on the Regal mine. Last week Jaquays showed me the rough draft of the proposed application. Shride and I are both of the opinion that we will recommend this work.

CC: W. M. King (Orig. & 1)
DMEA-2005
DF

LAStewart:als

As to Kyle's access road application, I understand that on account of his active antagonism toward me and also on account of the libelous nature of his letters to Washington, it would not be expedient to send me on this examination. Kyle has not expressed such antagonism against the Survey examiners, but nevertheless Shride has refused to make the examination.

Attached is a tabulation of all asbestos applications received by this office and the action taken.

Of the 17 exploration applications received to date, 5 have been withdrawn, 3 have been denied, 1 has not been investigated for the current application, nor has it been seen previously by either examiner. There are 3 active contracts, 2 contracts pending, and 3 proposals that we expect to recommend when the data has been completed.

In addition to the Regal application, one from the Ciberne Mining Co. is forthcoming. Neither Shride nor I have seen this latter location and thus cannot hazard a guess at the outcome of the examination.

/s/ Lincoln A. Stewart

Lincoln A. Stewart, Mining Engineer
Mining Methods Branch, Mining Div.,
Region IV

ARIZONA ASBESTOS MEMBER PRODUCERS ASSN

METATE ASBESTOS MINES COMPANY

January 5, 1953

United States Bureau of Mines
124 New Customs House Bldg.
Denver Colorado

Att: Mr. W. H. King

Dear Mr. King,

This is to notify you that the Metate Asbestos Corp. has started on their government contract to drive a 100 foot tunnell accross our diabase roll. We are in approximate 20 feet.

We are still getting very poor service out of the Tucson office on our exporation loans. The government has announced a plan to buy 1500 tons of our 1&2 crude fibre and three times that amount of crude 3. If the government has any hopes of getting anything like that amount out of this district then we will have to have a new field team. We have really tried to work with these boys but we find it is a impossibly situation. We have several members who would apply for loans if it were not for these two men. We have put in for three loans which have been denied we think without justification. The Apache mine operated withdrew their application because the field team could not agree. The regal mine had a application that was denied. Mr Kyle cannot even get any one to look at his access road application. In fact the members of Association feel so strongly about this situation that a trip to Washington D. C. is being planned the middle of this month by a committe of our Association to see what can be done about it. We feel it is not the government intentions for so much delay and the do nothing attitude of the Tucson Field Team.

Very truly yours,

/s/ Jack L. Neal

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C. 600

January 14, 1953

Memorandum

To: Operating Committee

From: Nonmetallic Minerals Division

Subject: Contract Approval Docket N. DMEA-2005
Metate Asbestos Corp.,
P. O. Box 1506
Globe, Arizona
Contract No. Idm-E473

This division concurs with Region IV on the form, work to be preformed and costs set forth in short form contract prepared in Region IV.

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

Lawrence G. Houk

RECEIVED
FEB 10 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

FILE COPY
SURNAME:

Houk

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

600

January 14, 1953

Memorandum

To: Operating Committee

BY
M. S. in R.V.R.

From: Nonmetallic Minerals Division

Subject: Contract Approval Docket N. DMEA-2005
Estate Asbestos Corp.,
P. O. Box 1506
Globe, Arizona
Contract No. Idm-8473

This division concurs with Region IV on the form, work to be performed and costs set forth in short form contract prepared in Region IV.

Lawrence G. Houk, Chief
Nonmetallic Minerals Division

LGHouk:fls 1/14/53

Copy to: Admr. R. File
Docket File
Mr. Houk

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

224 New Customhouse
Denver 2, Colorado

January 12, 1953

Memorandum

To: J. H. East, Jr., Regional Director
U. S. Bureau of Mines, Region IV

From: W. H. King, ExecutiveOfficer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 2005 (Asbestos), Contract Idm-E473
Metate Asbestos Corporation

The Bureau of Mines has only one man in the Tucson office who is qualified to pass on asbestos applications. This man is Lincoln A. Stewart. From October 1 to October 4 he was engaged in DMPA work. He accompanied Mr. Robert Waskey and Mr. Otto Klein of the GSA to look for sites for possible asbestos custom mills. He made a similar trip from November 12 to November 15 with a representative of the Ruberoid Company. During December Stewart took annual leave and was in charge of the Tucson office during the period Storms was on annual leave. As a result of the DMPA work and his leave he has not been able to devote much time to DMEA work.

Enclosed is a copy of a letter, dated January 5, 1953, from Jack L. Neal, President of theMetate Asbestos Corporation.

W. H. King
W. H. King

Enclosure

METATE ASBESTOS MINE COMPANY

January 5, 1953

United States Bureau of Mines
124 New Customs House Bldg.
Denver Colorado

Att: Mr. W. H. King

Dear Mr. King,

This is to notify you that the Metate Asbestos Corp. has started on their government contract to drive a 100 foot tunnell accross our diabase roll. We are in approximate 20 feet.

We are still getting very poor service out of the Tucson office on our exporation loans. The government has announced a plan to buy 1500 tons of our 1&2 crude fibre and three times that amount of crude 3. If the government has any hopes of getting anything like that amount out of this district then we will have to have a new field team. We have really tried to work with these boys but we find it is a impossibly situation. We have several members who would apply for loans if it were not for these two men. We have put in for three loans which have been denied we think without justification. The Apache mine operated withdrew their application because the field team could not agree. The regal mine had a application that was denied. Mr Kyle cannot even get any one to look at his access road application. In fact the members of Association feel so strongly about this situation that a trip to Washington D. C. is being planned the middle of this month by a committe of our Association to see what can be done about it. We feel it is not the government intentions for so much delay and the do nothing attitude of the Tucson Field Team.

Very truly yours,

_____

Docket Copy

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

224 New Customhouse
Denver 2, Colorado

January 8, 1953

REGISTERED
#64877

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E473, Docket DMEA 2005, Metate Asbestos Corporation

Enclosed are the original and two copies of Contract Idm-E473. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

cc 1-12-53

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

224 New Customhouse
Denver 2, Colorado

January 8, 1953

REGISTERED

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 12 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Contract Idm-E473, Docket DMEA 2005, Metate Asbestos Corporation

Enclosed are the original and two copies of Contract Idm-E473. Copies of this contract have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

W. H. King
W. H. King

Enclosures

1-1027
(April 1946)

UNITED STATES
DEPARTMENT OF THE INTERIOR

AGENCY Bureau of Mines, Reg. IV

TELETYPE

Originator:
Ext.: Room:

Appro.:
Date: 1/7/53
Time:
No.:
To: C. O. MITTENDORF DMEA WASH

Subject:

PLEASE ASSIGN A NUMBER TO CONTRACT COVERING DOCKET NUMBER DMEA 2005, METATE ASBESTOS CORPORATION, AN ARIZONA CORPORATION, P. O. BOX 1506, GLOBE, ARIZONA. PROPERTY IN GILA COUNTY, ARIZONA. COMMODITY ASBESTOS. GOVERNMENT PARTICIPATION $2745.00, TOTAL AMOUNT OF CONTRACT $3050.00. CONTRACT DATED JANUARY 7, 1953.

John F. Shaw
JOHN F. SHAW FOR W. H. KING

CONFIRMATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 19 1953

Authorized:

Sign original message and transmit to Room ..... in duplicate

U. S. GOVERNMENT PRINTING OFFICE 16—60915-1

Cable Address METABEST

MINES
GILA COUNTY
GLOBE, ARIZONA

P. O. BOX 1506
GLOBE, ARIZONA
TELEPHONE 261-J

HOME OFFICE
P. O. BOX 51
JOPLIN, MO.

ARIZONA ASBESTOS MEMBER PRODUCERS ASSN.

METATE ASBESTOS MINES COMPANY

Producers of

WORLD'S FINEST CRUDES AND SPINNING FIBRE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 12 1952

Dmea ~~2384~~ 2005

Nov. 7, 1952

Defense Minerals Exploration Administration
Washington 25, D. C.

Att: Mr. C. O. Mittendorf

Dear Mr. Mittendorf,

We have been having considerable difficulties in getting through all the red tape connected with getting the transfer of our lease on the Apache Asbestos mine transfered to our Corporation the Metate Asbestos Corp. This we have finally been able to do with the exception of getting the signature of the Secretary of the Interior on our assignment. As you know this paper is what is holding up the exploration at our mine the (Apache) the contract is all ready to be drawn in Denver as soon as this paper can be signed and got back to me.

We are all ready to go ahead with our two new applications as soon as we can get a field report on them.

There will be four more new ones coming in on asbestos very shortly from members of our Association.

Give my regards to Mr. Barr and Larry, I remain

Very truly yours,

Jack L. Neal

Jack L. Neal

140

FILE COPY
Surname:

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Adm.
~~OFFICE OF THE SECRETARY~~
WASHINGTON 25, D. C.

Butler
Hosh
Talbert

OCT 1 6 1952

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Metate Asbestos Corporation
Docket No. DMEA-2005
(Asbestos)

Dear Mr. King:

This responds to your memorandum to the Administrator dated October 3, concerning the above-described contract.

With respect to your request for "... a Waiver of Owner's Consent to Lien to be attached to the contract ...", the Administrator's letter to you, dated September 30, on this subject stated that "No additional form or contract attachment is necessary in order to effect a waiver of an Owner's Consent to Lien." The requirement of an Owner's Consent to Lien is hereby waived with respect to the San Carlos Apache Tribal Council as being in the best interest of the United States.

Your memorandum also requests that the necessary steps be taken to have the trust agreement approved by the Secretary of the Interior. The basic lease recites that it was approved by the Area Director, in behalf of the Secretary of the Interior, pursuant to a delegation of authority from the Acting Secretary of the Interior. Therefore, a request for approval of the trust agreement should be submitted to the Area Director by the lessees.

If the application were in the name of the two lessees, Jack L. Neal and Charles Ross Neal, it could be promptly considered by this agency, and no further approval by the Bureau of Indian Affairs would be required of the trust agreement.

We have reviewed the copy of the contract transmitted with your memorandum and find it to be in satisfactory

legal form for execution, subject to the approval by the Bureau of Indian Affairs of the trust agreement.

Sincerely yours,

(signed) FRANK M. JOHNSON (JHS)

Chairman, Operating Committee

Approved:

J. H. Hedges (JHS)
Member, Bureau of Mines

A. R. Kinkel Jr. (JHS)
Member, Geological Survey

J.H.
10-16-52

HCRubin/em
10/13/52

Copy to: Mails and Files
Adm. R. File
C. O. Mittendorf
Op. Comm.
Mr. Hedges
Mr. Thayer
Mr. Houk
Mr. Hofflund
Mr. Rubin
chron.
pending

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

224 New Customhouse
Denver 2, Colorado

October 3, 1952

Memorandum

TO: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2005, Metate Asbestos Mines Company

Enclosed is a copy of a Trust Agreement and a Lease between the San Carlos Apache Tribal Council and Jack L. Neal and Charles Ross Neal.

According to Article 3 (g) of the Lease it can not be assigned without the approval of the Secretary of the Interior.

Mr. Neal will have this Agreement ratified between the Tribal Council. Please take what steps are necessary to have this Agreement approved by the Secretary of theInterior, and also prepare a Waiver of Owner's Consent to Lien to be attached to a contract between the Government and the Metate Asbestos Mines Company.

A copy of our proposed contract is enclosed.

W. H. King

W. H. King

Enclosures

RECEIVED
OCT 9 - 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

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

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
OCT 6 1952

224 New Customhouse
Denver 2, Colorado

October 3, 1952

Memorandum

TO: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: DMEA Docket No. 2005, Metate Asbestos Mines Company

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According to Article 3 (g) of the Lease it can not be assigned without the approval of the Secretary of the Interior.

Mr. Neal will have this Agreement ratified between the Tribal Council. Please take what steps are necessary to have this Agreement approved by the Secretary of theInterior, and also prepare a Waiver of Owner's Consent to Lien to be attached to a contract between the Government and the Metate Asbestos Mines Company.

A copy of our proposed contract is enclosed.

W. H. KING
W. H. King

Enclosures

DECLARATION OF TRUST
AND AGREEMENT

THIS INDENTURE, made and entered into as of this 1st day of April, 1951, by and between JACK L. NEAL and CHARLES ROSS NEAL of Globe, Arizona, parties of the first part, hereinafter called "Trustees," and METATE ASBESTOS CORPORATION, an Arizona corporation, party of the second part, hereinafter called "Company," and JACK L. NEAL, CHARLES ROSS NEAL, CHARLES ROBERT NEAL, ROBERT C. McNABB and R. A. McNABB, stockholders of said Company, hereinafter called "Third Parties,"

W I T N E S S E T H:

1. That the Trustees hereby declare that they have secured a lease from the San Carlos Apache Tribal Council, Contract No. I 88, Ind. 2260, dated January 3, 1951, effective for a term of five (5) years, from February 26, 1951, for the purpose of mining asbestos ore or fibre on Mineral Survey No. 3996, Apache 1, 2, 3, 4, and 5 lodes of Sections 19 and 30, Township 1 North, Range 17 East, G. & S. R. Meridian, and containing 100 acres, more or less; that the said Trustees, in securing said lease, were acting for and on behalf of Metate Asbestos Corporation and the stockholders thereof; and that said Trustees hold the said lease in trust for the use and benefit of said Metate Asbestos Corporation and the stockholders thereof.

2. Trustees hereby authorize said Company to enter upon and conduct mining operations for the production of minerals from said premises, subject to the terms and conditions hereinafter set forth:

(a) The Company hereby agrees to do and perform in the name of Trustees all acts required under the terms of said lease of January 3, 1951, by Trustees, including the

payment of minimum annual rentals called for in said lease. Said Company further agrees to work and operate said premises and pay all expenses in connection with such operation or mining conducted thereon, and said Company and Third Parties agree to save the Trustees harmless from any debt, claim, demand, or liability incurred in such operation.

(b) All work done upon said premises by the Company shall be done in a good and workmanlike manner and after the manner of good mining. The laws of the State of Arizona and all requirements of the State Mine Inspector shall be complied with promptly.

(c) The Company shall cause to be performed at least one hundred twenty (120) working shifts of eight (8) hours each during each calendar year to underground or mining operations on said property except when weather conditions prevent such operation.

(d) The Company shall pay any property taxes that have been or may be levied upon said mining claims during the life of this agreement and upon personal property or improvements placed thereon by the Company.

(e) All machinery, equipment and personal property owned by the Company which may be placed on said mining property by and at the expense of the Company may be removed by it at any time, subject, however, to the terms and conditions of said lease to Trustees dated January 3, 1951.

(f) The Company hereby assumes any and all liability or liabilities arising or to arise from accidents or injuries to its agents or employees, or any other person, in or about the premises while the Company is authorized to operate hereunder, and the Trustees shall be indemnified against any liability or responsibility for or on account of any such injuries.

(g) The Company shall at all times during the life of this agreement carry and maintain liability insurance under the Workmen's Compensation Law and under the Occupational Disease Liability Law of the State of Arizona satisfactory to the Industrial Commission of the State of Arizona. The Company shall also at its own cost and expense comply strictly with all the terms of the Arizona Workmen's Compensation Law and the Arizona Occupational Disease Liability Law. The Company shall further comply with all provisions of the Federal Wage and Hour Law and shall make all payments due or to become due under the Federal and State Social Security Laws, Unemployment Compensation Law, tax laws, or any other laws now in effect or that may hereafter be enacted affecting the employees of the Company, wages paid the employees of the Company and the products removed from the said premises.

3. It is understood and agreed that the Trustees are the owners of the legal title to said lease dated January 3, 1951, and to all asbestos ores or fibres recovered from said premises, subject, however, to the terms of said lease of January 3, 1951. All such ores or fibres removed from said premises shall be sold by the Trustees, subject, however, to the approval of the Company. Trustees agree that the proceeds from any and all sales of asbestos ores or fibres produced from said leased premises shall be paid by them to the Company; provided, however, said Trustees shall first deduct and pay from such proceeds royalties and sales taxes accruing on account of any sale or sales of such asbestos ores or fibres.

4. Third Parties herein jointly and severally assume the obligations of the Company hereinabove set forth, and in the event of default by said Company, agree to be personally liable for the performance of the obli-ations to be performed by the Company or damages caused by default of such performance;

provided, however, each stockholder shall only be liable to pay the Trustees or the injured party such portion of the total damages as is in direct proportion to such stockholder's ownership of the issued and outstanding stock of such Company as of the date such liability accrues.

5. The terms and conditions of this Declaration of Trust shall continue in full force and effect so long as said lease of January 3, 1951, or any renewal thereof, is in full force and effect; provided, however, that in the event said Company fails or refuses to operate said premises for at least one hundred twenty (120) shifts per year, or permits said Trustees to suffer any damage on account of the Company's operations hereunder and fails to save said Trustees harmless therefrom, then in such event said Trustees may, on thirty (30) days' written notice to the Company, declare their intention to terminate this Declaration of Trust and, in the event of termination, either surrender said lease of January 3, 1951, or take possession of said premises and operate the same individually. If the Company fails within said thirty (30) days to make good any violation of the terms and provisions of this agreement on account of which notice of default has been given, then and thereupon this agreement shall terminate. In the event of a termination of this agreement, the Company and the Stockholders shall not be discharged from any obligation in favor of Trustees that may theretofore have accrued under the terms hereof.

6. In the event any of Third Parties transfer any stock owned by such party to any other person, it is understood and agreed such Third Party shall remain liable under this agreement as if such transfer had not taken place; provided, however, that in the event such Third Party secures from other person an agreement in writing to be bound under the terms hereof, and the Trustees consent thereto in writing, then such

Third Party shall be released from any liability thereafter accruing hereunder.

IN WITNESS WHEREOF, Parties of the First Part, Metate Asbestos Corporation by its officers thereunto duly authorized, and Parties of the Third Part have executed these presents as of the day and year first above written.

Jack L. Neal

Charles Ross Neal

Parties of the First Part

METATE ASBESTOS CORPORATION

By Jack L. Neal
Its Vice President

ATTEST:

Frederick C. McNeill
Its Secretary

Party of the Second Part

Jack L. Neal

Charles Ross Neal

Frederick C. McNeill

Third Parties

(Forming part of Declaration of Trust
and Agreement, Jack L. Neal et al,
Metate Asbestos Corporation and
Jack L. Neal, et al)

STATE OF ARIZONA,)
)SS
County of Gila.)

On this, the 25th day of April, 1951, before me, James R. Mabott, Jr., the undersigned officer, personally appeared JACK L. NEAL and CHARLES ROSS NEAL of Gila County, State of Arizona, known to me (or satisfactorily proven) to be the persons described in the foregoing instrument, and acknowledged that they executed the same in the capacity therein stated and individually, and for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

James R. Mabott, Jr.
Notary Public

My Commission expires: January 7, 1954

STATE OF ARIZONA,)
)SS
County of Gila.)

On this, the 25th day of April, 1951, before me, James R. Mabott Jr., the undersigned officer, personally appeared Jack L. Neal and Robert C. McNabb, who acknowledged themselves to be the Vice-President and Secretary, respectively, of METATE ASBESTOS CORPORATION, a corporation, and acknowledged that they, as such Vice-President and Secretary, respectively, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as Vice-President and Secretary, respectively.

In witness whereof, I hereunto set my hand and official seal.

James R. Mabott, Jr.
Notary Public

My Commission expires: January 7, 1954

STATE OF ARIZONA,)
)SS
County of Gila.)

On this, the 25th day of April, 1951, before me, James R. Mabott, Jr., the undersigned officer, personally appeared JACK L. NEAL, CHARLES ROSS NEAL, ~~CHARLES ROBERT NEAL~~, ROBERT C. McNABB and R. A. McNABB, known to me (or satisfactorily proven) to be the persons whose names are subscribed to the within instrument and acknowledged that they executed the same for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal.

James R. Mabott, Jr.
Notary Public

My Commission expires: January 7, 1954

(Forming part of Declaration of Trust
and Agreement, Jack L. Neal et al,
Metate Asbestos Corporation and
Jack L. Neal et al)

STATE OF MISSOURI,)
)SS
County of)

On this, the 14th day of June, 1951, before me, [illegible], the undersigned officer, personally appeared CHARLES ROBERT NEAL, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

In witness whereof, I hereunto set my hand and official seal.

Notary Public

My Commission expires:

My Commission Expires February 23 1954

MF-200 (A)
(February 1952)

DOCKET NO. DMEA 2005

COMMODITY Asbestos

COPY

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

EXPLORATION PROJECT CONTRACT[1]

(Short Form)

IT IS AGREED this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and[2] Metate Asbestos Corp., Inc., an Arizona Corporation
P. O. Box 1506
Globe, Arizona

hereinafter called the "Operator," as follows:

ARTICLE 1. *Authority for contract.*—This agreement is entered into under the authority of the Defense Production Act of 1950, as amended, pursuant to DMEA Order 1 entitled "Government Aid in Defense Exploration Projects."

ARTICLE 2. *Operator's property rights.*—With respect to that certain land situated in the State of Arizona, County of Gila, described as follows:[3] Five patented lode mining claims; the Apache #1, #2, #3, #4, and #5, all Mineral Survey No. 3996, known as the Apache Group, located on the San Carlos Indian Reservation, Gila County, Arizona

the Operator represents and undertakes:[4]

(*a*) ~~That the Operator is the owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens or encumbrances as to each of which the subordination agreement of the holder is attached:~~

(*b*) That the Operator is a lessee, in possession and entitled to possession, ~~and the Owner's Consent to Lien is attached~~.

The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof.

ARTICLE 3. *Exploration project.*—The Operator, within 60 days from the date of this contract shall commence work on a project of exploration for[5] Asbestos

in or upon the described land; and shall bring the project to completion within a period of 4 months from the date of this contract. The work to be performed is more fully described in Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, are made a part of this contract. The Government will contribute to the cost of this work as hereafter provided. The work shall be performed by the Operator or by independent contractor or contractors efficiently, expertly, in a workmanlike manner, in accordance with good mining standards and State regulations for health and safety and for workmen's compensation and employers' liability insurance, with suitable and adequate equipment, materials, and labor, to bring the project to completion within the time fixed. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

ARTICLE 4. *Costs of the project.*—The agreed, estimated costs of performing the work, expressed in terms of units of work to be performed (per foot of drifting, per foot of drilling, per cubic yard of material to be moved, etc.) are set forth in Exhibit "A," attached hereto. The Government will pay ninety (90) percent of these agreed, estimated costs, as they accrue, for units of work actually performed that conform with the description or specifications for the work set forth in this contract, in an aggregate total amount not in excess of $ 2,745.00, which is 90 percent of $ 3,050.00, the agreed, estimated total cost of the project in which the Government will participate: *Provided,* That until the Operator's final report and final accounting have been rendered to the Government and any final check or auditing required by the Government has been made, and a final settlement of the contract has been made, the Government may withhold from the last voucher or vouchers such sums as it sees fit not in excess of ten (10) percent of the maximum total which the Government might have been called upon to pay under the terms of the contract. The Government may, as it sees fit, make payments direct to the Operator's independent contractors, if any, for the account of the Operator, rather than to the Operator.

ARTICLE 5. *Reports, accounts, audits.*—(*a*) *Progress reports.* The Operator shall provide the Government with monthly reports of units of work performed under the contract, in quintuplicate (five copies), upon forms provided by the Government. These progress reports shall be certified by the Operator, and shall constitute both the Operator's invoice of units of work performed on the project during the period covered by the report and his voucher for repayment by the Government, unless the Government requires the use of a standard voucher form with invoice attached. Progress reports shall include surface and/or underground engineering-geological maps or sketches showing the progress of the exploration, with assay-reports on samples taken concurrently with the advance in mineralized ground.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property, particularly excluding any land or interest therein to which the Government's lien is not to attach or the production from which is not to be subject to the Government's percentage royalty.
[4] Strike out the provision not applicable.
[5] Name of mineral or minerals.

(*b*) *Final report.*—Upon completion of the exploration work or termination of the contract the Operator shall provide the Government with an adequate geological and engineering report, in quintuplicate (five copies), including an estimate of ore reserves resulting from the exploration work.

(*c*) *Compliance with requirements.*—If, in the opinion of the Government, any of the Operator's reports are insufficient or incomplete, the Government may procure the making or completion of such reports and attachments as an expense of the exploration work; and the Government may withhold approval and payment of any vouchers depending upon insufficient or incomplete reports.

(*d*) *Accounts and audits.*—The Operator shall keep suitable records and accounts of the units of work performed, which the Government may inspect and audit at any time. The Government may at any time require a check of the work performed and an audit of the Operator's records and accounts, by a certified public accountant or otherwise, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract. Upon the completion of the project or termination of the contract the Operator shall render a final account and statement of work performed to accompany his final report.

ARTICLE 6. *Repayment by Operator.*—(*a*) If, at any time, the Government considers that a discovery or a development from which production may be made has resulted from the exploration work, the Government, at any time not later than 6 months after the Operator has rendered the required final report and final account, may so certify in writing to the Operator. The certification shall describe broadly or indicate the nature of the discovery or development. In the event of such certification, any minerals mined or produced from the land described in Article 2 within 10 years from the date of this contract, including any mined or produced before the certification, shall be subject to a percentage royalty which the Operator or his successor in interest shall pay to the Government, upon the net smelter returns, the net concentrator returns, or other net amounts realized from the sale or other disposition of any such production, in whatever form disposed of, including ore, concentrates, or metal, until the total amount contributed by the Government, without interest, is fully repaid, or said 10 years have elapsed, whichever occurs first, as follows:

(1) One and one-half (1½) percent of any such net amounts not in excess of eight dollars ($8.00) per ton.

(2) One and one-half (1½) percent of any such net amounts, plus one-half (½) percent of such net amounts for each additional full fifty cents ($0.50) by which such net amounts exceed eight dollars ($8.00) per ton, but not in excess of five (5) percent of such net amounts.

(For instance: The percentage royalty on a net amount of five dollars ($5.00) per ton, would be one and one-half (1½) percent; on a net amount of ten dollars ($10.00) per ton, three and one-half (3½) percent.)

(*b*) As here used, "net smelter returns," "net concentrator returns," and "other net amounts realized from the sale or other disposition," mean gross revenue from sales, or if not sold, the market value of the material after it is mined in the form in which and the place where it is held. In the case of integrated operations in which the material is not disposed of as such, these terms mean what is or would be the gross income from mining operations for percentage depletion purposes in income-tax determination.

(*c*) To secure the payment of its percentage royalty, the Government shall have and is hereby granted a lien upon the land described in Article 2 and upon any production of minerals therefrom, until the royalty claim is extinguished by lapse of time or is fully paid.

(*d*) This article is not to be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any mining or production operations.

ARTICLE 7. *Assignment, transfer, or loss of Operator's interest.*—Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder. The Operator shall not make any voluntary nor permit any involuntary transfer or conveyance of the Operator's rights in the land described in Article 2, without making suitable provision for the preservation of the Government's right to a percentage royalty on production and lien for the payment thereof; *Provided*, that mere failure by the Operator to maintain the Operator's rights in the land, without any consideration running to the Operator other than relief from the cost of maintaining such rights (as by surrender of a leasehold, failure to perform assessment work, or failure to exercise an option), coupled with complete abandonment by the Operator of all interest in or operations on the land for a period of 10 years from the date of this contract, shall not constitute such a transfer or conveyance. Should the Operator make or permit any transfer or conveyance in violation of this provision, the Operator shall be and remain liable for payment to the Government of the same amounts, at the same times, as would have been paid under the terms of the percentage royalty on production. If for any reason the net smelter returns, net concentrator returns, or other net amounts realized from the sale or other disposition of such production are not available as a means of measuring the amount of the Operator's liability, the amount thereof shall be estimated as well as may be, and in the event of dispute as to such estimates, the determination thereof by the Administrator of Defense Minerals Exploration Administration or by his successor shall be final and binding upon the Operator.

ARTICLE 8. *Termination and completion.*—The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if, in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worth while discovery and in the opinion of the Government further operations are not justified.

ARTICLE 9. *Changes and added provisions* _____

_____

_____

_____

_____

Executed in sextuplicate the day and year first above written.

THE UNITED STATES OF AMERICA

_____
(Operator)

By _____

By _____ Executive Officer, DMEA Field Team, Region IV

I, , certify that I am the secretary of the corporation named as Operator herein; that , who signed this contract on behalf of the Operator, was then of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

_____ [CORPORATE SEAL]

U. S. GOVERNMENT PRINTING OFFICE 16—66329-1

EXHIBIT A

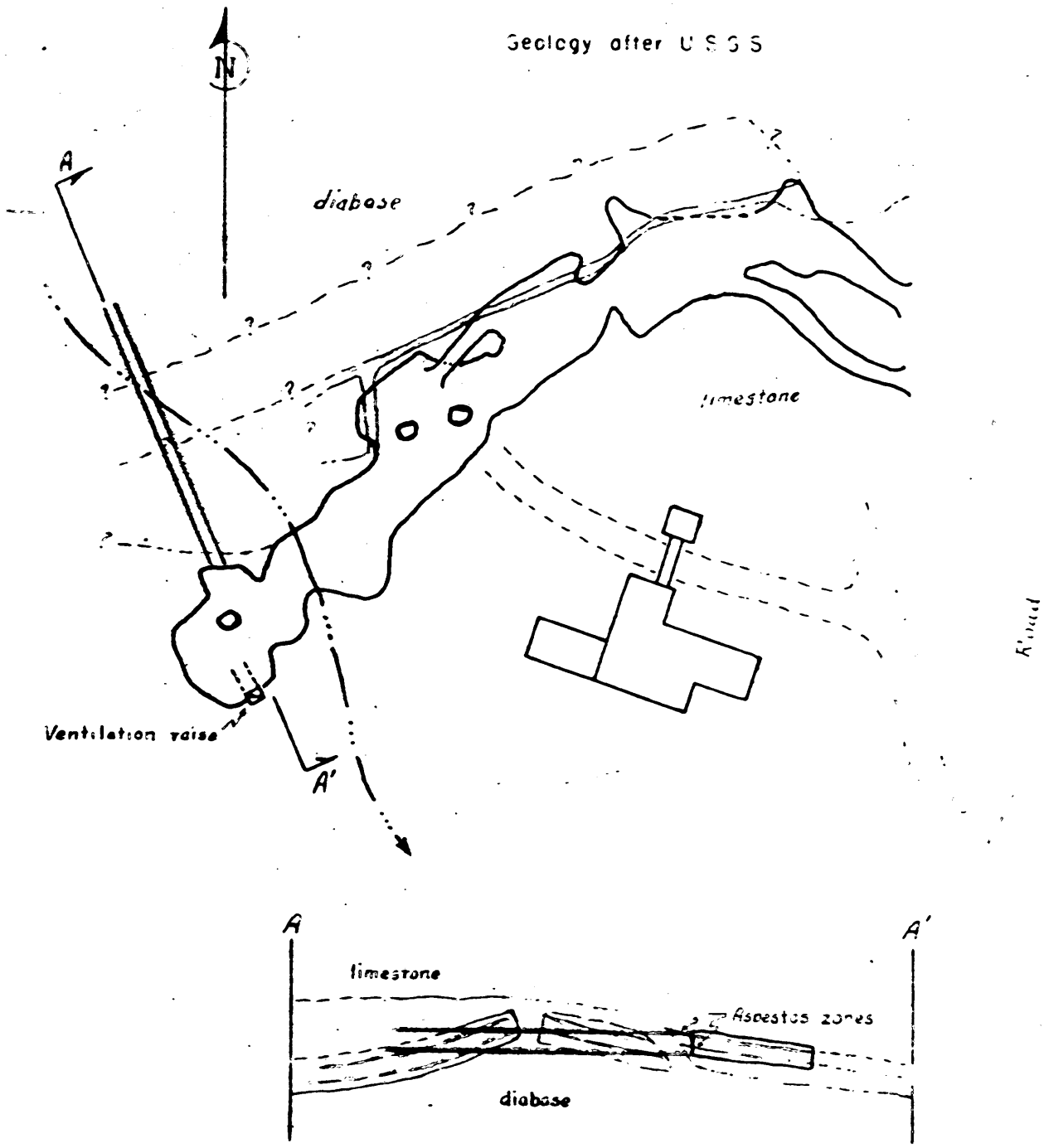
Description of the Work

The work consists of drifting 100 feet northwest from a point near the bottom of the stope; raising a total of 20 feet at locations to be determined after part or all of the drifting is completed and acceptable to the DNRA representative; a total of 100 feet of long hole drilling to determine if the limestone beds may be at different elevations and dips due to tilting. The point of starting the above drift must have prior approval of the DNRA representative.

The proposed drifting is shown on Figure 3A which is made a part of this exhibit. Figure 2 shows the location of the proposed work in relation to the property lines and is made a part of this Exhibit.

Estimated Costs of the Project

100 feet of drifting at $22.50 per foot	$2,250.00
20 feet of raising at $15.00 per foot	300.00
100 feet of long hole drilling at $5.00 per foot	500.00
Total -	$3,050.00
Government participation, 90%	$2,745.00



Section A - A'.

Postulated cross section. See Fig. 6B, Geologic Report.

Scale 1" = 50'

Proposed drift

DMA 2005

Mine as of 6/23/52

Fig. 3A - Revised plan, Metate mine, showing proposed work.

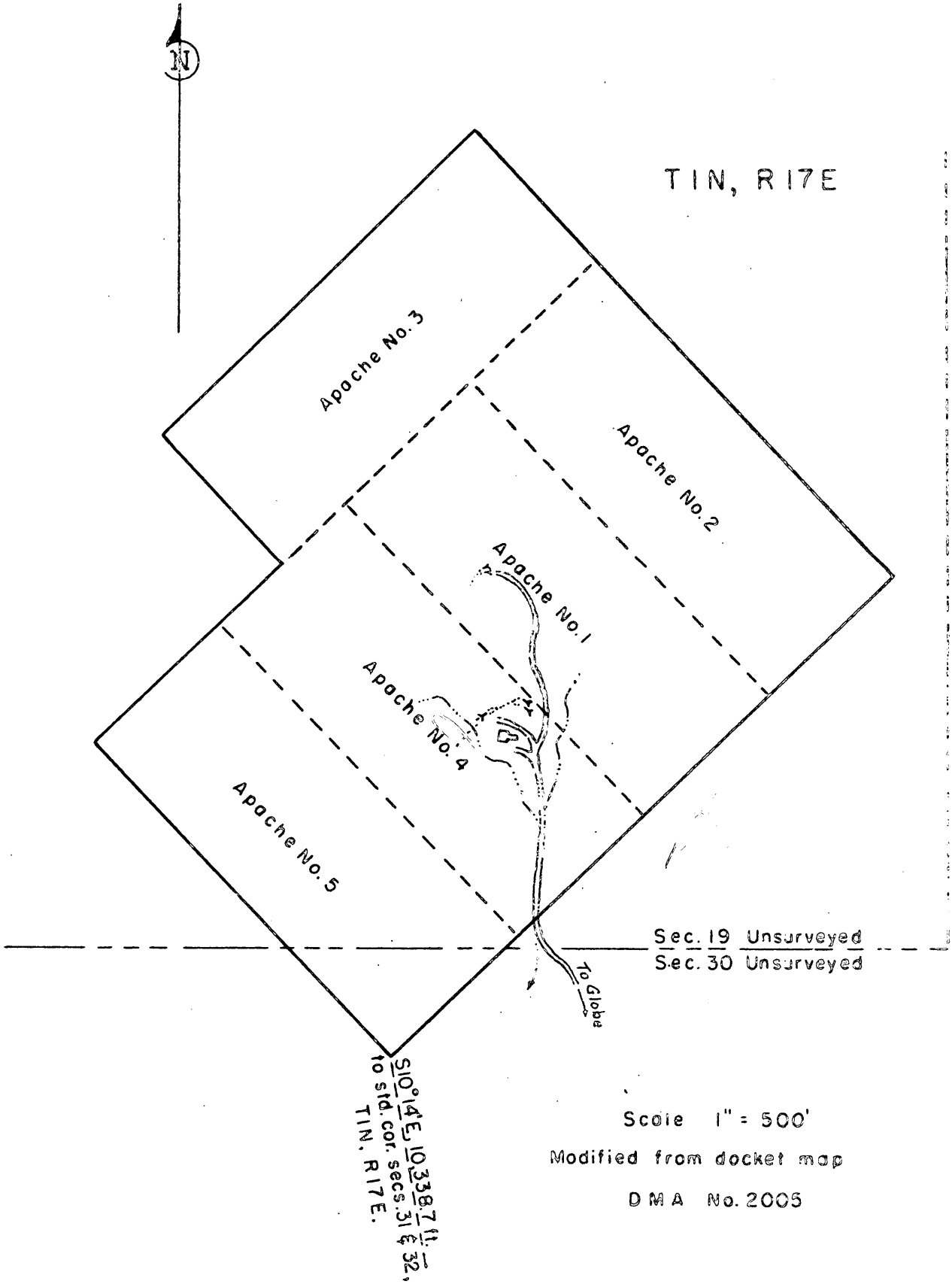


Fig.2 Claim map - Metate Asbestos Corp. Gila County, Ariz.

Form 5-157 b
(April 1940)

CONTRACT NO. I- [illegible] IND. 2260

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF INDIAN AFFAIRS

MINING LEASE—TRIBAL INDIAN LANDS

(FOR MINERALS OTHER THAN OIL AND GAS)

San Carlos Apache Tribe, State of Arizona

THIS INDENTURE OF LEASE, made and entered into in quintuplicate this third day of January, 1951, by and between [illegible]

of San Carlos, State of Arizona

for and on behalf of the San Carlos Apache Tribe of Indians, designated herein as lessor, and Jack L. Neal and Charles Ross Neal

of Globe, State of Arizona

herein designated as lessee:

WITNESSETH

1. That the lessor s, for and in consideration of $1, receipt whereof is hereby acknowledged, and of the royalties, covenants, stipulations, and conditions hereinafter contained and hereby agreed to be paid and observed by the lessee, doth hereby demise, grant, and lease unto the said lessee, the following-described tract of land lying and being within the San Carlos Indian Reservation, County of Gila and State of Arizona, to wit:

Mineral Survey No. 3776, Mineral 1, 2, 3, 4 and 5 lodes

of section 19 & 30, township 1 North, range 17 East, G & S R meridian, and containing 100 acres, more or less, for the full term of 10 years from the date of approval hereof, for the sole purpose of prospecting for and mining minerals, as follows:

Asbestos ore or fibre

16—15629

the lessee to occupy so much only of the surface of said land as may be reasonably necessary to carry on the work of prospecting for, mining, milling, storing, and removing such minerals.

2. The term "Superintendent" as used herein shall refer to the superintendent or other official in charge of the Indian Agency having jurisdiction over the lands leased.

3. In consideration of the foregoing, the lessee hereby agrees:

(*a*) ROYALTY.—To pay, or cause to be paid, to the Superintendent, for the use and benefit of the lessor, or to the Treasurer of said Tribe where the tribe is organized under the act of June 18, 1934 (48 Stat. 984), as royalties, the sums of money as follows, to-wit:* (no deductions being allowed) at Cutter, the millsite,

Ten per cent (10%) of the gross value/~~xxxxxxxxxx~~ of all asbestos ore or fibre mined, milled, and marketed.

All royalties accruing for any month shall be due and payable on or before the 25th day of the month succeeding.

(*b*) ANNUAL RENTAL.—To pay, or cause to be paid, to the Superintendent for the use and benefit of the lessor, or to the Treasurer of said Tribe where the tribe is organized under the act of June 18, 1934 (48 Stat. 984), in advance beginning with the date of approval of the lease, as annual rental, the following: 25 cents per acre for the first calendar year or fraction thereof, 50 cents per acre per annum for the second and third years, and $1 per acre per annum in advance for each and every calendar year thereafter during the continuance of the lease; it being understood and agreed that said sum so paid shall be a credit on the royalties accruing during the year for which the payment of annual rental is made, and that said annual rental when paid shall not be refunded to the lessee because of any subsequent surrender or cancelation hereof.

(*c*) DILIGENCE, PREVENTION OF WASTE.—To exercise diligence in the conduct of prospecting and mining operations; to carry on development and operations in a workmanlike manner and to the fullest possible extent; to commit no waste on the said land and to suffer none to be committed upon the portion in his occupancy or use; to comply with all the requirements of the laws of the State in which the land is located; to take appropriate steps for the preservation of the property and the health and safety of workmen; promptly to surrender and return the premises upon the termination of this lease to whomsoever shall be lawfully entitled thereto, in as good condition as received, excepting for the ordinary wear and tear and unavoidable accidents in their proper use; not to remove therefrom any buildings or permanent improvements erected thereon during the said term by the said lessee, but said buildings and improvements shall remain a part of said land and become the property of lessor, excepting the office fixtures and records, personal property, tools, pumping and drilling outfits, boilers, engines, and mining machinery, which shall remain the property of the lessee and may be removed at any time prior to 60 days after the termination of the lease by forfeiture or otherwise, provided the payments agreed upon by this lease have been made and the lease terms and regulations applicable thereto have been fully complied with, but not otherwise; not to permit any nuisance to be maintained on the premises under lessee's control, nor allow any intoxicating liquors to be sold or given away for any purpose on such premises; and not to use such premises for any other purposes than those authorized in this lease.

(*d*) DEVELOPMENT.—The land described herein shall not be held by the lessee for speculative purposes, but in good faith for mining the minerals specified; and the failure by the lessee in the diligent development and continued operation of the mine or mines, except when operations may be interrupted by strikes, the elements, or casualties not attributable to the lessee, shall be held as a want of compliance with the purposes of this lease and shall render it subject to cancelation: *Provided*, That whenever the Secretary of the Interior shall consider the marketing facilities inadequate or the economic conditions unsatisfactory, he may authorize the suspension of operations for such time as he may deem advisable, but such action will not release the lessee from the payment of the advance annual rental.

(*e*) MONTHLY STATEMENTS.—To keep an accurate account of all mining operations, showing the sales, prices, dates, purchasers, and the whole amount of minerals mined, the amount removed, and the gross receipts derived therefrom, and to furnish the Superintendent or the Treasurer of said Tribe if payments are made to him, sworn

* Here insert the royalties agreed upon in accordance with applicable regulations.

monthly reports thereon not later than the 25th of the succeeding month; and all sums due as royalty and advance rental shall be a lien on all implements, tools, movable machinery, and all other personal chattels used in operation upon said property, and upon all of the unsold minerals obtained from the land herein leased, as security for payment of said sums. An audit of the lessee's accounts and books shall be made annually or at such times as may be directed by the Superintendent by certified public accountants approved by the Secretary of the Interior and at the expense of the lessee. The lessee shall furnish free of cost a copy of such audits to the Secretary of the Interior through the Superintendent within 30 days after the completion of each auditing.

(*f*) REGULATIONS.—To abide by and conform to any and all regulations of the Secretary of the Interior now or hereafter in force relative to such leases: *Provided*, That no regulations hereafter approved shall effect a change in rate of royalty, the annual rental herein specified, or the term of this lease, without the written consent of the parties to this lease.

(*g*) ASSIGNMENT OF LEASE.—Not to assign this lease or any interest therein by an operating agreement or otherwise nor to sublet any portion of the leased premises, except with the approval of the Secretary of the Interior. If this lease is divided by the assignment of an entire interest in any part of it, each part shall be considered a separate lease under all the terms and conditions of the original lease.

(*h*) BOND.—To furnish such bond as may be required by the regulations of the Secretary of the Interior conditioned upon compliance with the terms of this lease.

4. MILLING.—All ores or minerals mined on said land shall be cleaned and prepared for market thereon, and no ore or crushed material shall be removed therefrom to be cleaned or prepared for market without the written consent of the Secretary of the Interior.

5. INSPECTION.—The leased premises and producing operations, improvements, machinery, and fixtures thereon and connected therewith and all books and accounts of the lessee shall be open at all times for inspection by agents of the lessor or any duly authorized representative of the Secretary of the Interior.

6. DISPOSITION OF SURFACE.—The lessor expressly reserves the right to lease, sell, or otherwise dispose of the surface of the lands embraced within this lease under existing law or laws hereafter enacted, such disposition to be subject at all times to the right of the lessee herein to the use of so much of said surface as is necessary in the extraction and removal of the minerals from the land herein described in accordance with this lease.

7. SURRENDER AND TERMINATION.—The lessee shall have the right at any time during the term hereof to surrender and terminate this lease or any part thereof upon the payment of all rentals, royalties, and other obligations due and payable to the lessor, and the further sum of $1, upon a showing satisfactory to the Secretary of the Interior that full provision has been made for the conservation and protection of the property, the lease to continue in full force and effect as to the lands not so surrendered. If this lease has been recorded lessee shall file a recorded release with his application to the Superintendent for termination of this lease.

8. CANCELATION AND FORFEITURE.—When, in the opinion of the Secretary of the Interior, there has been a violation of any of the terms and conditions of this lease before restrictions are removed, the Secretary of the Interior shall have the right at any time after 30 days' notice to the lessee, specifying the terms and conditions violated, and after a hearing, if the lessee shall so request within 30 days of receipt of notice, to declare this lease null and void, and the lessor shall then be entitled and authorized to take immediate possession of the land.

9. HEIRS AND SUCCESSORS IN INTEREST.—It is further covenanted and agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors of, or assigns of the respective parties hereto.

10. GOVERNMENT EMPLOYEES CANNOT ACQUIRE LEASE.—No lease, assignment thereof, or interest therein will be approved to any employee or employees of the United States Government whether connected with the Indian Service or otherwise, and no employee of the Interior Department shall be permitted to acquire any interest in such leases by ownership of stock in corporations having leases or in any other manner.

11. [illegible].—It is further agreed that stipulations and conditions attached [illegible] shall become a part of this lease.

S T I P U L A T I O N S

[illegible] LIVE.--It shall be agreed that livestock belonging to San Carlos Apache Indians and tribal associations shall not be excluded from the land covered by this lease, however, the lessee shall take every precaution to protect the livestock against injury from the mining activities.

[illegible] LABOR.--The lessee agrees that preference shall be given to San Carlos Apache Indians in the hiring of common labor and any other type of work such persons are able and qualified to perform.

LIABILITY FOR INJURIES.--The lessee shall assume any and all liabilities arising from accidents or injuries to his agents or employees, or any other person in and about the performance of the work on the leased premises.

TAXES.--The lessee shall make all payments required under the Social Security laws of the United States and the State of Arizona, and shall also pay all sales taxes levied on all sales of asbestos ore or fibre.

[illegible] LEASE.--It is agreed that the full term of the lease shall be for five years from date of approval by the Secretary of the Interior in accordance with the corporate charter of the San Carlos Apache Tribe. However, preference will be given the lessee for the renewal of the lease after its expiration.

IN WITNESS WHEREOF, the said parties have hereunto subscribed their names and affixed their seals on the day and year first above mentioned.

~~Two witnesses~~ to execution by lessor:

[illegible] [illegible] [illegible] [illegible] [SEAL]

P. O. [illegible]

Della Belknap

P. O. [illegible]

Clarence Wesley [SEAL]

Chairman

Two witnesses to execution by lessee:

Charles Robert Neal

P. O. [illegible]

Robert C. McCaish

P. O. [illegible]

Jack L. Neal [SEAL]

Attest: Charles Ross Neal

ACKNOWLEDGMENT OF LESSOR

STATE OF [illegible]

COUNTY OF [illegible] } ss:

Before me, a notary public, on this third day of January, 19 51 personally appeared Clarence Wesley, to me known to be the identical person, who executed the within and foregoing lease, and acknowledged to me that he executed the same in his official capacity as Chairman, San Carlos Apache Tribal Council as his free and voluntary act and deed for the uses and purposes therein set forth.

/s/ Herman S. Schurz

Notary Public.

My commission expires November 26, 1954

UNITED STATES DEPARTMENT OF THE INTERIOR

Phoenix, Arizona

~~Washington, D.C.~~, February 26, 19 51

The within lease is hereby approved.

Walter V. Woehlke

~~Assistant Secretary of the Interior~~

(Walter V. Woehlke, Area Director, Bureau of ~~Indian~~ Affairs, Phoenix, Arizona

Pursuant to authority granted me February 19, 1951, by Assistant Secretary of the Interior, Dale E. Doty.

Filed for record this day of , 19

at o'clock m.

By

Rental received, $

16—15029 U. S. GOVERNMENT PRINTING OFFICE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Region IV

September 12, 1952

Memorandum

To: Field Team, Region IV

From: Acting Chief, Mining Division, Region IV

Subject: Final Report, DMA Docket 2005, (Asbestos) Metate Asbestos Corporation, Gila County, Arizona

Enclosed are nine copies of the final engineering report on DMA 2005 by L. A. Stewart of the Bureau of Mines.

The examining engineer recommends exploration work in the amount of $3050 to prove or disprove the existence of ore bearing limestone blocks within a distance of 100 feet from an operating mine.

We concur in this recommendation.

W. H. King

W. H. King

Enclosures

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

224 New Customhouse
Denver 2, Colorado

September 12, 1952

BL

Memorandum

To: Administrator, Defense Minerals Exploration Administration

From: Field Team, Region IV

Subject: Final Report, DMA Docket 2005, (Asbestos) Metate Asbestos Corporation, Gila County, Arizona

The application for Government assistance in exploration work estimated to cost $3050.00, has been approved by us and a contract is being prepared.

Government participation will be 90 percent, or $2,745.00.

Four copies of the Final Report will be forwarded when the contract is processed.

Two copies of Form 3b are attached.

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 15 1952

Carbon copy of memo. to Nonmetallic Minerals.
9-15-52-BL

DMEA Form 3b
(Revised)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTROLLED DOCUMENT
Revised Abstract

DMA ~~DMEA~~ Docket No. 2005

Name of Applicant Metate Asbestos Corporation

Change:	From		To		
	III 1	☐	III 1	☒	9-11-52
	III 2	☐	III 2	☐	
	III 3	☐	III 3	☐	
	III 4	☒	III 4	☐	
	III 5	☐	III 5	☐	

Add:

II 7 $ 27,500

II 8 $ 3,050

II 8a % 90

Remarks:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 1 1952

Initials of person preparing sheet H.M.C.

Date sheet prepared 9-11-52

17367

DMEA Form 3b
(Revised)

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTROLLED DOCUMENT
Revised Abstract

DMA ~~DMEA~~ Docket No. 2005

Name of Applicant Metate Asbestos Corporation

Change:	From		To	
	III 1	☐	III 1	☒ 9-11-52
	III 2	☐	III 2	☐
	III 3	☐	III 3	☐
	III 4	☒	III 4	☐
	III 5	☐	III 5	☐

Add:

II 7 $ 27,500

II 8 $ 3,050

II 8a % 90

Remarks:

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
SEP 11 1952

Initials of person preparing sheet H.M.C.

Date sheet prepared 9-11-52

17367

MINING DIVISION
REGION IV

August 27, 1952

Register

Memorandum

To : W. H. King, Acting Chief, Mining Div., Region IV

From : Chief, Arizona-New Mexico Branch, Mining Div., Region IV

Subject : Report on RFC Docket 2005, Metate Asbestos Corp., Gila County, Ariz.

We are returning the above report to you with a revised section on Summary, Conclusions and Recommendations by Lincoln A. Stewart of the Bureau of Mines. Stewart still believes that this property should be granted Government assistance for exploratory work as he revisited the mine last week (August 21 and 23), so again recommends a loan.

As I wrote you in my letter of July 1, A. F. Shride and Jules Machalior of the Geological Survey visited this property in December 1951 and mapped the mine. L. A. Stewart of the Bureau of Mines accompanied Shride to the property in February 1952 and examined the property. The examiners had difficulty in arranging a proposal for exploration work on the property that was agreeable to all parties but a final agreement was thought to have been reached early in April, so Stewart submitted his report to the Denver office on April 14. At that time we understood that Shride agreed to the section on Summary, Conclusions and Recommendations that accompanied Stewart's report.

About that time Shride was busy with work for the coming convention in Tucson of the Geological Society of America, so he did not complete his report and submit it to Denver until June 12. In the meantime he had revisited the Metate property and found that conditions had changed very much since Stewart's and his visit in February. Shride then recommended denial of a loan although Stewart had recommended a loan in April and at that time thought that Shride concurred with this recommendation.

On August 21 and 23, Stewart again visited the Metate Asbestos Corp. mine and after this examination he still thinks that Metate should be granted a small loan. However, if the loan application is held up

cc W. H. King (S)
A. F. Shride
RFC-2005
mb

McStorms:frj

much longer, the applicant will have advanced the workings to such a degree that the present proposal may have to be modified.

As the need for Arizona asbestos seems to be great, I would recommend that the loan for the presently proposed exploration work be granted.

Stewart's original report is being returned.

Walter R. Storms

Walter R. Storms, Chief
Arizona-New Mexico Branch
Mining Division, Region IV

DMA 2005

Metate Asbestos Corporation, Glebe, Arizona
P O Box 1506
APACHE MINES

INFORMATION INCOMPLETE - RETURNED TO MR J H EAST, JR., REGION IV

4 copies of MF-103 with supplemental information.

8-28 letter to Mr. East, 8-29-51 letter to applicant.

MINES
GILA COUNTY
GLOBE, ARIZONA

651 E. KLINE STREET
GLOBE, ARIZONA
TELEPHONE 261-J

METATE ASBESTOS MINES COMPANY

Producers of

WORLD'S FINEST CRUDES AND SPINNING FIBRE

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 15 1952

July 12, 1952

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

Att: Mr. C. E. Mittendorf Administrator

Dear Sir,

We have read with interest the letter of July 2, sent to our Senator McFarland in regards to the four applications for exploration loans from Arizona.

In regards to our exploration loan DMEA-2005. We have not had any contact with the Denver Office for several months. We have agreed to reduce our application to the $25,000. loan so it could be handled through the Denver office. It was originally planed to explore within the workings we are now working but this been so long ago that the Company has abandoned this plan for we have all ready gone on down on the vein and proven most of what we wanted to know. We advanced to the Feild Office in Tueson Arizona another plan to run a exploration tunnell up on our number 2 claim where we have a very large outcrop of Asbestos and the $25,000 loan would be sufficient for this. This would not interfere with our present operation and would be more acceptable to the Company. This would be a great help to prove how far this ore goes down and the width and extent of the ore body. After exploration was completed we could move in with a mining program and greatly expand our production to help fill orders we hold from Thermoid Corp. and one we expect to get from Johns Manville. Our mill is not operating at capacity with the two tunnells we are now operating and could easily handle the third tunnell.

This week we recieved from the San Carlos Indians a new lease for Asbestos just fourteen miles from our present property and mill. It is our plan to make application for a exploration on this property as soon as lease is ratified by the Interior Dept. This is a large property and should produce a very substantial amount of high grade ore.

MINES
GILA COUNTY
GLOBE, ARIZONA

651 E. KLINE STREET
GLOBE, ARIZONA
TELEPHONE 261-J

METATE ASBESTOS MINES COMPANY

Producers of

WORLD'S FINEST CRUDES AND SPINNING FIBRE

The Thermoid Corp. who we are selling our fibre to has repeatedly asked us to step up production. But to do this we need some finicial assistance in the form of a exploration loan. Thermoid Copp. holds large Defense contracts and cannot fill them without additional fibre. We think this would merit some faster action not only on our loan but on the rest of the members of our Association.

Thank you for your letter to our Senator, I remain

Very truly yours,

Jack L Mear
Metate Asbestos Corp.
Vice President

FILE COPY
SURNAME:

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

Hon. Ernest W. McFarland

United States Senate

My dear Senator McFarland:

Reference is made to your letter of June 26, 1952, requesting information on the following applications:

Bear Canyon Mining Company	DMEA-2550
Metate Asbestos Corporation	[illegible]
Apache Asbestos Mine	DMEA-2384
D. W. Jaquays Mining Company	DMEA-2338

All of the above applications are being processed by the Denver Office of the Defense Minerals Exploration Administration, Region IV, under delegation of authority. On June 30th that office informed us regarding these applications as follows:

Bear Canyon Mining Company, DMEA-2550 - Application for $25,000. A Field Team examination will be made on this property as soon as possible.

Metate Asbestos Corporation, [illegible] - Application for $150,760. The Denver staff and the applicant have been attempting to work out a mutually agreeable exploration assistance program.

Apache Asbestos Mine, DMEA-2384 - Application for $24,616.[illegible]. The applicant has exposed some good grade asbestos and requests report be held up until August 1 as he may decide to cancel loan application.

D. W. Jaquays Mining Company, DMEA-2338 - Application for $16,220. Final Field Team Report expected in Denver this week.

For further detail on these projects, it is suggested you contact the Denver Office of the Defense Minerals Exploration Administration, attention Mr. W. H. King, Bureau of Mines, 22A New Customhouse Building, Denver 2, Colorado.

Sincerely yours,

C. O. Mittendorf

Acting Administrator
Defense Minerals Exploration
Administration

LGHenkigsd 8/1/52
Copy to: Admin. Reading File
Dr. Boulos, 3522
Mr. Horton, G-232 GSA Bldg.
Operating Committee
Field Team, Region IV
Docket File
Mr. Houk

FILE COPY
SURNAME:

Waskey
Barr

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

370

AUG 30 1951

Mr. J. R. East, Jr., Executive Officer
DMA Field Team, Region IV
224 New Customhouse Bldg.
Denver 2, Colorado

Re: DMA-2005, Asbestos
Metate Asbestos Corp.
Apache Mines

Dear Mr. East:

The work program proposed in subject application appears to be entirely outside of the scope of Exploration under MO-5, with the exception of the item under Question 24, form MF-103, Diamond Drilling $12,000.

We suggest that you contact the applicant and request a revised proposal restricted to Exploration as defined in MO-5; such a reduction would no doubt reduce the amount of the application sufficiently to enable final processing by your office.

Sincerely yours,

SIGNED

Tom Lyon, Director
Supply Division

J. 7 8/30

Enclosures

U. S. Bureau of Mines

U. S. Geological Survey

RWASKEY:mp
8-27-51
cc: Field Team, Region IV
Mr. Lyon
Mr. Barr
210
DMA Files

FILE COPY
SURNAME:

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

370

Mr. Barr
noted
afternoon

AUG 30 1951

A. E. C.

Petate Asbestos Corporation
P. O. Box 1506
Globe, Arizona

Re: DMA-2005 - Asbestos
Apache Mines

Gentlemen:

A review of subject application by this office indicates that most of the work proposed, other than diamond drilling to the extent of an expenditure of $12,000, consists of production work which does not come within the scope of Exploration Projects under MO-5, and hence could not be allowed.

We are transferring your application to Mr. J. H. Brst, Jr., Executive Officer, DMA Field Team, Region IV, 224 New Customhouse Building, Denver 2, Colorado, with the suggestion that a new proposal be requested from you restricted to work within the scope of MO-5. Mr. Brst has authority to effect final processing of Exploration Applications up to a maximum amount of $25,000.00, without referral to Washington, D. C.

Sincerely yours,

SIGNED

James A. Barr, Sr., Chief
Industrial Minerals Branch

J.F. 8/30

RWASKEY:mp
8/29/51
cc: Field Team, Region IV (2)
210
Mr. Lyon
Mr. Barr
DMA Files

August 24, 1951

Mr. Jack L. Neal, Vice President
Metate Asbestos Corporation
P. O. Box 1506
Globe, Arizona

Subject: DMA-2005
Re: Exploration Loan
Apache Mine

My dear Mr. Neal:

This will acknowledge receipt of your application dated August 8, 1951 for a loan under the Defense Production Act of 1950.

Your application was assigned Docket Number DMA- 2005 and referred to the Industrial Minerals Branch.

Kindly refer to DMA- 2005 in any future correspondence relating to your application.

Sincerely yours,

Robert E. Adams

Robert E. Adams, Chief
Reports and Records Unit

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMA-2005X, Metate Asbestos Corp.

Gila County, Arizona

Revised

Lincoln A. Stewart, Mining Engineer
U. S. Bureau of Mines

August 1952

REVISED SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

By Lincoln A. Stewart 1/

The Engineering report, Locate Asbestos Corp., Gila County, Ariz., was submitted to Denver April 10, 1952 following an investigation of the property by the examining team on February 12. Submitted with this report was the Summary, Conclusions and Recommendations, which the Geological Survey member had read. No objection to the recommendation was offered at that time.

The writer freely admits optimism in the recommendation of the application and is still of the opinion that denial recommendations, based on failure to predicate full repayment of loans for asbestos explorations, are an inadequate approach to the encouragement and stimulation of intensive search for new deposits or for extensions of known deposits.

Two asbestos consultants to the Government 2/ have indicated that everything possible must be done to get more production from Arizona.

Shride submitted the Geologic report on June 12, after having revisited the mine. In that report, possibilities of exploration at the presently operating mine (No. 2) are discussed. On page 9, under heading West of Dike it is stated "Immediately west of the N. 70° E. diabase dike, asbestos is exposed in three places. If the limestone "feathers out" to the northwest, as diagramed on figures 6A and 6C, as seems most likely, there is little potential of asbestos northwest of the dike. If, however, the limestone is

1/ Mining Engineer, U. S. Bureau of Mines, Tucson, Ariz.
2/ Dr. Oliver Bowles and Jesse M. Weaver.

continuous for some distance, as shown in the alternative figures 6B and 6D, this is a very likely area for asbestos. If exploration is done in this deposit, drifting on the northwest side of the dike along the strike of the beds would be worthwhile to find out whether or not the limestone west of the dike is continuous for at least a few tens of feet."

This is the part of the program mentioned on page 16 of the Engineering report: "There is a further possibility of the existence of a similar deposit on the north side of the main dike because of the fact that the formations dip more steeply on the north side of the dike, the driving of an exploratory crosscut to that side should be held in abeyance until considerable depth has been attained in the primary exploration incline. Thus any ore found could be mined much more cheaply b y overhand stoping from a drift along the strike". 200 feet of Crosscutting and drifting was tentatively set up for this phase.

Quoting again from the Geologic report, page 10 under heading In Irregular "Bulge" at Southwest End of Workings, it is stated: "Where the "bulge" was first encountered, one round was shot in the diabase. This exposed a continuation of the ore-bearing bed. It seems likely, however, that this is a "sliver" of limestone (as illustrated on figure 6B) that will not be continuous. It would be worthwhile to drift 10 to 20 feet to prove the nature of this limestone block. If the limestone underlies the entire diabase "bulge", very probably it will contain minable widths of asbestos ore".

This location was to be the primary exploration incline of the program, the first phase of which was the rehabilitation of the original incline to this point, to be followed by 200 feet of inclined drifting. The Engineering report states: "At the bottom of the incline a round has been blasted through this crosscutting dike and fiber is showing below the dike. There also is a possibility that a deposit will be found westward from this point. If the cross dike is merely an offshoot from the main east-west dike, geologic conditions would be favorable for a continuation of the deposit down dip along the south side of the main dike".

At the time the Engineering report was written the crosscutting diabase feature that swung the ore to the southwest was interpreted as a dike. Further mining allowed the geologist to interpret the diabase irregularity as a "bulge". On page 11 of the Geologic report it is stated: "The two possible extensions of the deposit earlier discussed (northwest of the dike and below the diabase "bulge") are geologically unlikely areas for the discovery of asbestos".

For a period of more than 4 months since the Engineering report and recommendations were made, the Metate Asbestos Corp. has continued stoping down dip on the deposit. Although the switch-back from the incline to the adit entry is still in use, the company has widened the upper part of the workings and shifted the track to conform with the alignment of the stope. This method of hoisting

the ore seems adequate for their rate of production. The face of the stope is now 60 feet beyond the point shown on figure 3 of Engineering Report (see figure 3A, this report). The ventilating raise to surface, suggested in the original recommendation, has been driven.

It is obvious that the original proposal is not now entirely valid and the applicant is aware of this fact. However, the need to explore the two possibilities remains, as there is a chance of mineralization to the northwest of the mine, if the limestone beds persist down dip. For this reason, the applicant has suggested that the exploration now consist of 100 feet of drifting northwest from some point near the bottom of the stope. To cover the possibility that the limestone beds to be sought may be at different elevations and dips due to tilting, the applicant further suggests that 20 feet of raising be included, plus a total of 100 feet of long-hole drilling (possibly 5 holes of 20 feet each) to take the place of sinking a winze.

An all inclusive unit bid has been offered for this work as follows:

100 feet of drifting at $22.50 per foot	$2,250
20 feet of raising at $15.00 per foot	300
100 feet of long-hole drilling at $5.00 per foot	500
Total	$3,050

The two possibilities of limestone remnants have been previously mentioned as lying under the diabase bulge and west of the N. 70° E. diabase dike. The geologic report suggests the possibility of these

two limestone blocks "feathering out" and thus being "geologically unlikely areas for the discovery of asbestos". The only place opened under the bulge "exposed a continuation of the ore-bearing bed". The report also states "if the limestone underlies the entire diabase "bulge", very probably it will contain minable widths of asbestos ore".

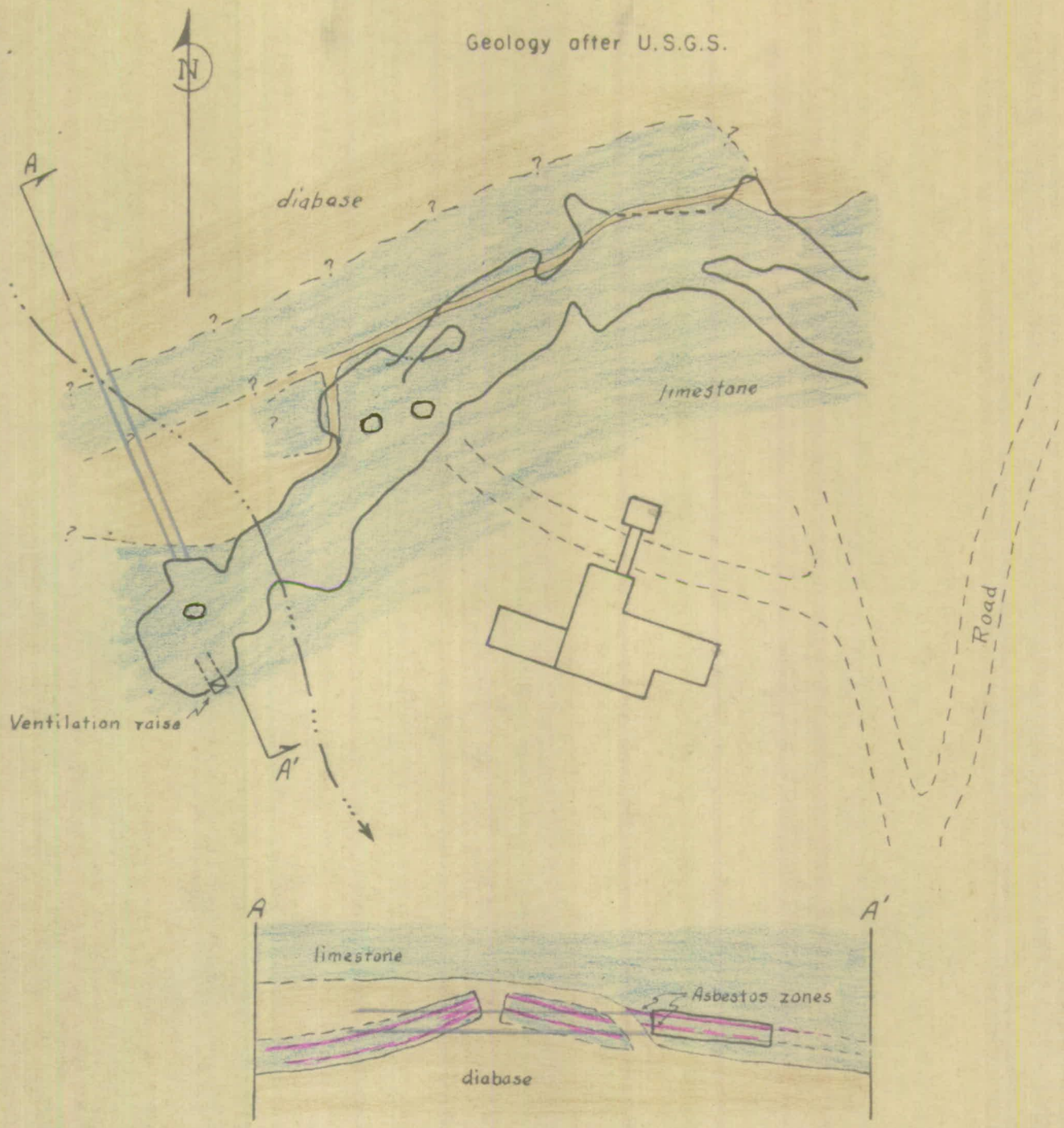
Of the limestone west of the N. 70° E. diabase sill, the geologic report states "asbestos is exposed in three places", and that if exploration is done west of the dike "drifting - - - would be worthwhile to find out whether or not the limestone - - - is continuous - - -".

The possibility of proving or disproving the existence of two potentially ore-bearing limestone blocks within a distance of less than 100 feet from an operating mine at a maximum cost of $3,000 seems to the writer to be a risk well worth taking. The time to do this exploration at a minimum cost is while the mine is in operation. When the present deposit is bottomed, the company plans to conduct a retreating operation of pulling pillars and widening stope areas to recover all possible ore. Owing to the blocky condition of the roof under the gulch, the mine certainly will cave soon thereafter and the chance of relatively inexpensive exploration then will be lost.

The unit bid prices are considered reasonable. The exploratory operations will be conducted on evening or night shift. Long-hole drilling will be done with a jackhammer; applicant will have to rent or buy jointed drill steel. The unit footages are maximum figures considered sufficient to explore the potentialities. Applicant states that if fiber is found it will take over from there.

In view of the low cost of exploring the two possible nearby extensions of the deposit, the writer recommends that the Metate Asbestos Corp. be granted a loan of $3,050 to perform the above exploratory work. Two months should be allowed for the work. It could be started within 10 or 15 days from date of notification to proceed.

The applicant recently has discovered two outcropping asbestos ledges about 150 feet apart on the northernmost claim (Apache No. 2) of the group, less than one-half mile from the mine. These ledges contain fiber similar to that exposed in the outcrop of the main mine. In the near future the applicant expects to make an application for a relatively modest exploratory loan to strip the outcrop and, if showings justify, to explore by an inclined drift. The applicant would like to have this forthcoming program considered as another possible phase of exploration under the present RFA docket No. 2006, in order to obviate the necessity of presenting an entirely new application. However, if this request will in any way jeopardize the granting of the presently recommended loan, the applicant states that this suggestion be disregarded.



Section A - A'.

Postulated cross section. See Fig. 6B, Geologic Report.

Scale 1" = 50'

DMA 2005

Mine as of 8/23/52.

Proposed drift

Fig. 3A - Revised plan, Metate mine, showing proposed work.

"SHANLEY" APACHE MINE
MINT ASBESTOS CORPORATION
GILA COUNTY, ARIZONA
IMA 2005

ASBESTOS

Geology

By
A. F. Shride
Geologist, U. S. Geological Survey

"SHANLEY" APACHE MINE
ARIZATE ASBESTOS CORPORATION
GILA COUNTY, ARIZONA
DMA 2005

ASBESTOS

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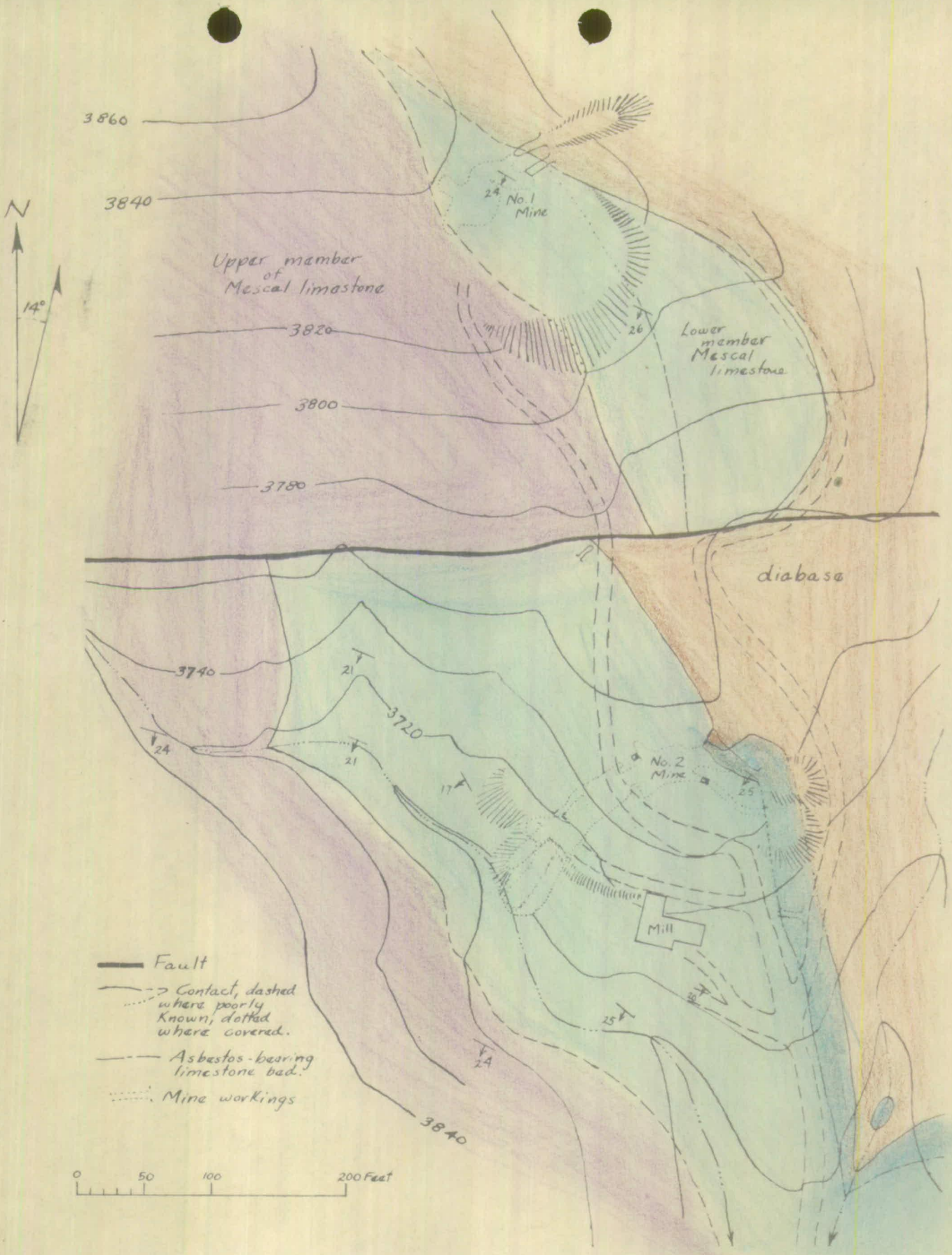

FIGURE 4.-SKETCH GEOLOGIC MAP, "SHANLEY" APACHE MINE

DMA-2005

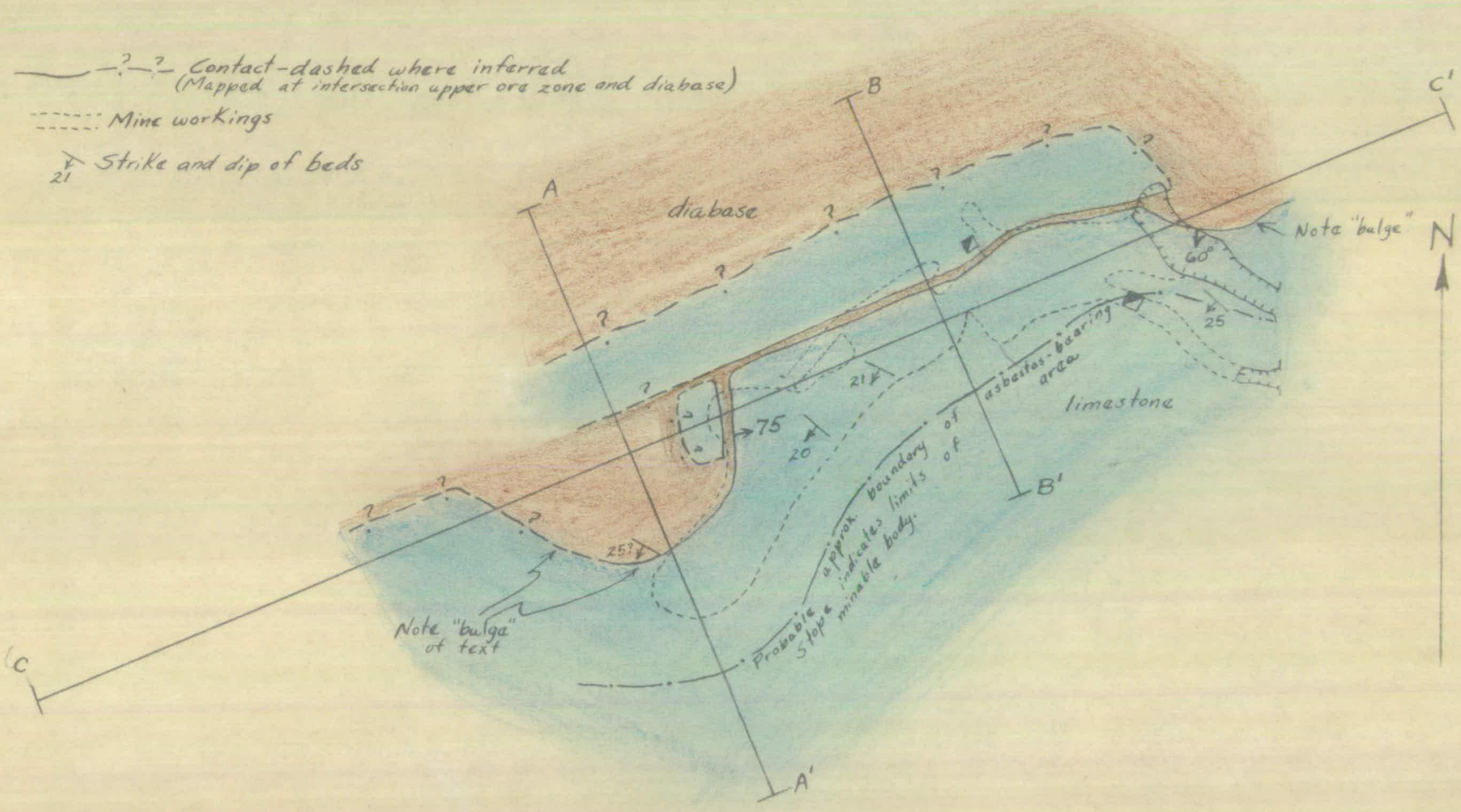

FIGURE 5.– GEOLOGIC MAP, NO. 2 MINE, "SHANLEY" APACHE MINE

0 50 100 150 Feet

DMA-2005

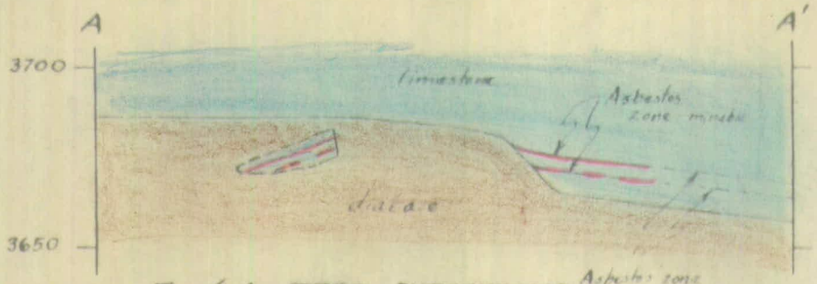

FIG. 6 A - BEST INTERPRETATION OF SECTION A-A'

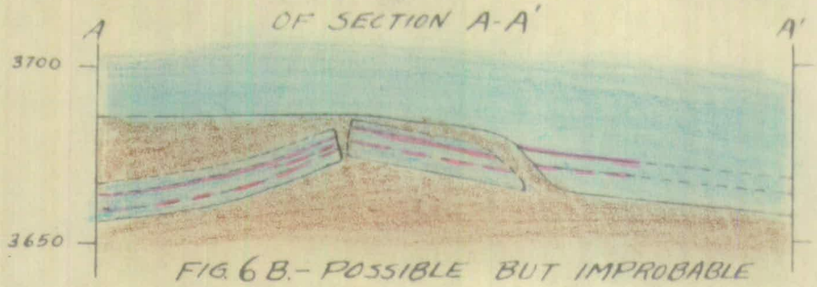

FIG. 6 B. - POSSIBLE BUT IMPROBABLE INTERPRETATION OF SECTION A-A'

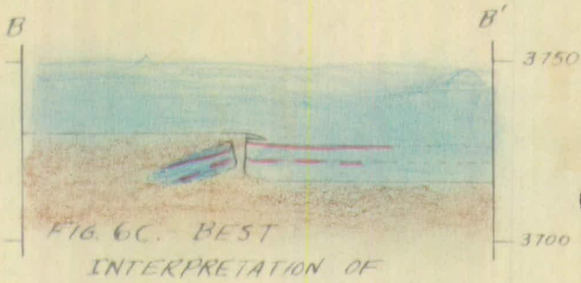

FIG. 6C. BEST INTERPRETATION OF SECTION B-B'

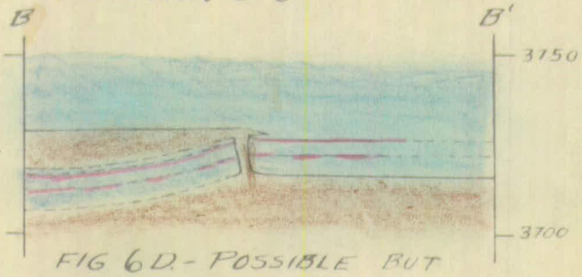

FIG 6 D. - POSSIBLE BUT IMPROBABLE SECTION B-B'

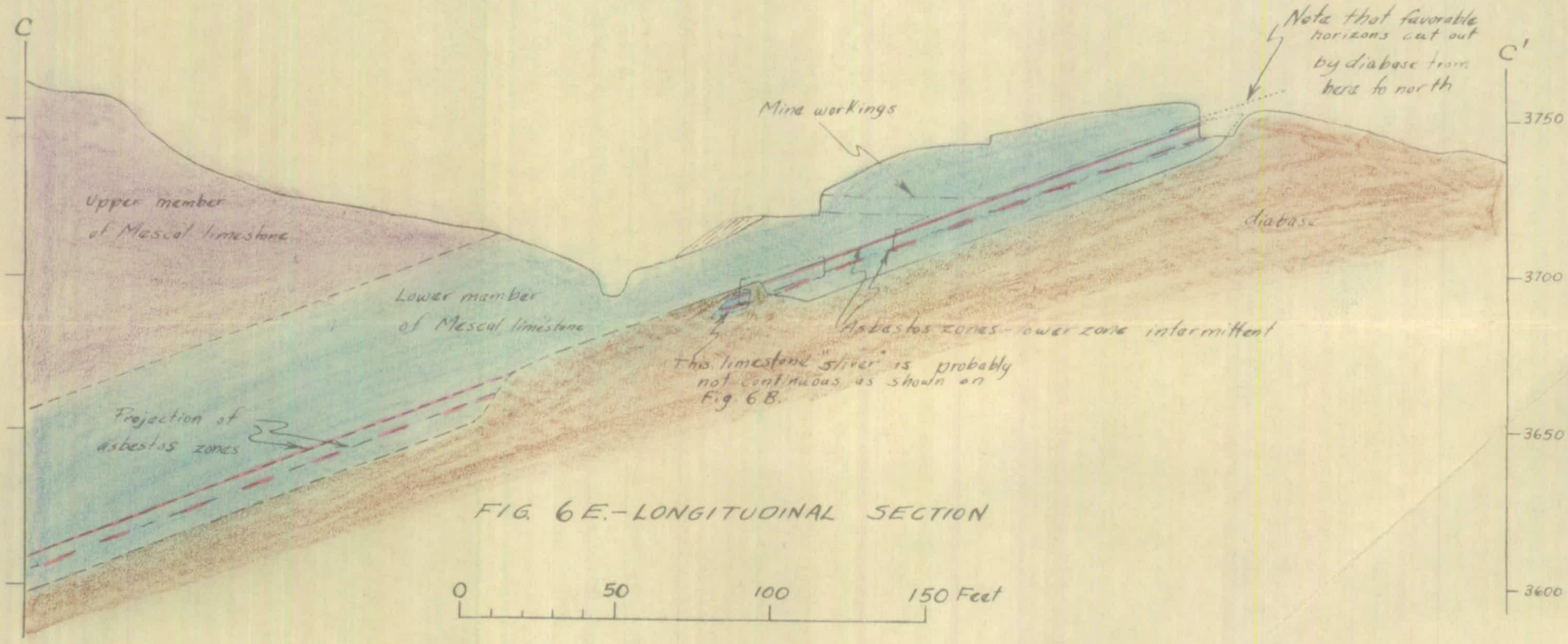

FIG. 6 E. - LONGITUDINAL SECTION

FIGURE 6. - SECTIONS THROUGH NO. 2 DEPOSIT "SHANLEY" APACHE MINE (ASBESTOS)

DMA-2005

SUMMARY AND CONCLUSIONS

An ore sheet 20 to 25 feet wide, of unpredictable but probably not great length, containing perhaps 65 to 80 tons of all lengths of low-iron chrysotile asbestos per hundred feet of length is available for exploration in the area under consideration. This ore contains a large content - perhaps 50 percent - of harsh but nonetheless spinning quality asbestos. Due to the probable exorbitant costs of exploration, per ton of optimistically expectable asbestos, an exploration program of the magnitude proposed, even though the amount of money involved is small ($25,000), does not seem justified.

Because some spinning length asbestos is expectable financial aid in some form may be worthwhile. Unfortunately, none of the Defense Minerals Exploration Administration or Defense Materials Procurement Agency programs seem designed to furnish the financial aid required.

INTRODUCTION

The Metate Asbestos Corporation has requested an exploration loan on the Apache asbestos deposits which are approximately 12 miles airline east-northeast of Globe, Arizona. The deposits are readily accessible from Globe by 15.5 miles of paved, gravel, and dirt road adequate except when wet. As more than one "Apache" asbestos mine exists in the district this mine is here designated the "Shanley" Apache Mine. W. G. Shanley originally developed this area in the 1920's.

The chrysotile asbestos deposits of Gila County, Arizona are genetically related to the intrusion of small dikes and extensive sills of diabase into the pre-Cambrian Mescal limestone. Chrysotile occurs as cross-fiber veins in serpentine zones that approximately parallel the bedding of the limestone. The localization of the asbestos deposits was influenced by favorable limestone beds, proximity of diabase to these beds, small-scale folds, and minor bedding-plane and thrust faults.

GEOLOGY OF THE APACHE DISTRICT

The minable asbestos-serpentine zones on the Apache claims are at the top and bottom of a 4 foot thick competent limestone bed that is approximately 40 feet below the top of the lower member of the Mescal limestone. This stratigraphic unit is the most productive of asbestos throughout the asbestos district. A diabase sill, in general concordant, underlies the limestone; the contact between the diabase and the limestone is 8 to 15 feet stratigraphically below the lower asbestos zone in the asbestos-bearing areas. To the west of the asbestos-bearing areas this sill cuts up across the limestone most favorable to asbestos localization; therefore, asbestos cannot be expected beneath the western part of the Apache group of claims.

The pre-Cambrian rocks and the diabase sills in this area dip 25-30 degrees to the southeast. This dip is the result of post-diabase deformation and therefore is not significant in localizing the asbestos deposits; however, the attitude of the beds does cause a problem in mine development because the deposits must be developed in a down-dip direction.

The main area under consideration in this application can be visualized as underlain by a thin "slab" of southeastward dipping limestone; the asbestos deposits, which parallel the bedding of the limestone are 8 to 15 feet above a thick diabase sill. Approximately halfway between the northernmost mine and the southernmost mine (see fig. 4), the limestone "slab" and the underlying sill are offset by a vertical easterly-trending fault. The northern block is the downthrown block; the throw is on the order of 15-20 feet. On opposite sides of the fault the underlying diabase sill is intruded at slightly different stratigraphic horizons. For purposes of description, hereafter, the northernmost mine arbitrarily will be referred to as the No. 1 mine and the southernmost as the No. 2 mine. North of the fault to the vicinity of the No. 1 mine the limestone-diabase contact is approximately 10 feet below the upper asbestos zone. South of the fault for a distance of approximately 150 feet - to the vicinity of the No. 2 mine - the concordant contact of the diabase and limestone is 2 feet stratigraphically above the upper asbestos zone. Thus in this 150 feet interval there can be no asbestos. In the vicinity of the No. 2 mine the diabase cuts down across the limestone at a high angle and resumes concordancy approximately 10

feet below the upper asbestos zone. The strike of the discordant portion of the limestone-diabase contact can be generalized as N. 70° W.

The most significant factor that determined the extent of the asbestos mineralization in Arizona was the degree and lateral extent of bedding-plane and thrust faulting. Because in many places there was bedding-plane adjustment only immediately adjacent to discordant diabase intrusions, many deposits of the district have little lateral extent away from the diabase-limestone contacts. The deposits on the Apache claims are excellent examples of deposits that cannot be expected to have much extent away from the diabase. Such deposits are likely to be more or less continuous along the discordant contacts of limestone with diabase; however, owing to the vagaries of diabase intrusion the continuity of the deposits along the contacts cannot be predicted readily.

No. 1 Asbestos Deposit

The No. 1 deposit obviously rakes southwest. There are poor geologic criteria to suggest a northeast-trending discordant diabase contact immediately north of the present mine workings. Other than this possible diabase discordancy, there is no suggestion as to the reason for localization of the asbestos in this area. The No. 1 deposit has been exploited by a small stope (see fig. 4). Present mine faces expose harsh fiber veins, totaling 2 to 3 inches in thickness, in a serpentine zone averaging 10 inches in thickness. This zone is at the bottom of the 4 foot favorable limestone bed. In the vicinity of the No. 1 mine, fiber is exposed in the upper zone (at the top of the favorable bed) in only one small area, and nowhere does the upper zone appear to contain minable quantities of asbestos.

The fiber of the No. 1 deposit is within a few feet of the topographic surface and is moderately weathered and therefore weak. If the zones persist, the asbestos of both zones is likely to be weathered for some distance. For this reason and because the ore zone contains less asbestos per unit of stope area than the No. 2 deposit, exploration or exploitation of the No. 1 deposit is not as desirable as for the No. 2 deposit.

No. 2 Asbestos Deposit

Most of the minable asbestos of the No. 2 deposit occurs in a about 20 to 25 feet wide that parallels a N. 70° E. diabase dike. The ore zones are on the southeast side of the dike. The dip of the beds and the asbestos zones in this area is 20° - 22° in a S. 30° - 45° E. direction. An upper 10 to 15 inch thick serpentine zone, at the top of the favorable limestone bed, contains harsh fiber veins totaling 2 to 8 inches in thickness; the average cumulative thickness of the veins is visually estimated to be 4 to 5 inches. A serpentine zone 4 feet stratigraphically below the upper zone contains minable quantities of asbestos only sporadically.

As previously noted, north of the No. 2 mine, the sill has cut up across the beds and is concordant, along the outcrop between the fiber outcrop and the east-trending fault, at a stratigraphic horizon 2 feet above the favorable beds for asbestos development. The line along which the discordancy occurs is probably the N. 70° E. dike. It seems likely that the limestone that is known from three exposures in the mine workings to border the dike on the northwest side is merely a narrow sliver of limestone that probably "feathers out" into the diabase to the northwest

(fig. 6A, 6C). Alternative geologic possibilities to show the possible relations of the limestone to the diabase are shown on figures 6B and 6D.

Recent development in the southwesternmost part of the mine workings in the No. 2 deposit has exposed an irregularity or "bulge" in the underlying diabase sill adjacent to the N. 70° E. dike described above. Exposures of the "bulge" are few and the feature may alternatively be interpreted as a local thin discordant sill offshoot of the main sill - such seems unlikely, however. For alternative interpretations of this feature, see figures 6A and 6B. The local irregularity in the sill at the southeastern end of the present workings was particularly favorable for the development of a considerable local concentration of asbestos, because in the vicinity of such features, the limestone was well fractured and prepared for mineralization. Such features also cause difficulty in geologic interpretation, because past experience in the Gila County district has shown that the degree of asbestos mineralization beyond such structures is not predictable. For some deposits away from such structures and parallel to dikes, such as the N. 70° E. dike of the No. 2 area, the asbestos-bearing serpentine zone may abruptly pinch out. In other places the zone may continue parallel to such dikes. Mining along the zone in the vicinity of the diabase "bulge" is likely to be profitable as long as this feature persists. It should be noted that all asbestos mined to date from the No. 2 deposit is between the above described irregularity and a like "bulge" where the asbestos zone crops out at the surface (see map, fig. 5). Unless such irregularities occur at intervals along the southwest extension of the deposit, it is likely that the asbestos content of the fiber zones will be too little to warrant mining.

Although the fiber is harsh, it is of fairly good tensile strength and is being blended with Shabani fiber, by one of the larger domestic fabricators, to produce electrical grade rovings and textiles. Therefore, the fiber should be considered as of strategic quality, although due to rigid specifications as to flexibility, the Emergency Procurement Service might not consider purchase of the asbestos for the stockpile. Much of the fiber produced from this deposit has been weak due to weathering. Fiber that may be exposed downdip, beyond the line of the creek bed (see fig. 6), can be expected to be of better strength because it will probably be below the zone of weathering.

RESERVES

The asbestos of the No. 1 deposit is of inferior quality and there is little point in estimating reserves for this report. At the present no exploration is contemplated in the No. 1 area.

In the No. 2 area, at present a minable width of asbestos veins can be predicted only in the area bordering the southeast side of the dike. This ore shoot is 20 to 25 feet wide. Experience in the district has shown, that for this type of deposit, it is not reasonable to anticipate asbestos reserves more than 50 feet along the trend of the ore shoot. The upper zone mined to date has included asbestos veins averaging about 4 inches in cumulative thickness. The lower zone, which contains recoverable amounts of asbestos only locally, probably has furnished an equivalent of about 25 percent of the amount of asbestos that has been produced from the upper zone. From the above data 33 to 40 tons of all grades of asbestos are inferred. Deposits of this type are so unpredictable that it does not seem reasonable to term any of this ore as "indicated." This asbestos

might be included in 68 to 80 tons of mill rock. There is little basis from past production figures for estimating the ratio of spinning lengths of fiber to short fiber. However, the veins of the Apache claims contain an unusual amount of spinning lengths of fiber; as a guess, perhaps 40-60 percent of the fiber is recoverable as spinning length fiber.

REVIEW OF ORIGINAL EXPLORATION PROPOSAL

The applicant's original exploration proposal requested funds for two inclined adits, each approximately 500 feet in length.

One adit was to be started in the vicinity of the No. 1 mine and to be driven southward to the vicinity of the No. 2 deposit on the expectation that the asbestos is persistent between the two areas. This plan is not plausible because:

(1) The drifts would not follow the rake of either ore shoot.

(2) The east-west fault that is approximately halfway between the two ore bodies offsets the ore horizon to make the plan untenable.

(3) North of the No. 2 ore body the favorable limestone bed is known, from surface, exposures, to be missing due to dilution by the diabase sill.

The other adit was intended to explore an asbestos zone that crops out approximately 1000 feet northwest of the No. 1 mine. At this exposure 1½ to 2 inches of harsh to semi-harsh asbestos in a weakly serpentinized zone 8 to 12 inches thick occurs 18 inches below a diabase sill in a narrow "sliver" of limestone that is bounded above and below and on both sides by diabase. At the stratigraphic horizon of the asbestos the limestone sliver is limited by diabase to a width of 30 feet. Although the exposures are so poor that strike of the contacts between diabase and limestone cannot be determined with certainty, the best judgment that can

be made is that the contacts are parallel and strike about N. 45° E. If this appraisal of the structure is correct, the proposed inclined adit would explore a limestone block only 30 feet in width. The obvious geologic controls (stratigraphy and proximity to diabase) are very favorable, yet the limestone that crops out is poorly serpentinized and contains little asbestos. In consideration of the above facts, exploration is not justified in this area.

In view of the above appraisals, the applicant was asked to prepare a less pretentious exploration proposal more commensurate with the potential of the No. 2 ore body, where a thick (2-6 inch total of asbestos veins) but narrow ore shoot was exposed. The exploration proposal set forth in the engineering report resulted from this request.

EXPLORATION PROBABILITIES

West of Dike, No. 2 Mine

Immediately west of the N. 70° E. diabase dike, asbestos is exposed in three places. If the limestone "feathers out" to the northwest, as diagrammed on Figures 6A and 6C, ore is more most likely, there is little potential of asbestos northwest of the dike. If, however, the limestone is continuous for some distance, as shown in the alternative figures 6B and 6D, this is a very likely area for asbestos. If exploration is done in this deposit, drifting on the northwest side of the dike along the strike of the beds would be worthwhile to find out whether or not the limestone west of the dike is continuous for at least a few tens of feet.

In Irregular "Bulge" at Southwest End of Workings, No. 2 Mine

Where the "bulge" was first encountered, one round was shot in the diabase. This exposed a continuation of the ore-bearing bed. It seems likely, however, that this is a "sliver" of limestone (as illustrated on

figure 6K) that will not be continuous. It would be worthwhile to drift 10 to 20 feet to prove the nature of this limestone block. If the limestone underlies the entire diabase "bulge," very probably it will contain minable widths of asbestos ore.

Southeast Along the Zone at Present Being Exploited, No. 2 Mine

Asbestos-serpentine zones containing approximately the same amounts and type of fiber as at present being mined can be expected to exist downdip on the southeast side of the dike and the irregular "bulge" in the underlying sill as long as the favorable geologic conditions persist. It is impossible to predict the persistence of the favorable structural conditions, except by comparison with other deposits in the district. Deposits of the Apache type (elongate, narrow bodies localized along a discordant diabase contact where there was pre-mineral fracturing of the limestone) persist in very few places more than 100 to 300 feet, and in many places are persistent only a few tens of feet along the long axis of the deposits.

Downdip from the present face of the No. 2 mine, 65 to 80 tons of asbestos of all grades might be developed per 100 feet of drifting, if favorable geologic structure persists. On the basis of 1951 production records, furnished by the applicant, this fiber might be expected to have an average value on the order of $350 per ton. Therefore, the value of the asbestos that might be discovered per hundred feet of drifting, might be on the order of $25,000. To repay the cost of the revised exploration program furnished by the applicant, would require approximately $500,000 worth of asbestos, or 20 times the value of fiber that is reasonably expectable per hundred feet of drifting. As previously stated, few

deposits of the subject type have lengths of more than 100 to 300 feet. Obviously only a small percentage of the loan can be repaid if fiber is found only in this area. The two possible extensions of the deposit earlier discussed (northwest of the dike and below the diabase "bulge") are geologically unlikely areas for the discovery of asbestos.

If a remote geologic possibility that an appreciable part of an exploration loan will be repaid is a requisite to granting that loan, it must be recommended that the subject loan be denied.

If the revised exploration program is carried out, the maximum length that might be explored along the trend of the ore shoot now exposed might be on the order of 300 feet. If favorable geologic conditions persist along the trend of the ore shoot for 300 feet beyond the present face, a remote geologic probability, the Government would be "subsidizing," by granting the exploration loan, the development work at the rate of $80 - $100 per ton of all grades of asbestos that might be optimistically hoped would be discovered. This assumes that asbestos in comparable quantities to that at present exposed would exist throughout the 300 foot length.

Optimistically it might be hoped that 100 to 150 tons of harsh fiber that may be suitable for spinning would be developed by such exploration work. It would be a more reasonable geologic "bet," that not more than 50 tons of spinning grades would be expectable. If only 50 tons were discovered this production might be said to have been "subsidized" at the rate of $400 per ton of strategic fiber produced. (On one 13 ton shipment of spinning grades of asbestos, the applicant received an average of $735 per ton). Granting of an exploration loan on the basis of the above geologic potential does not seem warranted.

It is certain that some strategic quality asbestos will be recovered beyond the mine face now exposed. If the need for strategic asbestos is so critical that the unfavorable odds outlined in previous paragraphs can be overlooked, granted of an exploration loan can be recommended. The exploration plan to follow the ore body is feasible from a purely geologic viewpoint. Flexibility of direction and planning should be allowed in making a contract for such a program. A preferable way of aiding the operators of this property would be some method of advancing, month by month as long as necessary, funds in small amounts against production so that operating capital would be available. Insufficient reserves (35 to 40 tons inferred) exist to warrant a production loan.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OFFICE OF
REGIONAL DIRECTOR

REGION IV

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
AUG 24 1951

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

August 21, 1951

DMA 20 005

Memorandum

To: Executive Secretary, Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: Form MF-103

Enclosed herewith is application for aid for an exploration project, form Mf-103, from Metate Asbestos Corporation, (Apache Mine), P. O. Box 1506, Globe, Arizona.

Please note that the applicant wishes to have the report by John Daniell on the Apache Mine returned when it has served its purpose.

This application is for the Apache Mine, which is a different deposit from the one which was recently reported on under DMA Docket 451.

J. H. East, Jr.

J. H. East, Jr.

Enclosure

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

200 New Customhouse
Denver 2, Colorado

June 16, 1952

Memorandum

To: DMA Field Team, Region IV

From: A. N. Koschmann

Subject: DMA Docket 2000, "Chanley" Asbestos Mine, Lutate Asbestos Corporation, Gila County, Arizona (Asbestos)

Enclosed are the original and 8 copies of the geologic report by A. F. Bride of the U. S. Geological Survey covering the above docket.

It has been recommended that the loan be denied.

A copy of the brochure is enclosed.

A. N. Koschmann
A. N. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (10)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

[illegible] Box [illegible], University Station
Tucson [illegible], Arizona

June 12, 1952

Memorandum

To: A. [illegible] Kaufmann, Denver, Colorado

From: A. [illegible] Shride, Tucson, Arizona

Subject: Geologic Report, MMA 3005, "Charley" Apache Mine, Private Asbestos Corporation, Gila County, Arizona (Asbestos)

Enclosed are the original and 8 copies of the above report by A. F. Shride of the Geological Survey.

Because the conclusions and recommendations of this report are at variance with those of the engineering report which recommends exploration, the enclosed report is longer than is usually necessary. I would like to direct your attention particularly to pages 10, 11, and 12 of the geologic report.

Enclosed is a copy of the original [illegible] chart.

A. F. Shride
Acting District Supervisor
Prospecting Service

Enclosures 10