REYNOLDS FALLS ASBESTOS, INC.

Statement of Asbestos Ore Purchases to 6-11-57

Mill Returns	No. 1	No. 2	No. 3	No. 4
May 16, 1957	100 #	1300 #	1400 #	1131 #
17	200	1900		905
20		600	5900	4300
21	100		300	180
22		500	1600	1400
23	100	500		
24		1100	1600	1600
25			1500	1210
27	100	500	1600	810
28	100	700	900	1300
31		300	1200	1054
June 11	100	700		
Total Returns-	800#	8100#	16000#	13890 #
	4	4.05	8.0	6.99

Valuation

800#	No. 1 Crudes	at	$1500	per	Ton	$ 600.00
8100#	No. 2 "	"	900	"	"	3,645.00
16000#	No. 3 "	"	400	"	"	3,200.00
						$ 7,445.00
Total value of crudes 13890#	No. 4	"	$ 100	per	ton	694.50
Total						$ 8,139.50

$ 54.11 Ton Net
107 | 5790.5

Charges

Milling 107 tons millrock at $15.00	$ 1,605.00
Handling charges 10% of $7,445.00	744.50
Advance- 5-13-57 Voucher No. 5114	2,000.00
" 6-1-57 " 5118	2,049.30
" 6-14-57 " 5160	367.70
Total Charges and Advances	$ 6,766.50
Balance due- 7-10-57 Voucher No. 5204	1,373.00
Total	$ 8,139.50

PAID

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REYNOLDS FALLS ASBESTOS INC.
INVESTMENT & TRUST BLDG.
PHOENIX, ARIZONA

Standard Form 44D— Jan [illegible] Edition
Prescribed by General Services Administration Reg. 1 II 211

Approved by Comptroller General, U. S.

PURCHASE ORDER—INVOICE—VOUCHER

PAID BY ☐ CASH OR CHECK NO.

D. O. VOUCHER NO.

BUREAU VOUCHER NO.

ORDER NO
No. 268098

DATE OF ORDER
SEPT 6. 1957

PRINT NAME AND ADDRESS OF SELLER (NUMBER, STREET, CITY, AND STATE)
PAYEE
REYNOLDS & FALLS ASBESTOS INC
1918 TITLE & TRUST BLDG
PHOENIX ARIZONA

FURNISH SUPPLIES OR SERVICES TO (NAME AND ADDRESS)

QUANTITY	ITEM	UNIT PRICE	TOTALS
2	Ton Crude Asbestos No 1 9-62-19	150.00	300.00
3.7	Ton Crude Asbestos No 2 9-62-29	900	3330.00
3.9	Ton Crude Asbestos No 3 9-62-39	400	1560.00
	Mat		$5190.00

SELLER'S INVOICE SENT TO
GENERAL SERVICES ADMINISTRATION
Office of the Comptroller

TOTAL $5190.00

DISCOUNT TERMS
% DAYS

DATE INV. RECEIVED

ORDERED BY (SIGNATURE)
M E Harris

PURPOSE (PROJECT, ETC.)

If desired, seller may obtain following receipt on delivery

DELIVERED TO (SIGNATURE)
M E Harris

TITLE
Mining Engr

DATE
Sept 6. 1957

INSTRUCTIONS

After satisfactory identification of the Government representative presenting this form, verify the itemization, including quantity, unit price, amount totals, and discount sections on the seller's invoice. If delivery is completed by over-the-counter service, the return of the certified seller's invoice to the Government representative will expedite payment. If delivery is completed by other than over-the-counter service, the certified seller's invoice should be sent promptly to the Government agency at the mailing address shown on the form. Retain this seller's copy of invoice for your records.

2. SELLER'S COPY OF INVOICE

GPO
868086

ORIGINAL FILE COPY
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DATE

Standard Form 44 — June 1955 Edition
Prescribed by General Services Administration

Approved by Comptroller General, U. S.

PURCHASE ORDER—INVOICE—VOUCHER

PAID BY ☐ CASH OR CHECK NO.

S. O. VOUCHER NO.

BUREAU VOUCHER NO.

ORDER NO. 344204

DATE OF ORDER Nov 1. 1957

PAYEE — PRINT NAME AND ADDRESS OF SELLER (NUMBER, STREET, CITY, AND STATE)

REYNOLDS FALLS ASBESTOS INC
1918 TITLE TRUST BLDG
PHOENIX, ARIZONA

FURNISH SUPPLIES OR SERVICES TO (NAME AND ADDRESS)

GENERAL SERVICES ADMINISTRATION
DEFENSE MATERIALS SERVICE
[illegible] FOURTH STREET
SAN FRANCISCO 3, CALIFORNIA

QUANTITY	ITEM	UNIT PRICE	TOTALS
.25 Ton Aer Crude No 1 9-62-4A		1500	375.00
1.8 Ton Aer Crude No 2 9-62-5A		900	1620.00
2.25 Ton Aer Crude No 3 9-62-6A		400	820.00
	POSTED		

SELLER'S INVOICE SENT TO

GENERAL SERVICES ADMINISTRATION
Office of the Comptroller

TOTAL 2815.00

DISCOUNT TERMS % DAYS

DATE INV. RECEIVED

ORDERED BY (SIGNATURE) M E Harris

PURPOSE (PROJECT, ETC.)

If desired, seller may obtain following receipt on delivery

DELIVERED TO (SIGNATURE) M E Harris

TITLE Mining Engineer

DATE Nov 1. 1957

INSTRUCTIONS

After satisfactory identification of the Government representative presenting this form, verify the itemization, including quantity, unit price, amount, total, and discount sections on the seller's invoice. If delivery is completed by over-the-counter service, the return of the certified seller's invoice to the Government representative will expedite payment. If delivery is completed by other than over-the-counter service, the certified seller's invoice should be sent promptly to the Government agency at the mailing address shown on the form. Retain this seller's copy of invoice for your records.

2. SELLER'S COPY OF INVOICE

GPO 887375

Standard Form [illegible] June 1954 Edition
Prescribed by General S[illegible]
Administration Reg. 1.

Approved by
Comptroller General, U. S.

PURCHASE ORDER—INVOICE—VOUCHER

PAID BY ☐ CASH OR CHECK NO.

D. O. VOUCHER NO.

BUREAU VOUCHER NO.

ORDER NO. 344214

DATE OF ORDER DEC 6 1957

PRINT NAME AND ADDRESS OF SELLER (NUMBER, STREET, CITY, AND STATE)

PAYEE

REYNOLDS HALLS ASBESTOS
1018 TITLE TRUST BLDG PHOENIX

FURNISH SUPPLIES OR SERVICES TO (NAME AND ADDRESS)

GENERAL SERVICES ADMINISTRATION
DEFENSE MATERIALS SERVICE
[illegible]
SAN FRANCISCO [illegible]FORNIA

QUANTITY	ITEM	UNIT PRICE	TOTALS
.75	TON ARIZ CRUDE No 2 9-62-8B	900	675.00
.75	TON ARIZ CRUDE No 3 9-62-9B	400	300.00

CERTIFIED

SELLER'S INVOICE SENT TO

GENERAL SERVICES ADMINISTRATION
Office of the Comptroller

TOTAL 975.00

DISCOUNT TERMS % DAYS

DATE INV. RECEIVED

ORDERED BY (SIGNATURE) M E Harris

PURPOSE (PROJECT, ETC.)

If desired, seller may obtain following receipt on delivery

DELIVERED TO (SIGNATURE) M E Harris

TITLE MINING ENGINEER

DATE DEC 6 1957

INSTRUCTIONS

After satisfactory identification of the Government representative presenting this form, verify the itemization, including quantity, unit price, amount, total, and discount sections on the seller's invoice. If delivery is completed by over-the-counter service, the return of the certified seller's invoice to the Government representative will expedite payment. If delivery is completed by other than over-the-counter service the certified seller's invoice should be sent promptly to the Government agency at the mailing address shown on the form. Retain this seller's copy of invoice for your records.

2. SELLER'S COPY OF INVOICE

GPO
887315

1958

ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS:

That WILLIAM S. BRADBURY and WILLIAM WALKER, hereinafter referred to as the Assignors, for and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, do hereby assign, transfer and set over the following percentage interests to the following persons in and to that certain option and lease of mining property dated August 4, 1956, between Via Development Company, a New Mexico corporation, and the Assignors. The percentages herein assigned are as follows:

Eugene Durand	15%
Walter Ray Scott	15%
Richard Pierce	14%
Richard McMillan	10%
Melvin Stockman	5%

It is hereby acknowledged between the Assignors that the remaining 41% is divided between the Assignors, 21% to William Walker and 20% to William S. Bradbury.

TO HAVE AND TO HOLD the same unto the said parties, their heirs, successors and assigns.

IN WITNESS WHEREOF, the said Assignors have hereunto set their hands this 4th day of February, 1957.

William S. Bradbury
William S. Bradbury

William Walker

OFFICE
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STATE OF ARIZONA)
County of Maricopa) ss.

On this the 4th day of February, 1967, before me, the undersigned Notary Public, personally appeared WILLIAM S. BRADBURY and WILLIAM WALKER, known to me to be the persons whose names are subscribed to the foregoing Assignment, and acknowledged that they executed the same for the purpose and consideration therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires
Aug. 7, 1968.

Lelia G. Long
Notary Public

Exhibit 9

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CODE

OFFER

COME NOW EUGENE DURAND, WALTER RAY SCOTT, RICHARD PIERCE, RICHARD McMILLAN, MELVIN STOCKMAN, WILLIAM WALKER, and WILLIAM S. BRADBURY and make the following offer to REYNOLDS FALLS ASBESTOS, INC., an Arizona corporation:

1. The said parties do hereby offer to sell, assign, transfer and set over unto the said corporation all of their right, title and interest in and to that certain option and lease of mining property dated August 4, 1956, between Via Development Company, a New Mexico corporation, and William S. Bradbury and William Walker, and which lease is now the property and asset of the undersigned parties in the percentages shown opposite their names, in consideration of the corporation issuing to the said parties 100,000 shares of its $1.00 par value common stock, to be issued and divided among the undersigned parties on a percentage basis, as the percentages appear opposite their respective names. As additional consideration for the issuance of the said 100,000 shares of common stock, the undersigned agree to cause to be transferred to the said corporation all interest of Sierra Asbestos, Inc., an Arizona corporation, in and to the trailer and trailer contract of November 30, 1956 with Globe Trailer Sales, and in and to all small tools, operating supplies, and compressor and drilling equipment on rental contracts.

2. William Walker and William S. Bradbury, two of the undersigned parties, do hereby agree to indemnify and hold harmless the said Reynolds Falls Asbestos Inc. of and from all claims of Sierra Asbestos, Inc., and of and from all claims of W. Rowland Carmack and Jack Carmack, and any and all obligations to the said parties involving any rights they might have growing out of any contracts or interests of any kind whatsoever in and to the claims described in the Via Development Company lease or the equipment or supplies on the said property are hereby assumed as the obligations of William Walker and William S. Bradbury.

(Signed) Eugene Durand
Melvin Stockman
Richard McMillan

William S. Bradbury
William Walker
Richard Pierce
Walter Ray Scott

Exhibit 10

OMEA
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DATE	INITIALS	CODE

OPTION AND LEASE OF MINING PROPERTY

THIS OPTION AND LEASE, made this 4th day of August, 1956, by and between VIA DEVELOPMENT COMPANY, a New Mexico corporation, qualified to do business in the State of Arizona, as the optioner and lessor, hereinafter referred to as the "Owner," and W.R. [redacted], W.R. [redacted], WILLIAM WALKER, W.R. [redacted] and WILLIAM S. BRADBURY, as the optionees and lessees, hereinafter referred to as the "Operators";

W I T N E S S E T H:

That the Owner, for and in consideration of the rents and royalties hereinafter specified to be paid by the Operators, and the covenants and agreements herein contained by the said Operators to be kept and performed, does hereby by these presents grant and convey unto the Operators a sole and exclusive option to purchase those certain hereinafter-described unpatented lode mining claims on the following terms and conditions:

1. The total purchase price shall be the sum of One Hundred Thousand Dollars ($100,000.00), on which purchase price all royalties due the Owner under and by virtue of the lease hereinafter set forth shall apply and be credited, if and when such royalties total the sum of One Hundred Thousand Dollars ($100,000.00). This option shall continue for a period of ten (10) years, or until such time as the Operators default either in the payment of the minimum sums due on the option or the payment of royalties on production as hereinafter provided.

2. Commencing on and after July 1, 1956, the Operators shall pay a minimum of Three Hundred Dollars ($300.00) monthly royalty payment to the Owner, or shall not do less than six hundred (600) man hours of development work on the property per month; provided, however, that the minimum shall be calculated on a three-month basis, so that not less than Nine Hundred Dollars

BARRY DE ROSE
ATTORNEY AT LAW
102 SOUTH BROAD STREET
GLOBE, ARIZONA
TELEPHONE 988

($900.00) shall be paid to the Owner in advance royalty payment, or eighteen hundred (1800) man hours of development work be done on the property, during any three-month period, and work done in constructing or operating a mill shall not be regarded as development work. In the event that some hours of work, but less than the 1800 man hours of development work, have been done on the property during any three-month period, Operators shall pay to Owner as advance royalty and in lieu of the said Nine Hundred Dollars ($900.00) the sum of Fifty Cents (50¢) per hour for each hour that Operators are short of working 1800 hours. The Operators shall keep accurate account of salaries and wages paid and hours of work performed and the books of the Operators shall be open for inspection by the Owner or his agents at all times.

3. As long as the minimum work herein required to be performed under the lease is conducted and carried on, the said lease and option shall remain in full force and effect; provided, however, that any default in the terms of the lease hereinafter set forth shall also constitute a default in the option, and if any such default is not remedied within the time hereinafter provided for in the said lease, the same shall constitute a default on the option, and all forfeiture and enforcement provisions hereinafter set forth with relation to the lease shall have application to the option, and a forfeiture of the lease by the Owner, pursuant to the terms hereof, shall automatically constitute a forfeiture of the option.

4. IN CONSIDERATION OF THE COVENANTS AND AGREEMENTS HEREINAFTER CONTAINED, the Owner has leased, let and demised, and by these presents does lease, let and demise and grant an option thereon unto the Operators, those certain unpatented lode mining claims situated in the Sierra Ancha Mining District, Gila County, Arizona, the names of which, together with the

docket and page therein the location notices are recorded in the office of the County Recorder of Gila County, Arizona, to which reference is hereby made for a more particular description are as follows:

NAME OF CLAIM	BOOK OR DOCKET	PAGE
Falls No. 1	39	81
Falls No. 2	39	82
Falls No. 3	39	83
Falls No. 4	39	84
Falls No. 5	39	85
Falls No. 6	39	86
Falls No. 7	39	87
Falls No. 8	39	88
Falls No. 9	39	89
Falls No. 10	39	90
Falls No. 11	39	91
Falls No. 12	39	92
Falls No. 13	39	93
Falls No. 14	39	94
Falls Extension No. 15	40	401
Falls Extension No. 16	40	402
Falls Extension No. 17	40	403
Falls Extension No. 18	40	404
Falls Extension No. 19	40	405
Falls Extension No. 20	40	406
Falls Extension No. 21	40	469
Falls Extension No. 22	40	470
Falls Extension No. 23	40	471
Falls Extension No. 24	40	472
Falls Extension No. 25	40	473

together with such other claims as may be located by the Owner contiguous to the above-described group of claims, or amendments to the said claims, for the purpose of correcting overlaps or missed areas; which claims are leased and optioned to the Operators, or their assigns, for the purpose of mining, sorting, taking out and removing therefrom and/or treating, milling and otherwise grading such minerals or ores as are now or may hereafter be found on, above or under the above-described lands; together with the right to construct all buildings, and to make or construct any and all excavations, openings, shafts, pits, ditches, roads, and other improvements upon the said premises, which are now or may become necessary or suitable for the mining and removing of minerals or ores from the said premises, and/or treatment of same.

TO HAVE AND TO HOLD THE SAME unto the Operators for a term of ten (10) years from and after July 1, 1956, unless sooner terminated as hereinafter provided.

This lease and option is made upon the following covenants, agreements and conditions, to-wit:

1. The Operators shall mine the said leased premises in good faith and according to approved modern mining methods, so as to take out the greatest amount of minerals or ores possible, with due regard to the development and preservation of said mine or mining premises as a workable mining property, and so that all available minerals shall be mined as the work progresses, and will not indulge in the practice known as highgrading or gouging.

2. The Operators shall at all times keep the drifts, shafts, tunnels and other works thoroughly drained and clear of loose rock and rubbish.

3. The Owner, or his duly authorized agent or agents, may from time to time go upon and enter into all parts of said leased premises for the purpose of inspection, survey or taking samples therefrom, and the Operators shall render the Owner, or his duly authorized agent or agents, reasonable assistance in making such inspection, survey or examination.

4. The Operators covenant and agree to pay to the Owner as royalties ten percent (10%) of the Operators' "Gross receipts from mining operations conducted on the leased premises" as hereinafter defined. The term ("gross receipts from mining operations conducted on the leased premises") as used herein shall mean:

a. with respect to asbestos and all other ores, except uranium, fissionable, or radioactive ores, all receipts from mills and smelters for such ores shipped from the leased premises less, however, milling and haulage expense in connection with such ores, it being understood that milling expense shall in no event exceed Sixty Dollars ($60.00) per ton of

saleable fiber, and haulage expense shall be allowed from the mine to Globe, Arizona, at the lowest available price; but not to exceed $10.00 per ton of saleable fibre, allowable when sold; and

b. With respect to uranium, fissionable, or radioactive ores, all receipts from mills and smelters for such ores shipped from the leased premises but not including any development allowances and haulage allowances granted by the Atomic Energy Commission;

provided, however, that the payment of all royalties shall apply on the option purchase price and shall be credited on and shall constitute payment on the option purchase price, to-wit, the sum of One Hundred Thousand Dollars ($100,000.00), if and when the sum of all such royalties or other payments equal the sum of One Hundred Thousand Dollars ($100,000.00).

5. The Operators shall keep a correct account of all minerals mined and sold, the grade and weight thereof, to whom sold, and the price received therefor, which books shall be open to the inspection of the Owner at all reasonable times.

6. The royalties herein provided for shall be due and paid on the 20th day of each month for all minerals sold during the preceding calendar month. At the time of making each payment of royalties the Operators shall transmit to the Owner an exact statement of the amount of all minerals mined from the leased premises during the preceding month and the grades thereof, the amount of all minerals sold during the preceding month, the grades thereof, to whom sold and the price received therefor, and shall furnish the Owner true copies of all settlement sheets for any and all such sales or shipments. Payments of royalties shall be made to the Owner at such address as he may from time to time designate.

7. The Operators hereby assume any and all liability or liabilities arising or to arise from accidents or injuries to their agents or employees or any other person in or about the premises while the same are in the possession of the Operators, and that the Owner shall be indemnified against any liability or

responsibility for or on account of any such injuries, it being understood that the hazard of all such liability or liabilities is taken into consideration by the parties hereto in fixing the consideration under this agreement.

8. All taxes and assessments levied or assessed upon or against the mining claims, mining equipment, buildings and machinery, and all minerals mined and shipped pursuant to the terms of this lease shall be paid by the Operators.

9. All bills and expenses incurred by the Operators or those in privity with them shall be promptly paid by the Operators, and the Operators shall not incur any debts or liens against the demised premises for or on account of labor, supplies, materials, equipment or services furnished or performed, and if by reason of the failure of said Operators to pay such bills or expenses any lien shall be filed against said premises, said Operators shall contest and defend against said lien, and if as a result thereof any such lien shall be established against said premises, then the Operators shall promptly pay off and discharge same, and if said Operators shall fail to do so, then the Owner shall have the right to pay off and discharge the same and the said Operators hold themselves liable and bound to pay to the Owner all sums so advanced or paid to clear said premises from such liens.

10. The Operators further agree to post on the leased premises all notices required by the laws of Arizona, and to post at the collar of all working shafts, tunnels and entrances to the mine and at all boarding houses, on or before the day the Operators began operations and file for record in the office of the County Recorder of Gila County, Arizona, within thirty (30) days from the date of this lease, a notice that said mining claims are not being operated by the Owner, that the Owner will not be liable for labor, materials or merchandise

furnished to or performed in the operation or development of said mine or mining claims, and that said mine or mining claims will not be subject to a lien therefor.

11. The Operators 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 Operators shall also, at their 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 Operators shall 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 Lessees, wages paid the employees of the Operators, and the products removed from the said premises.

12. The Operators shall deliver to the Owner quiet and peaceful possession of said leased premises in good order and condition, with all drifts, tunnels and other workings thoroughly drained and cleared of loose rock and rubbish, without demand or further notice, upon the expiration of the term of this lease, or any other termination thereof. It is mutually understood that all structures, machinery, and equipment which may be placed upon the premises by the Operators, excepting timber in place underground, may be removed therefrom within thirty (30) days after the termination of this lease; provided, however, that no such structure, machinery, tools, and equipment shall be removed while the Operators may be in any manner indebted to the Owner under any obligation incurred under this lease.

13. Upon the violation of any covenant, provision or condition herein contained in this lease and option, the Owner shall give the Operators notice thereof in writing, and in the event any such violation, breach or default is not remedied and the terms and conditions of this agreement fully complied with and in every way restored to good standing within thirty (30) days after the date of giving notice to the Operators, then this lease and option shall, at the option of the Owner, expire and terminate and the said Owner, or his agent, may thereupon, without notice or demand, enter upon said premises and dispossess all persons occupying the same, with or without force and with or without due process of law.

14. The Operators shall have the right at any time to abandon this lease in the event that commercial ores cannot, in the opinion of the Operators, be produced on the claims herein-above referred to; but upon the Operators determining to abandon the same, the Operators shall give to the Owner written notice, at the Owner's address as herein stated, by registered mail, not less than ten (10) days prior to such abandonment. In the event of a termination of this agreement by either of the parties hereto, the Operators shall not be discharged from any obligation in favor of the owner that may theretofore have accrued under the terms hereof.

15. (a) The Owner does hereby, for itself, its successors and assigns, warrant that it has not conveyed said above-described unpatented lode mining claims, or any right, title or interest therein, to any person other than the Grantee herein, and that the said unpatented lode mining claims are, as of the date hereof, free from encumbrances, including only taxes, assessments or liens upon said mining claims, and no other encumbrances.

(b) The Operators agree that in each of the years affixed by the United States Government for the doing of

assessment work on unpatented lode mining claims, commencing with the year beginning July 1, 1956, and continuing during the time this lease and option is in force and effect, it will do a sufficient amount of work on the said leased premises to equal the annual assessment work upon each and all of the claims hereinabove described, as required by the mining laws of the United States of America, and of the State of Arizona, on or before April 30th of such assessment year and notify Owner of the completion of such work promptly, and it will in each year, upon the completion of such work, file in the office of the County Recorder of Gila County, Arizona, a proof of such labor in the form required by such laws, and it will state in such proof that such work has been performed for and on behalf of the Owner. The Owner will be furnished with a copy of each notice so recorded.

In any year when the performance of assessment work is not required, and notices of intention to hold without performance of assessment work are permitted by law, the filing of such notices shall satisfy the provisions of the preceding paragraphs (a) and (b) hereof.

16. Any notices required to be given under the terms hereof by either party may be given by depositing the same in the registered mails of the United States, postage prepaid, and addressed as follows:

Owner: Via Development Company
c/o Clarence N. Via
Box No. 4266
Santa Fe, New Mexico

Operators: ~~W. Howland Carmack~~
~~2909 Dr. Commonwealth~~
~~Pasadena, California~~ W.B.

and all such notices shall be deemed to have been given on the date of the deposit of the same in such registered mail.

17. The Owner does hereby expressly covenant and agree that this lease and option may be assigned by the Operators

to any other person, firm or corporation, and the terms of this agreement shall extend to and be binding in every respect upon the assignees of the said Operators. However, should the Operators assign or sub-lease this lease or any part thereof, before any operations are commenced by said assignees or sub-lessors, a notice of non-liability shall be posted and recorded as provided in Paragraph 10 hereof.

18. At such time as Operators have paid to Owner the sum of One Hundred Thousand Dollars ($100,000.00) in royalties or otherwise, Owner agrees to credit all royalties so paid as part of the purchase price and to convey to Operators all its right, title and interest in and to the herein-described mining claims, the parties to this agreement do hereby covenant and agree to enter into and execute such other instruments of conveyance, escrow instructions or supplemental agreement as may be necessary or expedient in carrying out, placing into effect and consummating the sale by the Owner and the purchase by the Operators of the hereinabove-described claims.

19. This lease and option shall bind and benefit the heirs, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the Owner has caused this agreement to be executed by its duly authorized officers, and the Operators have hereunto set their hands as of the day and year first hereinabove written.

VIA DEVELOPMENT COMPANY,
A New Mexico Corporation

By _____
Clarence V. Via, President

ATTEST: _____
Secretary

OWNER

(Forming a part of Option and Lease of Mining Property by and between VIA DEVELOPMENT COMPANY and [redacted], [redacted], WILLIAM WALKER, GORDON TASGI and WILLIAM S. BRADBURY, dated the ____ day of August, 1956.)

W.B.

[redacted]

W.B.

[redacted]

William Walker
WILLIAM WALKER

W.B.

[redacted]

William S. Bradbury
WILLIAM S. BRADBURY

OPERATORS

STATE OF NEW MEXICO)
: ss.
COUNTY OF Santa Fe)

On this the 7th day of August, 1956, before me, the undersigned Notary Public, personally appeared CLARENCE H. VIA and Richard Carson who acknowledged themselves to be the President and Secretary, respectively, of VIA DEVELOPMENT COMPANY, a New Mexico Corporation, qualified to do business in the State of Arizona, and acknowledged that they, as such 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 President and Secretary, respectively.

Beatrice Ferrero Garcia (Ferry)
Notary Public

My commission expires:

August 21, 1956

STATE OF ARIZONA)
: ss.
COUNTY OF GILA)

On this the 1st day of October, 1956, before me, the undersigned Notary Public, personally appeared WILLIAM S. BRADBURY and WILLIAM L. WALKER, known to me to be the person whose names are subscribed to the foregoing Option and Lease of Mining Property and acknowledged that they executed the same for the purpose and consideration therein expressed.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

E. B. Bryant
Notary Public

My commission expires:
12/7/57

BARRY DE ROSE
ATTORNEY AT LAW
102 SOUTH BROAD STREET
GLOBE ARIZONA
TELEPHONE 988

Exhibit 8

DMEA
RECEIVED JAN 2 8
DATE | INITIALS

EXAMINATION REPORT

of

REYNOLDS FALLS MINE

For

REYNOLDS FALLS ASBESTOS INC.

By

ALVIN W. GERHARDT

Registered Mining Engineer

Registered Professional Engineer (Mining)
CERTIFICATE EXPIRES
ALVIN WHITMORE
GERHARDT
DEC. 31, 1957
ARIZONA, U.S.A.

Exhibit 3

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EXAMINATION REPORT

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CLAIM MAP

Section of ore bearing strata
(as observed at main adit)

Reynolds Falls Mine and Vicinity
(Showing proposed exploration)

Reynolds Falls Mine and Section
(Showing asbestos values and elevations)

EXAMINATION REPORT
of
REYNOLDS FALLS MINE
For
REYNOLDS FALLS ASBESTOS INC.
November 25,1957
By
ALVIN W. GERHARDT
Reg.Mining Engineer.

Registered Professional Engineer (Mining)
CERTIFICATE EXPIRES
ALVIN WHITMORE
GERHARDT
DEC. 31, 1957
ARIZONA, U.S.A.

INTRODUCTION

The purpose of this examination was to note and correlate physical and geological features which would aid in determining the best possible future exploration procedure.

The portion of the property examined was in the vicinity of the Reynolds Falls Mine and covered only a portion of the 25 claims within the group.

A survey was made by the Hammes Engineering Company of Globe which aided in obtaining proper location of physical features and elevations.

LOCATION

The Falls group of claims, commonly known as the Reynolds Falls group, is located in the Flouring Mining District, in the Sierra Ancha Mountains, 53 miles by road northwesterly from Globe, Arizona.

They are in Sec.21, T.6 N.,R.14 E., at the junction of Reynolds Creek and its tributary, the South Fork. There are 25 unpatented claims in the group. The property may be reached by traveling South 3½ miles on a narrow dirt road which leaves the main Globe-Young Highway at Reynolds Creek. Except for short periods of time during flash floods or after a heavy snowfall, the property is accessible at all times.

For the purpose of this report, Claims Nos. 1, 2, 3, 4, 5 and 6 are shown on the accompanying map. Only claims 1, 3 and 5 will be explored by the proposed work suggested in this report as

the other claims are situated on the opposite side of South Fork and Reynolds Creek.

CLIMATE AND ELEVATION

As the elevation at the Reynolds Falls mine is approximately 6300 feet, weather conditions are sometimes quite severe during the winter months from December to March. Summer rains during July and August sometimes result in violent flash floods. Total yearly precipitation is about 20 inches.

There will possibly be a day or two when the roads might be inaccessible during heavy storms.

CAMP, MILL and EQUIPMENT

Housing facilities consist of three small cabins and a trailer house within 300 yards of the mine and a larger house about a mile below.

A mill has been recently completed about 250 feet from the main adit which will handle about 3/4 ton of cobbed ore per hour. The mill is powered by a 31.25 K.V.A. generator which operates a small jaw crusher, 2 sets of rolls and 2 shaking screens. The products recovered are No. 1, 2, 3 and 4 crudes. Tailings containing a minus 16 mesh product of serpentine and asbestos is stockpiled for future milling in a fiberizing plant.

A 365 cubic foot compressor furnishes air to operate two air hoists and 2 drill machines within the mine.

HISTORY

This area is said to have been prospected as early as 1917 by B.L.Rogers. The original locations of 14 claims of the Falls Group were made in 1925 by James Nash. William Andrews worked the property between 1924 and 1928 and made a few shipments. In 1928 he added 6 more claims to the group, known as the Falls Extension

Nos. 15 to 20 inclusive. Also in 1928 another Falls Extension Group Nos. 21 to 25 was recorded under the name of S.J.Brubaker. Title to the claims was passed on to Imperial Asbestos, Itd. (S.J.Brubaker, Pres.), who installed a small mill consisting of crusher, rolls and screens and produced a small amount of asbestos. In 1931 J.E.Wells acquired the property. For a time it was operated under a Lease Agreement by Richard C. Currier and later by Arthur Enders.Both of these operators produced considerable asbestos.

The U.S.Bureau of Mines conducted an exploratory program in August and September 1943. One drift was started from the face of the old stope and another was driven on the opposite side of the creek to extend an old 66 ft. tunnel. Each project was advanced 91 ft.

The property was leased in 1949 by George Kohl who operated the mine intermittently until 1953. During this period under the same lease, the Gila Asbestos Co. produced some asbestos in the fall of 1950.

The property was acquired from J.E.Wells by the Via Development Corp., in 1955, but very little actual mining was done. Some stripping with a bulldozer along the ore horizon to the north of the main workings did expose some limestone in place. A 65 ft. tunnel was driven on a limestone ledge below the main ore horizon near the middle side line of Claim No. 5.

In the early part of 1957, the property was purchased by the present owners, the Reynolds Falls Asbestos Incorporated, Richard Pierce, Pres.

PAST PRODUCTION

No reliable records of past production are available but during the life of the mine some 32,000 square feet of area has

been stoped which has probably produced more than a half million dollars worth of fiber. From information gathered from various sources, most of the mine stoped averaged over 4 inches of fiber in all zones. Using this figure as a basis in calculating tonnage removed, approximately 800 tons of fiber was recovered from 32,000 sq.ft. of area.

The Bureau of Mines War Minerals Report No. 371 substantiates this figure. The ore reserves estimated after the exploration was completed was 325 to 400 tons of fiber over an area of 14,536 sq.ft. This area has been stoped out and the proportion of higher grade fiber as well as the quantity of fiber, has decreased. At the present time, the average amount of fiber in the working faces is about 2 inches.

TOPOGRAPHY AND STRATIGRAPHY

The area in which the claims are located is well forrested along the sides of steep canyons which are covered by a heavy overburden. Above this slope, massive sandstone and quartzite bluffs stand out in bold relief.

From the Globe-Young Highway to Reynolds Falls the stratigraphy may be observed in the exposed formations in the creek bottom. The basal beds consist of a massive quartzite (The Dripping Springs Quartzite) which is normally overlain by the Mescal limestone. In this vicinity, however, a diabase sill several hundred feet in thickness has been intruded so uniformly that it has raised the limestone beds with very little apparent folding or faulting of the horizontal beds.

Overlying the Mescal limestone a few hundred feet above the Reynolds Falls camp is the Troy sandstone and quartzite which top the canyon walls in sheer cliffs.

GEOLOGY

Within the mescal limestone is a dolomitic segment which contains bands of serpentine and asbestos. This mineralized portion of the Mescal member is between 70 and 100 feet above the massive diabase sill. An algal limestone member which marks the upper limit of the dolomitic lime in most areas in Gila County was not observed inthis area.Although the diabase sill is a considerable distance below the mineralized zone it is apparently the source of the solutions and heat which were contributing factors to the serpentization and asbestosization of the dolomitic limestone. No other intrusive sills or dikes have been found in this vicinity which might have influenced the deposition of serpentine and asbestos.

The only structural control observed is a slight tilting and bending of the beds to the west and north. The strike of this structure indicates a trend to the ore body about N 13° W which is somewhat substantiated by the shape of the area stoped within the mine. A sectional view of the mine in the direction of the main tunnel shows the bedding to be dipping approximately 5½ feet in the 1st, 200 feet and 8½ feet in the next 120 feet.

Except for the exposure in the creek bed and an occasional surface rock the limestone formation, until prospected, has been obscured by a heavy overburden. Several open cuts, short drifts and a roadway have uncovered portions of the flat lying serpentized limestone around the hill to the north of the main adit and along the sideline of claim No. 5. Some of these cuts expose the main vein horizon while others are in the mineralized rock below. T hese exposures with few exceptions show fiber or bone.

A 65-ft. tunnel about 1000 feet north of the main adit and near the sideline of Claim No.5 was driven in the lower portion of the serpentinized zone and exposes several intermittent bands of

fiber and bone throughout its length. An open cut some 13 feet higher than the back of the drift and 50 feet to the west, exposes the lenticular serpentine zone, (bearing some boney fiber) of the main ore bearing horizon. The ore horizon here is 6.7 feet lower than at the portal of the main workings.

About 600 feet to the west of the tunnel numerous large pieces of lenticular serpentine float containing a No. 3 grade asbestos were found. This float is found where the overburden is apparently thinner and is in the direction of trend of the main ore body. On the bank of the road bed below the float the exposed limestone beds containing thin bands of serpentine are fractured and slightly folded. No limestone exposures were observed beyond this point.

DESCRIPTION OF ORE ZONE

The main ore zone is about 85 feet above the diabase sill in flat or nearly flat-lying bedded limestone. This zone is exposed in the main workings on the west side of the South Fork Creek on Claim No. 3. This zone has also been uncovered in the tunnel directly across the stream bed and in 2 open cuts along the side hill to the north.

The lower asbestos seams are exposed in a short tunnel lower and about 40 feet north of the main adit.

The main ore zone exposed in the main workings occurs in 2 and sometimes 3 distinct bands. The upper band which is carried at the top of drifts and stopes is 2 to 3 feet wide, is "irregularly serpentinized" in a wavy pattern with nodular or lenticular splotches of serpentine. Fiber occurs at any part of the zone in one to several veins. Some times a band of fiber is formed near the bottom of this zone and is spoken of as a second ore horizon. Near the bottom of the stopes is another serpentinized band 6 to 12 inches thick which often contains 2 or more veins of asbestos.

The upper or lenticular vein has been the main producer, but at the present time most of the ore is being extracted from the lower veins.

When the main portal was lowered about 6 feet for drainage and track installation in 1943, another vein was encountered which contained about 1 inch of harsh fiber.

This vein as well as other lower ones are exposed in the drift 40 feet to the north. The bottom 18" of this lower drift was covered with water and could not be examined for additional veins. A sketch showing the sequences of veins in this tunnel and the main adit is included in this report.

PROPOSED EXPLORATION

Three possible starting points for exploration were considered, all with the idea of prospecting the indicated trend of the ore body: (1) from within the mine; (2) from the exposed face in open cut above mill dump; (3) from the 65-foot tunnel about 1000 feet north of the main adit.

(1) Advancing a drift from within the mine would be expensive and slow, as all muck would have to be hoisted to within 200 feet of the adit and then trammed about 200 feet beyond the adit to the dump. This plan would also interfere with present operations where 5 men are employed producing 300 to 400 pounds of fiber per day.

(2) This tunnel site would have to be lowered to the level of the road bed in order to advance a drift below the main ore zone. This site would necessitate building a trestle beyond the mill area. Only a small space would be available for dumping rock from the exploration work. As the level of this tunnel would be below the crushing unit of the mill, ore would either have to be hoisted or trucked to the plant.

3. The third site considered is best from the standpoint of initial preparation, elevation and dumping space. The ore would still have to be trucked to the mill. The relative elevation of the bottom of the drift is 974 feet while that of the deepest workings in the mine is 984 feet. Exploration from this level would undercut the main ore zone, thus eliminating any hoisting within the mine. As the back of the drift will be from 17 to 9 feet or less below the lenticular ore zone, the upper veins may be explored at intervals with drill holes or short untimbered raises.

It is proposed that the third site be used as an initial starting point for an exploration project. From here, a 5' x 7' drift should be extended s. 51° W for 640 feet to cross-cut an area on the trend of the ore body some 300 feet ahead of the present workings. It is further proposed that an additional drift, branch off the first drift at 245 feet to explore the same trend 300' farther to the north; this drift to extend N 72° W for 410'.(See Map)

Holes 20' deep should be drilled in the back of the drifts at intervals of 25' and a log kept of the results. A raise 5' x 5' to the lenticular serpentine horizon every 100' would be informative as well as useful in correlating drill records.

PROBABLE COSTS

1000 ft.drifting	@ $30.00	$30,000
246 ft. raises	@ 10.00	2,460
840 ft.drill holes	@ .50	420.
Total Exploration Costs		$32,880

Alvin W. Gerhardt
Reg. Mining Engr.

Registered Professional Engineer (Mining)
CERTIFICATE EXPIRES
ALVIN WHITMORE GERHARDT
DEC. 31, 1957
ARIZONA, U.S.A.

7. We are prepared to furnish our share of costs by providing equipment owned by us and by providing money as required and agreed.

(b) We have spent more than $65,000.00 on Development, Mining, Milling, Fixed Assets including building a mill for crude fiber.

(c) No available records on past production. In the report an estimate of 800 tons of all grades of fiber was made. We have milled and sold:

No. 1	No. 2	No. 3
.85 Tons	10.3 Tons	14.7 Tons

(Schedule 11)

Information about the mine may be obtained from U. S. Bureau of Mines R. I. 4100, August 1947; War Minerals Reports 370 and 371, 1945 and from Bureau of Mines I. C. 7760, 1955.

(d) No ore blocked out. The quantity of fiber in working faces shown on map in engineers report averages 2" of Nos. 2, 3 and 4 grades of asbestos.

(e) Vein deposit along bedding planes. Geology described in report.

(f) The trend of the ore body is to the north. This is the area which is to be explored. Sampling is done by measuring with a rule the length and quantity of fiber at the working face.

(g) The enclosed report and maps are all information we have except for the bulletins stated in 2 (c).

3. (a) The person to be contacted is Mel Stockman, P. O. Box 441, Globe, Arizona. He will arrange to meet representatives in Globe and accompany them to the mine.

(b) Globe, Arizona is the nearest shipping and supply point (53 miles).

Employees stay within 300 yards of the mine.

4. (a) Described in report under "Proposed Exploration". Maps are included in report.

(b) None

(c) 10 months if one shift (100 ft. per month)
Work would start immediately.

5. Mr. Mel Stockman - Member Board of Directors, Mine Superintendent, has been in the mining business for over 10 years. He was employed by Ammon R. Smith of the American Asbestos Cement Co. on asbestos property near the Reynolds Falls Property and is fully acquainted with the various problems of this operation. He is considered to be the most fully informed man available on this area geologically. Mr. Stockman will be working in conjunction with a licensed mining engineer.

6. (a) No independent contract work

(b)	1 - Supervisor (part time)	$ 2,000.00
	1 - Engineer and Geologist	3,000.00
	1 - Mucking Machine Operator ($16.00 per day)	3,840.00
	1 - Miner ($18.00 per day)	4,680.00
(c)	Water pumped or hauled	
	Fuel - 30 gallons per shift (gas)	1,875.00
	Oil - 1 gallon per shift	250.00
(d)	1 - Gas driven blower	300.00
	1,224 ft. - Vent tube ($.4165 per ft.)	510.00
	1 - Compressor ($188.00 per month rent)	1,880.00
	1 - Jack leg drill ($86.35 per month rent)	863.35
	1 - Mucking Machine ($365.00 per month rent)	3,650.00
	1 - Line Oiler ($2.50 per month rent)	25.00
	2 - Mine Cars ($25.50 ea. per month rent)	510.00
	1 - Water pressure tank - New $75.00 ($7.50 per mo.)	75.00
	100 ft. - 3/4" Air hose	97.21
	100 ft. - 1/2" Air hose	49.53
	100 ft. - 1" Air hose	137.23
	30 pcs. - 7/8" x 6' Carbide insert drill steel	655.50
	5-1/2 Tons - 16 lb. Rail ($260.00 per ton)	1,430.00
	4 - 16 lb. Track switch ($16.50 ea.)	66.00
	140 prs. - Splice bars ($1.00 ea. pr.)	140.00
	350 lbs. - Track bolts ($.30 per lb.)	105.00
	250 lbs. - Track spikes ($.20 per lb.)	50.00
	330 - Rail ties ($.50 ea.)	165.00
	7 Tons - Powder ($24.70 per 100 lbs.)	3,458.00
	6,000 - Fuse caps ($25.85 per 1,000)	155.10
	45,000 ft. - Fuse ($39.30 per 3,000 ft. roll)	589.50
	2 pcs. - 7/8" x 2' Sectional steel ($12.45 ea.)	24.90
	12 pcs.- 7/8" x 4' Sectional steel ($14.40 ea.)	172.80
	2 - 7/8" Sectional shanks ($16.50 ea.)	33.00
	12 - 7/8" Couplings ($5.05 ea.)	60.60
	3 - Bit adapters ($8.55 ea.)	25.65
	4 - 1-5/8" Carbide bits ($16.70 ea.)	66.80
(e)	No initial rehabilitation required	
(f)	No new buildings required	
(g)	Miscellaneous repairs and maintenance	1,000.00
	Accounting, analytical work and other indirect costs	2,000.00
	Workmens' Compensation)	
	Employees' liability insurance) Approx. 15% of wages	2,028.00
	Payroll taxes, etc.)	

The total is - $ 35,968.17

This includes costs on the following:
1,000 ft. of drifting
246 ft. of raises
840 ft. of drill holes

Form MF-103
Revised Feb. 1957

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1035.3
Approval expires June 30, 1958

JAN 2 1958 D.M.E.A.

APPLICATION FOR AID IN AN EXPLORATION PROJECT

PURSUANT TO DMEA ORDER I, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

NAME OF APPLICANT (Full legal name and mailing address as it should appear on contract if one is executed)

REYNOLDS FALLS ASBESTOS, INC.
1018 Title & Trust Building
Phoenix, Arizona

DMEA
DEPARTMENT OF THE INTERIOR
DEC 27 1957
REGION III
DENVER, COLORADO

APPLICANT NOT TO USE THIS BLOCK

Docket Number: DMEA-4909
Date Received: 1/2/58
Government Participation %:
Region: III
Division Code: 600

BUSINESS ORGANIZATION (Check one)

- Individual [ ]
- Corporation [X]
- Partnership [ ]
- Other (Specify) [ ]

State in which firm is organized:

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

Name	Address	Title
Richard Pierce	571 W. Whittier Blvd. La Habra, Calif.	President
Walter Ray Scott	915 S. Blue Drive West Covina, Calif.	Vice-President
Eugene Durand	561 W. Whittier Blvd. La Habra, Calif.	Treasurer
William Walker	340 N. Bedford Drive La Habra, Calif.	Secretary

Mineral(s) for which you wish to explore: Asbestos

Estimated Cost of Project: $ 35,968.17

LOCATION OF PROPERTY

Name	County	State
Reynolds Falls Asbestos, Inc.	Gila	Arizona

GENERAL INSTRUCTIONS

Before filling out this application, please read DMEA Order-I, Amended, "Government Aid in Defense Exploration Projects." To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit four copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 1, existing mine workings and geology in item 2, and the proposed exploration project in item 4. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 2(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest DMEA Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief.

December 18, 1957
Dated

Richard Pierce
BY *(Signature)* Richard Pierce

President
Title

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. *Applicant's Property Rights:*

(a) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all land adjacent to the proposed project area which you own or control. Describe any part of the project land or workings which should not be subject to Government lien for royalty payments. If the land consists of unpatented claims, state the book and page number for each recorded location notice, including amended locations, and the place where recorded (courthouse, recorder's office, county, and state).

(b) State all the names by which you know the property.

(c) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise. If you are not the owner, submit with this application one exact copy of the lease, contract, or other document (with address of owner) under which you control the property.

(d) Describe all liens, mortgages, or other encumbrances on the property.

2. *Physical Description:*

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the lands, including existing mine workings. Describe all production facilities.

(b) State your interest, if any, in operations stated in 2*(a)*.

(c) State, as far as you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves on the property giving quantities and grades and sampling methods used, supporting your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you may have, indicating on each whether you require its return to you.

3. *Accessibility of Project:*

(a) To aid DMEA representatives who may be required to examine the property, state the name and address of the person who will meet the DMEA representative; give directions for reaching the property; and describe accessibility of the property including the mine workings.

(b) Name the shipping and supply points and places where employees reside and state the distances between them and the property.

4. *The Exploration Project:*

(a) Describe fully the proposed exploration project giving individual footages and sizes of openings *for each item of work*. Use narrative, maps, plans, and longitudinal and cross sections as necessary. Show the location of the proposed work as related to geologic features such as veins, ore-bearing beds, contacts of rock formations, etc. Show also the relation of the proposed work to any existing mine workings and to *property boundaries* or to the closest identifiable corner.

(b) If an access road to the project must be built, show the location on the property map and state the length, type, and construction methods proposed.

(c) In the event that an exploration contract with DMEA is executed, how soon will the work start and how many months will be required to complete it? State your anticipated average daily or monthly rate of progress for each type of work.

5. *Experience:*

State your operating experience and background with relation to your ability to carry out this exploration project, and also that of the person or persons who will supervise the operations.

6. *Estimate of Costs:*

Furnish detailed estimates of the costs *for each item of the work proposed in 4(a)* under the headings listed below with a total for each heading and the estimated total cost of the project. Costs for any work to be performed by an independent contractor should be shown separately under category *(a)* below. Costs for any work that is not to be performed by an independent contractor should be given in detail under categories *(b)* through *(g)*.

(a) Independent contracts. State the cost of any proposed independent contract for the performance of all or any part of the work, expressed in units of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. *(Note* – If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. For necessary supervision, engineering and geological services, and labor, include an itemized schedule of numbers, classes, rates of wages, salaries or fees, and periods of employment. State whether these technicians and employees are available.

(c) Operating materials and supplies. List items of material and supplies with their cost. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

(d) Operating equipment. List items of operating equipment to be used giving specifications and indicating how each item is to be acquired – i.e., rented, purchased, or provided by the applicant. If it is rented or purchased, state the estimated rental or purchase price. If it is to be furnished by the applicant, give its present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of necessary *initial* rehabilitation or repair of existing buildings, fixtures, installations, (exclusive of mine workings), and movable operating equipment now owned by the applicant, which will be used on the exploration project.

(f) New buildings, fixtures, installations. Describe each building, fixed improvement, and installation to be purchased, constructed, or installed for the exploration project stating specifications and cost including labor, materials and supervision.

(g) Miscellaneous. For the operating equipment listed in 6*(d)*, describe the type and estimate the cost of repairs and maintenance expected during project operations. Do not repeat initial repairs listed in 6*(e)*. Show also the costs of analytical work, accounting, workmen's compensation and employees' liability insurance, payroll taxes, and other required costs that do not fall within the previous categories.

Note – No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. *(a)* State whether you are prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation stated in Sec. 7 of DMEA Order–I, Amended.

(b) Explain to what extent you propose to furnish your share of the costs by providing money, by use of equipment owned by you, or otherwise.

* * * * *

INT.-DUP. SEC., WASH., D.C. 15539

APPLICATION FOR AID IN EXPLORATION PROJECT (Reynolds Falls Asbestos, Inc.)

1. Applicant's property rights.

(a) Sec. 21; T 6 N; R 14 E.

Name of Claim	Book	Page	Amended Book	Amended Page
Falls No. 1	39	81	81	446
Falls No. 3	39	83	81	448
Falls No. 5	39	85	81	450

The above are claims we wish to explore.

The below are claims adjacent to the proposed project and should not be made subject to government lien.

Falls No. 2	39	82	81	447
Falls No. 4	39	84	81	449
Falls No. 6	39	86	81	451
Falls No. 7	39	87		
Falls No. 8	39	88		
Falls No. 9	39	89		
Falls No. 10	39	90		
Falls No. 11	39	91		
Falls No. 12	39	92		
Falls No. 13	39	93		
Falls No. 14	39	94		
Falls Extension No. 15	40	401		
Falls Extension No. 16	40	402		
Falls Extension No. 17	40	403		
Falls Extension No. 18	40	404		
Falls Extension No. 19	40	405		
Falls Extension No. 20	40	406		
Falls Extension No. 21	40	469		
Falls Extension No. 22	40	470		
Falls Extension No. 23	40	471		
Falls Extension No. 24	40	472		
Falls Extension No. 25	40	473		

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 2 1958
DATE | INITIALS | CODE

(b) Falls Group or Reynolds Falls Mine

(c) Lessee (See exhibits 8, 9, 10)
Owner: Via Corporation
Box No. 4266
Santa Fe, New Mexico

(d) None

2. (a) Maps are included with report which show all mining or explorations upon the land. (Exhibits 4, 5, 6, 7)

DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE Idm-E NO._____ DMEA NO. 4909

Application
- [x] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [ ] Cancelled
- [ ] Royalty Agreement

The records contained in this file are marked (x) and arranged in this order:

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [XX] Application and attachments

Right Side

- [x] Project summary (final)
- [ ] Work Comoleted analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [x] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports
- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

Folders No._____: Maps (Use pocket folder or envelope)

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

December 30, 1957

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 2 1958

DATE	INITIALS	CODE

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Application for DMEA Aid (Asbestos), Reynolds Falls Asbestos, Inc., (Reynolds Falls Mine) Gila County, Arizona

Enclosed are the original and two copies of the subject application in the amount of $35,968.17. One copy of the application is being retained in our file.

The Applicant proposes to explore the property by 1,000 feet of drifting, 246 feet of raising, and 840 feet of long hole drilling. No bids for any of the Applicant's proposed work have been submitted.

It is noted that the Applicant has 25 claims in the Falls Group but wishes to subordinate only the Falls claims Nos. 1, 3 and 5. No complete claim map was submitted, but the map showing the proposed exploration indicates all work is to be done on the Falls claims Nos. 3 and 5.

W H King
W. H. King

Encls.

IN REPLY REFER TO:

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 7 1958

DATE	INITIALS	CODE
1/7	gb	220
		600

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

January 6, 1958
Re: DMEA 4909
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona
$35,968.17 - Asbestos

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application

The applicant requests assistance in prospecting for a "trend of deposition" by drifting, raising and long hole drilling. Although not so stated, it may well be a new working level is desired which would eliminate uphill tramming in the mine, a long and circuitous tram to the waste dump and, perhaps, pumping.

No section on the "trend of ore deposition" is given, but it appears possible the "trend" could be prospected by drilling at much less expense than that proposed. If the 1080, 1154 and 1193 contours more or less parallel the side and center line of Falls No. 5 claim as suggested by the road along the side line, the drilling depths would not be excessive.

Referral of application to the Field Team is recommended.

N. E. Nelson

N. E. Nelson

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

January 2, 1958

Reynolds Falls Asbestos, Inc.
1018 Title & Trust Bldg.
Phoenix, Arizona

Gentlemen:

Subject: DMEA-4909

Your application for exploration assistance, dated December 18, 1957 submitted to our office at Denver, Colorado has been assigned Docket Number DMEA-4909 and referred to the NonMetallic Minerals Division in the Washington office. Kindly identify all future correspondence relating to your application by this Docket Number.

Sincerely yours,

Allen S. Dakan, Director
Operations Control and
Statistics Division

Copy to:

Region III

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 9 1958

DATE	INITIALS	CODE
1/9	C	220
1/10	Houk	600

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

Date January 7, 1958

DMEA Docket No. 4909
DMEA Contract No. --
Commodity Asbestos
Name of applicant Reynolds Falls Asbestos Inc.
Name of property Reynolds Falls Mine
Location of property Gila County, Arizona
Estimated cost of project $36,000

Memorandum

To: Lawrence G. Houk, Chief, Non-Metallic Minerals Division, Defense Minerals Exploration Administration

From: D. O. Kennedy, Assistant Chief, Br. of Const. & Chem. Mats.

Subject: Review of Application
(Application, Field Team Report, etc.)

1. Date of subject document: 12/18/57. 2. Date received by reviewer: 1/2/58.

3. Prior reports on this property known to reviewer: Yes [X], No [ ].

4. Prior reports on nearby properties known to reviewer: Yes [X], No [ ].

5. Information available on past production: Yes [X], No [ ].

6. Other pertinent factors known to reviewer: Yes [ ], No [ ].

7. Explain items marked yes above:

Bureau of Mines R. I. 4100, I. C. 7706, Production reports Arizona mines.

8. Factors needing special consideration:

a. Location [ ]
b. Ownership [ ]
c. Evidence of mineralization [ ]
d. Geology [ ]
e. Proposed exploration method [ ]
f. Alternate exploration method [ ]
g. Costs [ ]
h. _____ [ ]

9. Action advised:

a. Obtain information from applicant [ ]
b. Refer to Field Team [X]
c. Denial [ ]
d. Agree with Field Team [ ]
e. Disagree with Field Team [ ]
f. Suggest alternate plan [ ]
g. Request another examination [ ]
h. Approval [ ]
i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary)

Past production Reynolds Falls Mine:

1956 - 0
1955 - 7 tons $2,235 Via Development Corp.
1954 - 0
1953 - 9 tons $4,730, Kohl

D O Kennedy

D. O. Kennedy

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1-14	Anderson	600
1/14	Houk	600
1/15	GCS	130
"	Johnson	110
"	Mathewson	100
1-16	C	220
		600

600

JAN 16 1958

Mr. William H. King
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4909-Asbestos
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona

Dear Mr. King:

Please review the subject application and arrange for a field examination if you deem it necessary.

Copies of memoranda dated January 6 and 7, 1958, by Mr. N. E. Nelson, USGS, and Mr. D. O. Kennedy, USBM, respectively, relating to the project are enclosed. There are also enclosed two copies of the application for the use of the Field Team.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

Frank D. Lamb (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

WCAnderson:rsi 1/14/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. D. O. Kennedy, 3516
Mr. Houk

Enclosures 8

Region III should [illegible] 3 copies of application [illegible]

8623

Via Development Co — OWNER

↓

Lease & option AUG. 4, 1956
TO
WM. WALKER & WM. BRADBURY

WALKER & BRADBURY
↓
ASSIGNMENT — FEB. 4, 1957
TO
DURAND - SCOTT - PIERCE - McMILLIAN & STOCKMAN
of Percentage in lease & option as follows

Walker kept 21 % of interest in lease & option
Bradbury " 20 % " " " " " "
Durand received 15 " " " " "
Scott " 15 " " " " "
Pierce " 14 " " " " "
McMillan " 10 " " " " "
Stockman " 5 " " " " "

All of the above by an instrument entitled an "OFFER" (undated) agreed to transfer their respective interests to Reynolds Falls Asphalt Inc. in exchange for shares of stock. No evidence in file that offer was accepted.

R.W. LONG

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1-14	Anderson	600
1/14	Houk	600
1/15	Jeffrey	130
1/15	Lamb	130
1/15	Kilsgaard	130
"	Johnson	110
"	Mittendorf	100
		220

600

JAN 16 1958

Mr. Richard Pierce
President, Reynolds Falls
Asbestos, Inc.
571 W. Whittier Blvd.
La Habra, California

Re: Docket No. DMEA-4909-Asbestos
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona

Dear Mr. Pierce:

Your application for assistance in exploring the subject property has been reviewed by the Division of Nonmetallic Minerals of the Defense Minerals Exploration Administration and has been referred to Mr. William H. King, Executive Officer, DMEA Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado, for further consideration and possibly a field examination.

The Regional Office will contact you at an early date if an examination is to be made. Any assistance you may give the members of the Field Team during the examination will be appreciated.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

WCAnderson:rsi 1/14/58
Copy to: Admr. R. File
Operating Committee
Field Team, Region III
Mr. Kiilsgaard, 5222
Mr. D. O. Kennedy, 3516
Mr. Houk

8623

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DMEA
RECEIVED JAN 23 1958

DATE	INITIALS	CODE
1/23	C	220
1/23	Hank	600

224 New Customhouse
Denver 2, Colorado

January 20, 1958

Memorandum

To: T. M. Romslo) W/enclosures, Items 1-5 Below
W. L. Emerick) " "

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 4909 (Asbestos) Reynolds Falls Asbestos, Inc., (Reynolds Falls Mine) Gila County, Arizona

Enclosed is the following material relating to the subject docket:

1. Copy of application for Government assistance in exploration work under the DMEA program.
2. Memorandum of Review by D. O. Kennedy, USBM.
3. Memorandum of Review by N. E. Nelson, USGS.
4. Letter of transmittal of the foregoing to this office, dated January 2, 1958, from the Chairman, Operating Committee, DMEA.
5. Routing Control Sheet.

A field examination of the property and a joint report of findings and recommendations pertaining to the Applicant's work proposal are requested.

If the field examiners recommend Government participation in the proposed exploration program, please submit eleven extra copies of each map used in the joint report which show the land to be subordinated and the location and extent of recommended work, relative to property boundaries.

The Bureau of Mines' copy of the application should not be returned to this office, but is to be kept for the Examining Engineer's file. The Routing Control Sheet, however, is to be completed, detached from the application, and forwarded to the Executive Officer with the Joint Examination Report. The Survey's copy of the application is to be returned to Mr. Harshman's office.

Original signed by
W. H. KING

W. H. King
Executive Officer

Enclosures

HMC:eh

cc: Sec. Op. Comm. (2)
Harshman W/enclosures, Items 2-4
Docket
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

March 25, 1958

RECEIVED MAR 27 1958

DATE	INITIALS	CODE
3-27	C	220
3/31	2B	130
3/31	C	220
		600

Memorandum

To: Secretary to the Operating Committee

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4909 (Asbestos) Reynolds Falls Asbestos, Inc. (Reynolds Falls Mine) Gila County, Arizona - Joint Report of Examination

Enclosed are the original and two copies of a Joint Field Examination Report on the subject property.

The field examiners conclude that the following favorable factors exist in the Reynolds Falls area: (1) proximity to diabase, (2) limestone beds favorable for emplacement of serpentine-fiber zones, (3) faulting, (4) folding or bending in the limestone beds, and (5) an apparent trend of favorable structure.

(1) not significant

They recommend exploration work to consist of driving a 500-foot adit and the percussion drilling of a maximum of 520 feet in nine test holes in Stage I. Stage II is designed to test for extension of previously indicated favorable zones by additional percussion drilling. A maximum of 24 inclined holes and 2,120 feet of drilling is provided for testing an approximately 100-foot wide zone on either side of the adit at intervals about 50 feet. Inclination of the holes to be determined after ore horizons have been indicated.

The estimated total cost of Stage I is $14,819.50. The estimated total cost of Stage II is $2,438.00. The estimated total cost of the project is $17,257.50, Government participation $8,628.75.

We concur in the recommendations of the field examiners.

On-Site Exam Plot

Reviewed by
DMEA OPERATING COMMITTEE
3-31-58
(date)

It is noted that the Applicant requests that the Government's lien on production be confined to the Falls Nos. 1, 3, and 5 claims. The proposed adit will extend diagonally through these three claims.

Also enclosed are eight extra copies of Figure 2 and Figure 5 for use in the preparation of the contract.

E. N. Harshman

E. N. Harshman

MINERAL DEPOSITS
DMEA
RECEIVED
MAR 20 1958
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR

MAR 21 1958
REGION III
DENVER, COLORADO

Box 4126 University Station
Tucson, Arizona

March 18, 1958

3-31 2AB 130
220

Memorandum

To: W. H. King, Executive Officer, DMEA Field Team, Region III

From: T. M. Romslo
W. L. Emerick

Through: E. N. Harshman

Subject: Docket DMEA-4909 (Asbestos), Reynolds Falls Asbestos, Inc. (Reynolds Falls Mine), Gila County, Arizona
Joint Field Examination Report.

Enclosed are the original and 8 copies of a joint field examination report on the above subject property, recommending approval of a revised work project. In addition, eleven extra copies each of two maps, one of which shows the land to be subordinated, and the other the location and extent of recommended work relative to property boundaries, are enclosed.

Also enclosed is the Bureau copy of Routing Control Sheet. The Survey copy of the application is being returned to Mr. Harshman's office.

T M Romslo
T. M. Romslo
U. S. Bureau of Mines

W L Emerick
W. L. Emerick
U. S. Geological Survey

TMR:WLE:ms
cc: W. H. King (8)
E. N. Harshman
DMEA/TUC
W. L. Emerick

Encls.

TRANSMITTED
MAR 25 1958

Reviewed by
DMEA OPERATING COMMITTEE
3-31-58
(date)

FOR UNITED STATES GOVERNMENT USE ONLY

RECEIVED MAR 27 1958

DATE	INITIALS	CODE
3/31	[illegible]	130
		220

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION III

TRANSMITTED

MAR 25 1958

DMEA-4909 (Asbestos) Reynolds Falls Asbestos, Inc.

(Reynolds Falls Mine)

GILA COUNTY, ARIZONA

W. L. Emerick, Geologist
U. S. Geological Survey

T. M. Romslo, Mining Engineer
U. S. Bureau of Mines

March 1958

Reviewed by
DMEA OPERATING COMMITTEE
3-31-58
(date)

DMEA-4909 (ASBESTOS) REYNOLDS FALLS ASBESTOS, INC.
(REYNOLDS FALLS MINE)
GILA COUNTY, ARIZONA

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Extent and Ownership of the Property	6
Present status	6
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Estimated Cost of proposed project	17
Proposed Work Specifications	21

ILLUSTRATIONS

Figure			
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4.	Plan and Section of Reynolds Falls Mine	In folder	
5.	Proposed exploration	following page	17

INTRODUCTION

The Reynolds Falls Asbestos, Inc., 1018 Title and Trust Building, Phoenix, Arizona, applied to the Defense Minerals Exploration Administration for aid in exploration for asbestos in an area adjacent to Reynolds Falls mine, Gila County, Arizona. The application was received January 2, 1958, and assigned docket number DMEA-4909. The property is owned by the Via Development Company, P. O. Box 4266, Santa Fe, New Mexico, and held by the applicant under a Lease and Option agreement.

Field investigations for the Field Team were made February 18, 1958 by W. L. Emerick, geologist, U. S. Geological Survey, and T. M. Romslo, mining engineer, U. S. Bureau of Mines. They were accompanied by Mel Stockman, a member of the corporation's board of directors and mine superintendent.

The field examiners gratefully acknowledge oral communications from A. F. Shride, U. S. Geological Survey, and Lincoln A. Stewart, U. S, Bureau of Mines, as well as extractions from written material and publications by them.

SUMMARY AND RECOMMENDATION

The deposit consists of several asbestos fiber zones in the Mescal limestone about 65 to 70 feet above a diabase sill. The asbestos veins appear to be localized near or along the dipside of a northerly-trending fold or bend in the limestone beds. The deposit has a large proportion of asbestos to serpentine and of long fiber asbestos to the total amount of asbestos present. Reserves in the

mine are negligible and unknown in the proposed area without exploration.

The applicant proposed exploration consisting of 1,000 feet of drifting, 840 feet of percussion drilling and 248 feet of raising at a total estimated cost of $32,880.00.

It is concluded by the field examiners that these favorable factors in the Reynolds Falls area: (1) proximity to diabase, (2) limestone beds favorable for emplacement of serpentine-fiber zones, (3) faulting, (4) folding or bending in the limestone beds, (5) an apparent trend of favorable structure, and (6) the low cost of the revised exploration method, warrant exploration that could result in the finding of significant reserves of asbestos.

The field examiners recommend government aid in a revised exploratory project that consists of driving a 500-foot adit and drilling 2,650 feet of long holes at an estimated total cost of $17,257.50.

LOCATION, ACCESSIBILITY AND LOCAL FACILITIES

The Reynolds Falls mine is about 25 air-miles northerly from Globe, Arizona in sec. 21, T. 6 N., R. 14 E., Fluorine Mining District, Gila County, Arizona (fig. 1).

The town of Globe is on U. S. Highway 60 and 70 and is the terminus of a branch line of the Southern Pacific railroad. It is the county seat of Gila County and its population is between 5,000 and 10,000. Repair shops, and sales and service agencies for mining equipment and supplies are located in both Globe and nearby Miami.

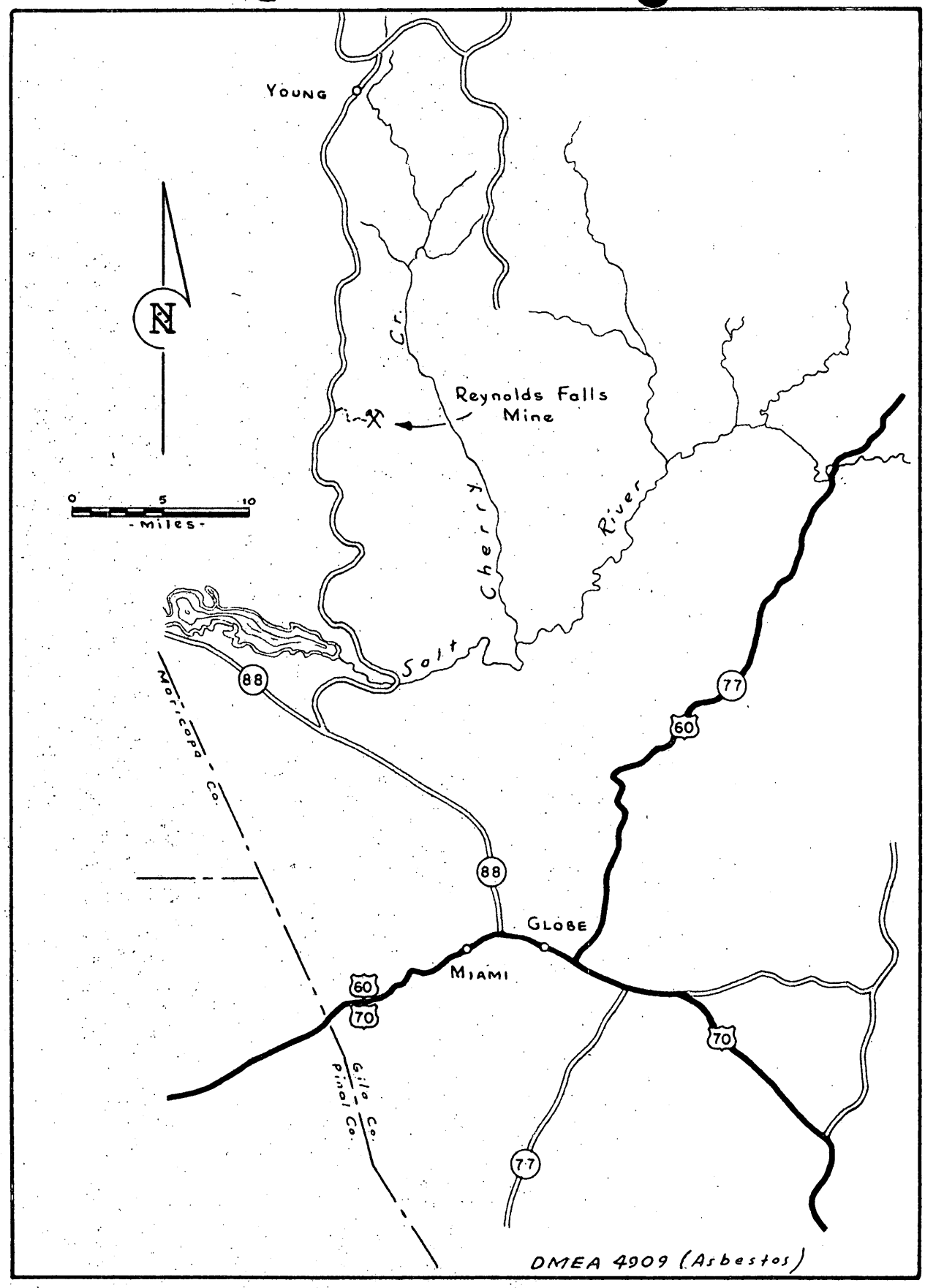

Fig. - 1 - Location map, Reynolds Falls Asbestos Inc., Reynolds Falls mine
Gila County, Arizona

The Reynolds Falls mine may be reached by automobile from Globe by traveling a few miles westerly on the U. S. Highway to its junction with State Highway 88. Proceed 14.7 miles northerly on the paved State Highway and then turn right onto the Globe-Young road. Continue 27.7 miles and then branch to the right, immediately after crossing a bridge, on the signed "Reynolds Falls Mine" road that is followed 4.1 miles to the mill and mine workings.

The Globe-Young road is of graded-dirt construction from pavement that ends at about 15 miles from the State Highway. A few steep sections of the graded portion of this road and most of the mine road may be too muddy and slippery for safe travel for short periods accompanying heavy rain- and snow-falls.

The Reynolds Falls mine is in the Sierra Ancha Mountains near the junction of Reynolds Creek and its tributary, the South Fork. It is at an altitude of about 6,125 feet in a rugged region where a range in relief of several hundred feet within 1/2 mile is common. Much of the steep, mountainous terrain near the mine is covered with pine trees growing in a thick mantle of soil and rock fragments. Exposures of bedrock are mainly confined to the high Troy quartzite cliffs and exposures of limestone and diabase in the drainage channels.

Reynolds Creek, the principal drainage channel near the mine, flows westerly to Sallmay Creek that drains southward to Roosevelt Lake.

Annual precipitation near the mine is believed to average about 20 inches. It occurs mainly as heavy rainstorms during July and August and light rain and snowfalls in January and February.

Summers are pleasant and winters are normally not severe.

Mining and milling operations may be curtailed or shut down for several days per year as a result of rain and snow storms.

PROPERTY

History and Production

Stewart[1/] reported:

> "This area first was prospected in 1917 by B. L. Rogers. William Andrews made a few shipments in 1924 and 1928, after which title passed to Imperial Asbestos, Ltd. A small mill, consisting of crusher, rolls, and screens, was installed, and a small amount of asbestos was produced. In 1931 J. E. Wells acquired the property. It was operated under lease by Richard C. Currier and later by Arthur Enders, both of whom mined considerable asbestos.
>
> "The Bureau of Mines conducted an exploratory program in August and September 1943 [2/]. In 1949 George Kohl secured a lease and produced periodically to December 1953. During the fall of 1950 the Gila Asbestos Co. also produced some asbestos under this lease."

A. W. Gerhardt[3/] reported that the property was idle from January 1954 to early 1955 when it was acquired from J. E. Wells by the Via Development Company. Shortly thereafter the company drove the presently accessible 65-foot adit on claim 5 and did a little stripping with

---

1/ Stewart, L. A., Chrysotile-Asbestos Deposits of Arizona. Bur. of Mines I. C. 7706, pp. 75-76, 1955.

2/ Stewart, L. A., and Haury, P. S., Arizona Asbestos Deposits, Gila County, Ariz.: Bur. of Mines Rept. Investigations 4100,1947,pp.25-26.

3/ Gerhardt, A. W., Arizona Registered Mining Engineer, Examination Report of Reynolds Falls Mine for Reynolds Falls Asbestos, Inc., Report is part of application.

a bulldozer along the ore horizon to the north of the mine. Available information indicates that little or no asbestos was produced to termination of the operations late in 1955.

Mel Stockman[4/] furnished the following information about subsequent operations. The property was reactivated in January 1957 and worked for the owners to February 7, 1957 by the Reynolds Falls Asbestos, Inc. Since then the corporation has continued operations as lessee. Ore has been mined and has been concentrated in a mill that was erected near the mine during the first half of 1957. Alternate mining and milling operations were conducted 1 shift daily by a crew of 2 to 5 men. Total production to February 1958 was about 21 short tons of fiber of which about 15 tons of No. 4 and lower grade material is stockpiled near the mill. Approximately 4 tons of No. 3 grade was sold to the Jaquays Mining Co. and the remaining tons -- 0.05 of No.1, 0.9 of No. 2, and 0.95 of No. 3, was sold to the Government.

The order of magnitude of the total production from the Reynolds Falls mine can only be estimated as but an insignificant part is represented by reliable records. Gerhardt's[5/] estimated total value of fiber produced at more than a half million dollars probably is based on present market prices. A probably more realistic estimate by the writers indicates that the total value, also based on prevailing prices, ranges from $225,000 to $300,000.

4/ Oral communication, 1958.

5/ Gerhardt, A. W., op. cit.

Extent and ownership of the property

The property comprises a group of 25 unpatented lode mining claims of which 14, the Falls Nos. 1 to 14, are shown on figure 2.

The property is owned by the Via Development Company, Box 4266, Santa Fe, New Mexico. It is held by the applicant, Reynolds Falls Asbestos, Inc., 1018 Title and Trust Bldg., Phoenix, Arizona, by a Lease and Option Agreement dated August 4, 1956. Rights, title and interest in and to the Agreement were acquired from William Walker and William S. Bradburg, lessees of the Agreement, and the following persons to whom interests had been conveyed on Assignment Agreement dated February 4, 1957.

Eugene Durand	15%	Richard McMillan	10%
Walter Ray Scott	15%	Melvin Stockman	5%
Richard Pierce	15%		

The applicant requests that the Government's lien on production be confined to the Falls Nos. 1, 3, and 5 claims.

Present status

Buildings on the property comprise 3 cabins, 2 houses and a roofed and unsided structure that houses the milling equipment.

The mill has a capacity of about 3/4 ton of cobbed ore per hour. Its equipment, consisting of a small jaw crusher, 2 sets of rolls and 2 vibrating screens, is powered by electric motors. Electricity is furnished by a 31.25 K.V.A. generator that is driven by a diesel engine.

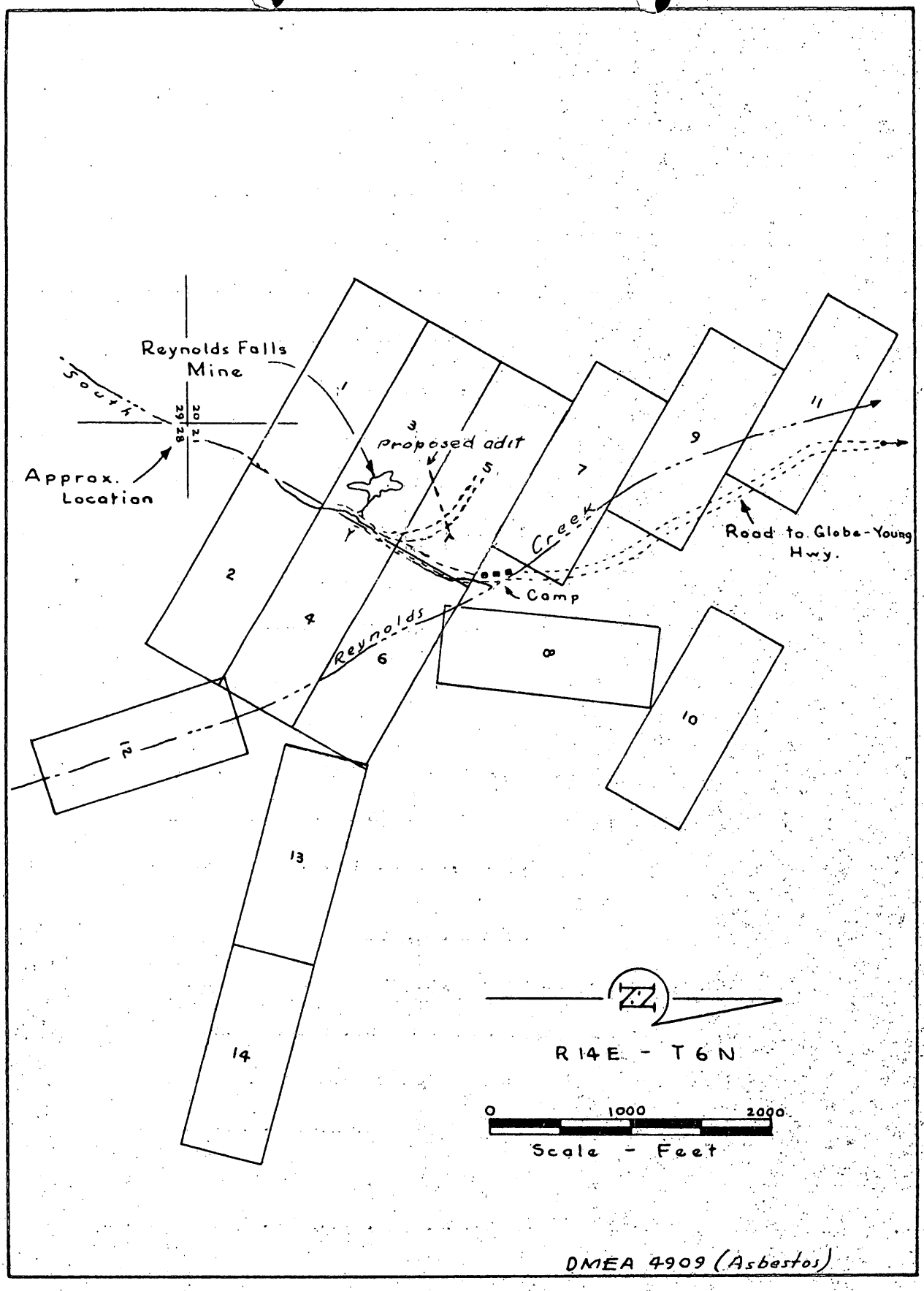

Fig. 2 Claim map, Falls Group, Reynolds Falls Asbestos Inc.
Gila County, Arizona

Mining and milling is done alternately by 2 men.

At present, ore is being produced from the most northerly portion of the mine. Faces containing a total of about 2.5 inches of fiber in 2 or 3 nearly horizontal zones are drilled with air-powered drills of the jack-leg type. Drill holes are loaded with 1-1/8 by 8-inch sticks of gelatine type dynamite. Detonation of the charges is done with fuse equipped No. 8 caps. Waste from the resulting muck is back-filled and the cobbed ore is loaded into 3/4-ton cars. An air-powered tugger hoist is employed to haul cars of ore over the 2 to 3 percent up-grade section from the mining face to near the portal of the adit. Tramming from the portal to the mill is done by hand.

Mining equipment consists of 2 jack-leg type drills, 2 3/4-ton ore cars, a single drum tugger, a 2-drum slusher and a sump pump. The sump pump is installed at the lowest end of the mine. At the start of operations, the pump was operated for a few days in removing water that had accumulated at the lowest parts of the mine. Its operation since then has not been necessary as the inflow of water is little more than needed for drilling purposes.

GEOLOGY

The fiber zones of the Reynolds Falls deposit lie in the Mescal limestone about 65 to 70 feet above a diabase sill. It is believed that the diabase sill is concordant. Surface exposures of the

beds near the mine portal are essentially flat-lying, but at about 30 to 40 feet in the adit the beds gradually begin to change attitude and dip 3 to 4 degrees to the west. Some surface attitudes of the beds, where exposed to the northeast in the creek (Fig. 3), suggest there also may be a low-angle bend or tilt of the hidden beds to the north of the mine, as shown on Section A-A' of Figure 3. With a low-angle bend or tilt of the beds to the north, it is possible that the ore horizons of the stope and 65-foot adit could be the same.

Shride[6/] states:

> "This change in attitude (of the beds to the west) is believed to have been a dominant factor in localizing this ore body because the beds were more shattered by bedding-plane faulting in the area of greater dip. There are also numerous small, east-west, pre-mineral tear faults in the mine area. These faults may have been channelways for mineralizing solutions."

The diabase sill is a considerable distance below the serpentine and asbestos zones, but it is apparently the source of the solutions and heat contributing to the mineralization in the Mescal limestone. The actual structural control of the deposit has not been definitely determined because of the scarcity of exposures. Thick debris, except for a narrow band along the creek, covers the area. There is a possibility that the diabase still may intrude closer to the ore horizon in the mine area and in the hidden ground to the north.

6/ Shride, A. F., unpublished report, 1943.

There are three mineralized zones exposed in the workings along the bedding planes of the limestone. These zones according to Stewart[7] appear at several definite horizons within a vertical distance of 9 to 11 feet. The upper zone, which is carried at the top of the drifts and stopes, is 2 to 4 feet thick, irregularly serpentinized in a wavy pattern, with nodular serpentine common. Fiber occurs at any part of the zone in one to several veins. This zone is generally too erratic to mine but the fiber in it ranges from fairly harsh to soft.

Stewart[8] continues:

> "The middle zone lies 2 to 3 feet below the bottom of the upper zone and consists of three serpentinized bands about 9 inches apart. The upper band is very persistent, appears everywhere in the mine, and has yielded most of the asbestos produced from this deposit. It varies from $2\frac{1}{2}$ to as much as 8 inches in thickness and contains 1 to 4 inches of total fiber."

Some fiber was produced in places from the middle band; the lower band is not important, not always present and contains harsh fiber.

Stewart[9] says:

> "The lower zone, about 6 feet below the middle zone, is exposed only at the portal of the mine at track level. It consists of a 6-inch serpentine band that contains 2 to 3 inches of harsh fiber. No attempt has been made to mine or explore this zone."

7/ Stewart, L. A., Chrysotile-Asbestos Deposits of Arizona: U. S. Bur. of Mines Inf. Circ. 7706, 1955, pp. 76 and 78.

8/ Stewart, L. A., op. cit. p. 78.

9/ Stewart, L. A., op. cit. p. 78.

Stewart[10] continues:

"Across the gulch a 160-foot adit (see Fig. 3) has been driven southeastward into the same horizon as the mine. The upper and middle zones were exposed in this adit. The upper zone contained only small amounts of fiber. Near the portal each of the upper 2 bands of the middle zone showed 1/2 to 3/4 inch of fiber, usually with partings. The strength of mineralization decreases toward the face of the drift."

It is significant that the limestone beds in this adit are essentially flat-lying and beyond the area of structure found in the mine.

Shride[11] states:

"This deposit is peculiar, as compared with other deposits in the district, in that there is a relatively large proportion of asbestos to serpentine. There is also a large proportion of long fiber asbestos to the total amount of asbestos present. The writer believes that this is because the shattering along bedding planes, and therefore the later mineralization, was confined to a relatively narrow zone. Much of the soft fiber of this deposit tends to be slightly harsh."

Some of the best fiber in the mine was apparently obtained in the central part of the stope along or near the fold or bend of the beds to the west. Although the applicant believes the trend of the ore horizon is northwestward in the direction taken by the northwest heading of the stope, it is possible that the trend actually lies more to the east along or near the crest of the fold or bend in the beds. This possibility is strengthened by the fact that most of the better grade ore occurred in this part of the structure.

10/ Stewart, L. A., op. cit. p. 78.

11/ Shride, A. F., op. cit. 1943.

There are no surface exposures on the east slope along the present road (Fig. 3) and two old prospects on this slope are filled with debris that covers any exposure of the beds in them. Northeast of the mine, about 800 to 900 feet, an adit (Fig. 3) has been driven southwestward for about 65 feet into the northeast slope. Several widely separated, thin veins of fiber and bone serpentine are exposed in the adit. It is undetermined if the fiber veins in the 65-foot adit are on the same ore horizon as those in the mine, but only a slight inclination of the beds to the north would put them on approximately the same horizon. Some of the thin fiber veins in the 65-foot adit have very little or no perceptible serpentine above and below the vein.

A bulldozed cut on the far northwest end of the upper road (Fig. 3), and about 600 feet northwest of the 65-foot adit, exposes some thin-bedded limestone, slightly folded and fractured, and with thin serpentine bands.

Figure 4, showing a plan and section of the mine, contains descriptive notes on the present observable fiber veins in the upper and middle zones. The middle zone has remained the best fiber producer in the mine. No fiber occurs west of faults in two of the headings on the west side of the stope. Fiber veins in the northwest heading of the stope have become thinner in that direction.

Applicant stated a long hole was drilled in the floor of the west heading (Fig. 4) of the stope that encountered a trace of fiber about 8 feet in depth. This could be fiber from the lower zone. A 15-foot hole, drilled from the bottom of the 15-foot sump at the face of the west heading, was barren, and it did not encounter diabase.

ORE RESERVES

The total stoped area of the Reynolds Falls mine amounts to about 39,000 square feet, of which about 6,000 square feet was stoped in recent mining in the northwest part of the stope. From an examination of the stope faces present total reserves are probably a few tens of tons of fiber of all grades.

The Bureau of Mines[12/] drove an exploration crosscut in 1944 from the innermost northwest corner of the stope at that time. Upon completion of the work, the Bureau of Mines estimated 320.80 tons of total indicated reserves for all grades for three blocks of ground, representing about 14,536 square feet, adjacent to and ahead of the 91-foot crosscut. The breakdown of these reserves was:

Block No.	Area (sq.ft.)	Tons of asbestos by grade No.1	No. 2	No. 3	No. 4	Total all grades
No. 1 - NE side of crosscut	5,306	0.13	15.94	25.17	85.26	126.50
No. 2 - SW side of crosscut	~~4,900~~ 10.206	0.12	15.16	23.94	81.08	120.30
No. 3 - Ahead of crosscut	4,330	-	7.25	16.58	50.17	74.00
Total Reserves		0.25	38.35	65.69	216.51	320.80
			7.25 / 31.10	16.58 / 49.11	50.17 / 166.34	74. / 246.80

In addition to the reserves based on the stope crosscut, Bulletin 371 states:

12/ Reynolds Falls Group, Gila Co., Arizona: U. S. Bur. of Mines War Minerals Rept. 371, 1945.

"The Survey geologist made a visual estimate of the quantity and grade of the fiber exposed in the stope faces of the remainder of the mine. From this information, the geologist estimates that a block 50 feet beyond the present mine area to the west would contain an additional 800 to 900 tons of indicated mill rock, from which 15 to 20 tons of No. 2 fiber, 50 to 65 tons of No. 3 fiber, and 85 to 100 tons of fiber less than 1/8 inch long could be extracted."

Subsequent extension of the stope outlines into these areas of estimated reserves, with the exception of the block estimated ahead of the stope drift (Block No. 3), for the most part, apparently proved the estimations. Little work has been done in the area of the estimated block ahead of the crosscut. Examination of the present stope faces in that direction show the fiber zones to be mostly below economic quality. Also, no fiber occurs west of faults in two of the headings on the west side of the stope, which unwittingly comes close to being the western limits of the 1944 estimate.

The value of the fiber produced from the 39,000 square feet of stoped area is conservatively estimated at $225,000 to $300,000, under prevailing market prices. This estimate would be based on a fiber value for the mine as a whole of about $5.70 to $7.50 per square foot. Much of the total rock mined from the total area undoubtedly contained fiber too harsh and brittle to be economically usable, so that a high value probably lay in the presence within the ore body of substantial proportions of the longer fiber grades to the total amount of asbestos present.

Fiber veins, particularly around the periphery of the stope on the north and northwest, sporadically contain some average grade fiber. On the west and southwest periphery of the stope fiber is absent or in very thin zones. Although a lessening in thickness and grade of the fiber veins around the periphery of a deposit is not unusual in mines of the district, particularly when the structure becomes unfavorable, recent exploration by private companies has demonstrated the presence in places of a few hidden ore bodies along the trend of favorable structure. In each case the new ore bodies were separated from each other by barren, or nearly barren, rock that may have contained serpentine with little or no fiber. An apparent trend to the Reynolds Falls ore body in the mine appears to lie in a north to northwest direction along or near the fold or bend of the beds to the west.

With the four prime factors that control asbestos deposition present in the Reynolds Falls mine area, namely, faulting, favorable limestone beds, folding and nearness to diabase, and with a structure that appears to continue northward into the unexplored area between the mine and 65-foot adit to the north, it is reasonable to expect that exploration of the intervening hidden structure might find a deposit, or deposits that would contain significant amounts of minable fiber. Reserve estimations for this area would necessarily depend upon the results of any exploration.

PROPOSED EXPLORATORY PROJECT

The proposed exploratory project involves the percussion drilling of test holes from an adit that is to be driven below the favorable zone. This method is successfully employed by the Jaquays Mining Co. at its Regal mine. It is preferred to other possible methods for reasons that are briefly discussed below.

Proposed method - This is probably the most practicable and least costly method of testing an ore horizon, the limits of which cannot be closely established from available information. Furthermore, development and mining of any ore encountered and additional explorations can be carried out at relatively low costs from a drift below the ore zone.

Mr. Stockman requested that this method be substituted for that of the application.

Wagon Drilling - Not adaptable because the potential ore zone is well below 125 to 150 feet, the maximum depth from which acceptable samples can be recovered.

Diamond Drilling - Eliminated because costs would be excessive. Approximately 4,200 feet of drilling in 14 holes would be required to adequately test an area similar in extent to that of the proposed project. The total cost of drilling, at an estimated $10.00 per foot, would be $42,000.00. An appreciably lower cost would not be expectable as much of the drilling would be in a thick mantle of soil mixed with small to very large fragments of quartzite.

Applicant's Proposal - Rejected because of the relatively high cost and the possibility that portions of the favorable horizon may be below the proposed adit from the existing 65-foot adit. The amount of work with estimated costs are shown later.

Drifting and Crosscutting from Mine Workings - Eliminated because total cost would be excessive. Total cost has been estimated at $26,000: $2,000.00 for preliminary work and $24,000 for a minimum of 600 feet of lateral headings at $40.00 per foot. Necessary preliminary work would include mucking-out and laying track and pipe lines through a back-filled area and installations for ventilation and possibly dewatering equipment.

Description of Proposed Project

The proposed project involves the driving of a 500-foot adit and the percussion drilling of a maximum of 520 feet in 9 test holes, under stage 1. As shown on figure 5, the adit roughly crosscuts the favorable area, and the drill holes are designed to test the horizon of potential ore mineralization that may extend to a vertical height of about 20 to 50 feet above the adit. The test holes should be drilled as the adit advances. Results obtained in drilling the initial vertical 50-foot holes will determine if subsequent holes may be bottomed at lesser depths.

The work of Stage II is designed to test for extensions of previously indicated favorable zones by additional percussion drilling. A maximum of 24 holes and 2,120 feet of drilling is provided for testing

an approximately 100-foot wide zone on either side of the adit at intervals of about 50 feet. The holes should be drilled on the bearings shown on section B-B' of figure 5. Inclinations of the holes, however, can be determined only after ore horizons have been indicated.

Estimated Cost of Proposed Project

The estimated total cost of the applicant's proposed project (see Figure 3) that comprised 1,000 feet of drifting, 246 feet of raising and 840 feet of drill holes was $35,968.17. No estimate of per foot costs was included. Gerhardt[13/] estimated the same amount of work could be completed for $32,880.00 at per foot costs of $30.00 for drifting, $10.00 for raising and $0.50 for drilling. Lengths of raises and drill holes were not expected to exceed about 15 feet.

The following estimated costs for the examining team's proposed project does not provide for a road to the site of the adit nor for drilling stations as Mr. Stockman intimated that this work would be done at no expense to the project.

Driving the adit - The estimated costs are for an operation that will be conducted 2 shifts daily and 6 days a week. Completion of Stage I of the project is expected in 4½ months after preparations for driving the adit have been completed. Time consumed in driving the adit at an expectable daily advance of 5 feet would be 100 working days or 4 months. The additional ½ month provides for the drilling of test holes.

13/ Gerhardt, A. W., op. cit., 1957.

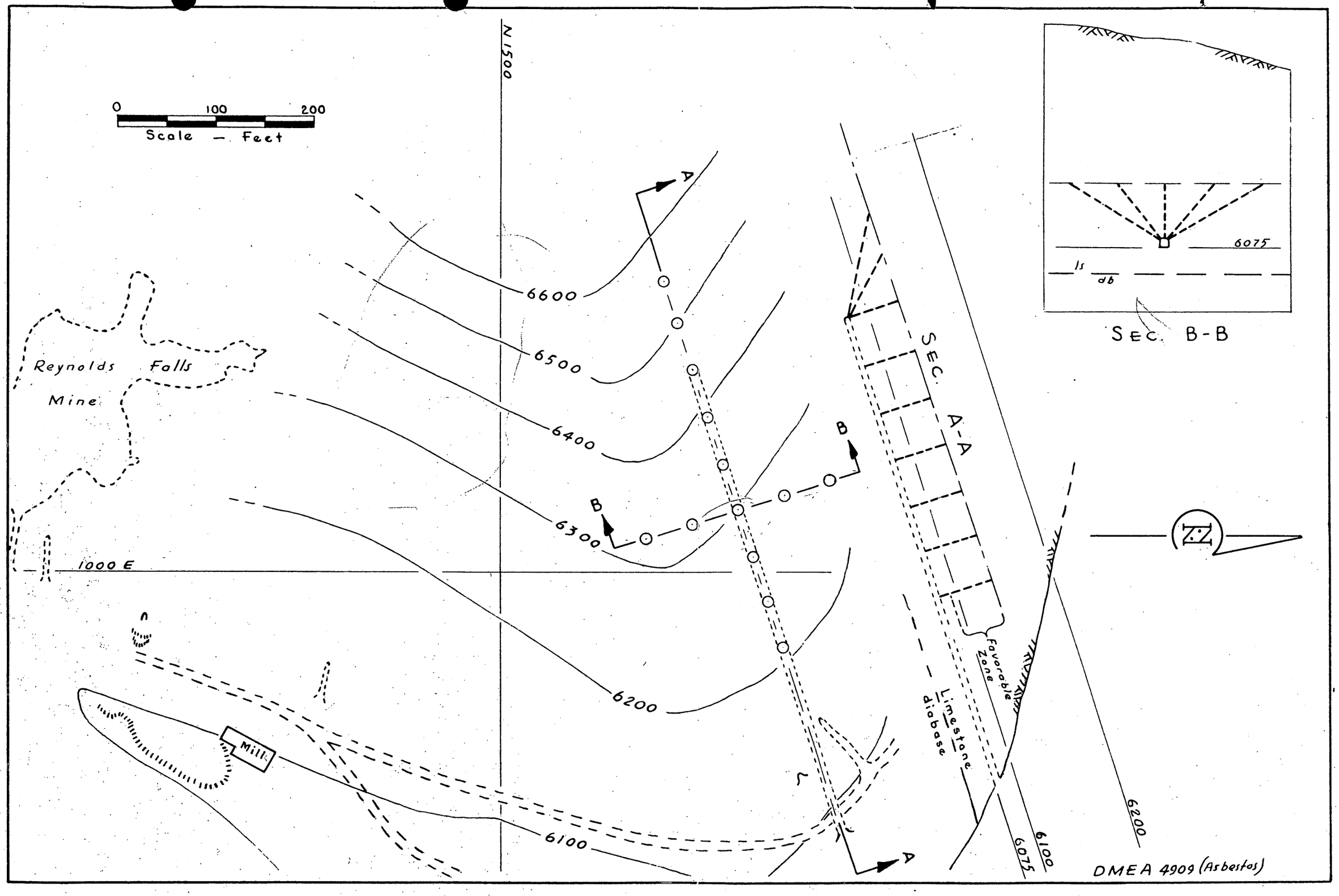

Fig. 5.- Proposed explorations, Reynolds Falls Asbestos Inc.
Gila County Arizona

The following are the estimated total and per foot costs for driving the adit.

		Estimated Costs Totals	Per foot
Labor and Supervision:			
Supervision, 4 months @ $600/mo.	$2,400.00		
Labor (2 men on each shift) 400 shifts @ $15.17/shift	6,068.00	$8,468.00	$ 16.94
Operating Materials and Supplies			
3.5 tons 16# rails @ $260/T	$ 910.00		
1 track switch @ $16.50	16.50		
200 track ties @ $0.50/ea.	100.00		
90 prs. splice bars @ $1.00/pr.	90.00		
360# track bolts and spikes @ $0.25/lb.	90.00		
2 tons powder @ $24.70/100#	988.00		
27,000' fuse @ $39.30 per 3,000 ft.	353.70		
3,600 fuse caps @ $25.85/M	93.06		
600' 2-inch black pipe @ $0.32/ft.	192.00		
Pipe fittings	40.00		
7/8" section steel			
2 pcs. - 2' @ $12.45/ea.	24.90		
4 pcs. - 4' @ $14.40/ea.	57.60		
4 couplings @ $5.05/ea.	20.20		
2 bit adapters @ $8.55/ea.	17.10		
3 1-5/8" carbide bits @ $16.70/ea.	50.10		
3,000 gals. diesel fuel @ $0.20/gal.	600.00		
Grease and oils	15.00	3,658.16	$ 7.32

Operating Equipment

All necessary equipment is owned by the applicant. It includes the following items:

	Present Value
1 - 365 CFM compressor	$6,500.00
2 - Jackleg drills, complete	1,100.00
2 - 3/4 ton mine cars	200.00
1 - 2 drum slusher loader	750.00
1 - 1952 Jeep	840.00
Total value	$9,390.00

Allowable depreciation $\frac{\$9,390}{60 \text{ mos.}}$ X 4 mos. = $ 626.00 $ 1.25

		Estimated Costs	
		Totals	Per foot
Initial Rehabilitations and Repairs	(None)		
New Buildings, Improvements, etc.	(None)		
Miscellaneous			
Repairs to equipment	$ 125.00		
Taxes and Insurance 13¼% of $8,468.00	1,120.00	$ 1,245.00	$ 2.49
Estimated total and per foot cost of adit		$ 13,997.16	$28.00

Timbering - Provision should be made for an estimated maximum of 50 lineal feet of partially lagged timber drift-sets in the adit. The following estimated per foot cost of timbering is based on the use of 6-inch by 8-inch posts and caps and 2-inch by 12-inch lagging at $125.00/M board feet, and a framing and installation cost of $30.00 for 2, 5-foot sets.

	Estimated Cost	
	10 feet	1 foot
Timber 400 bd. ft. @ $100/M	$40.00	$4.00
Labor	30.00	3.00
Estimated costs	$ 70.00	$7.00

Percussion Drilling - The per foot cost of drilling and sampling has been estimated for both vertical and inclined holes. The depths of the vertical holes are expected to range from 40 to 50 feet and average about 45 feet; inclined holes may be expected to range from 65 to 115 feet in depth and average about 90 feet. Available information indicates a 2-man crew of average ability can drill and sample

vertical and inclined holes of the indicated depths in 0.50 shift and 1.5 shifts, respectively. Expectable costs of drilling that should be completed in about 16 days are shown below:

	Estimated Costs per hole	
	Vertical holes	Inclined holes
Labor and supervision		
Supervisor	$ 10.00	$ 30.00
Labor	15.00	45.00
Operating Materials and supplies		
Fuel and greases	2.67	8.00
Steel and bits	0.33	1.00
Miscellaneous	0.30	0.90
Equipment		
Compressor (depreciation)	1.80	5.40
Drill (rental)	1.80	5.40
Miscellaneous	3.00	9.00
Estimated total costs	$34.90	$104.70
Estimated cost per foot (rounded)	$ 0.75	$ 1.15

Summary of Estimated Costs

Stage I		
Driving 500-foot adit @ $28.00/ft.	$14,000.00	
Timbering, 50 feet @ $7.00/ft.	350.00	
Percussion drilling and sampling		
7 vertical holes for a maximum of 350 feet @ $0.75/ft.	262.50	
2 inclined holes for a maximum of 180 feet @ $1.15/ft.	207.00	
Estimated total cost of Stage I		$14,819.50
Stage II		
Percussion drilling and sampling a maximum of 26 holes for an estimated total of 2,120 feet @ $1.15/ft.	$ 2,438.00	
Estimated total cost of Stage II		2,438.00
Estimated total cost of project		$17,257.50
Government's share @ 50 percent		$8,628.75

Proposed Work Specifications

The adit should have a minimum cross section of 5 feet by 7 feet in both the untimbered and timbered portions.

The percussion drill holes should be drilled to a minimum diameter of 1-3/4 inches.

The sampling interval in ore zones shall not exceed 1 foot.

All samples shall be properly identified and sacked and hauled to a sampling room for logging and evaluation by the engineer-geologist. They shall be retained until inspected by representatives of the Defense Minerals Exploration Administration.

In the logging of holes every effort shall be made to accurately show the position of: (1) zones of serpentine and fiber; (2) type of fiber as to softness and length; (3) the weight in grams of air-dried fiber; and (4) the estimated inches of fiber in place. Item (4) will equal the weight of fiber recovered in the cuttings divided by the calculated weight of 1 inch of fiber in place. Factors to be used in determining the weight of fiber in place are the diameter of the hole drilled and a specific gravity of 2.4 for Arizona chrysotile asbestos. The specific gravity of 2.4 is acceptable on the basis of tests made on Arizona chrysotile asbestos by the Bureau of Mines, Tucson, Arizona in 1954. In these tests the specific gravity of fiber selected with great care to eliminate impurities ranged from 2.293 to 2.46 and averaged 2.38.

The factor to be used in estimating tonnage reserves is: the weight of 1 inch of fiber in place throughout an area of 1,000 square feet equals 6.5 short tons.

IN REPLY REFER TO:

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

DMEA

RECEIVED APR 2 1958

DATE		CODE
4/2	C	226
4/3	Hauk	660

April 1, 1958

Re: DMEA 4909
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona
$35,968.17 Appl. Est.
17,257.50 Rec'd Est.
Asbestos

Memorandum

To: L. G. Houk, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team Report

The applicant requested assistance in exploring a new section of the mine area by extending an existing 65-foot adit. The part to be explored is in the apparent trend of a favorable zone and somewhat below, due to a slight down dip, of the presently producing part of the small mine.

The examiners recommend a new adit about 20 feet lower than the existing 65-foot adit, and below the limestone beds which contain the thin seams of fiber. Long holes, vertical and fan, from the adit will investigate the overlying strata. The alternative proposal of the examiners appears adequate and in keeping with the inferred ore potential of the area to be explored.

I concur with the recommendation of the examiners and Field Team.

N. E. Nelson

N. E. Nelson

OFFICIAL FILE COPY DMEA RECEIVED APR 4 1958		
DATE	[illegible]	[illegible]
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Washington 25, D. C.

Date April 3, 1958

DMEA Docket No. 4909
DMEA Contract No.
Commodity Asbestos
Name of applicant Reynolds Falls Asbestos Inc.
Name of property Reynolds Falls Mine
Location of property Gila County, Arizona
Estimated cost of project $ 32,880

Memorandum

To: Lawrence G. Houk, Chief, Nonmetallic Minerals Division, Defense Minerals Exploration Administration

From: D. O. Kennedy, Assistant Chief, Branch of Construction and Chemical Materials

Subject: Review of Field Team Report
(Application, Field Team Report, etc.)

1. Date of subject document: March 1958. 2. Date received by reviewer: April 1, 1958

3. Prior reports on this property known to reviewer: Yes [X] No [ ]

4. Prior reports on nearby properties known to reviewer: Yes [X] No [ ]

5. Information available on past production: Yes [X] No [ ]

6. Other pertinent factors known to reviewer: Yes [ ] No [X]

7. Explain items marked yes above:
Bureau of Mines publications R. I. 4100 and I. C. 7706
Production records of Arizona producers

8. Factors needing special consideration:
a. Location [ ]
b. Ownership [ ]
c. Evidence of mineralization [ ]
d. Geology [ ]
e. Proposed exploration method [ ]
f. Alternate exploration method [ ]
g. Costs [ ]
h. _____ [ ]

9. Action advised:
a. Obtain information from applicant [ ]
b. Refer to Field Team [ ]
c. Denial [ ]
d. Agree with Field Team [X]
e. Disagree with Field Team [ ]
f. Suggest alternate plan [ ]
g. Request another examination [ ]
h. Approval [X]
i. Consult with Mr. _____ at _____ AEC office.

10. Remarks: (Use back of page if necessary)

Copy to: Thor H. Killsgaard
Frank D. Lamb
D. O. Kennedy
Division of Minerals
Br. of Const. & Chem. Mats.
F I L E S

D. O. Kennedy

D. O. Kennedy

DMEA Form 7
(12-56)

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Date	Surname	Code
4/7	Hook	600
4/8	[illegible]	130
"	Johnson	110
"	Gustafson	100
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		[illegible]

APR 8 1958

600

Mr. William H. King
Executive Officer, DMEA
Field Team, Region III
224 New Customhouse Bldg.
Denver 2, Colorado

Re: Docket No. DMEA-4909-Asbestos
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona

Dear Mr. King:

We are inclined to deny the subject application because we do not believe a significant discovery of strategic asbestos will be made by the Field Team's work proposal. We concur with your conclusion that this structure may persist to the north or northwest but do not believe the strength of the structure justifies driving below the ore horizon and probing it with long drill holes. We will consider, but not promise, a limited program of following the ore horizon with drifts and inclines or surface work followed by drifting in the vicinity of No. 2150 E. 650. Please submit a revised report with cost estimates if you agree with our suggestions.

Please explain the difference in recent production figures between Field Team report and the application. The Applicant submits settlement sheets for 1957 from the Globe Depot showing sales of 0.45 tons of #1, 6.25 tons of #2, and 7.5 tons of #3, but the Field Team reports production from January 1957 to February 1958 as 0.05 tons #1, 0.9 tons of #2, and 0.95 tons of #3 sales to the Depot, the sale of 4 tons of #3 to Jaquays Mining Corporation, and 14 tons of #4 and lower stockpiled. Does the settlement sheet in the application captioned Reynolds Falls Asbestos, Inc., "Statement of asbestos ore purchased to June 11, 1957," pertain to the Applicant's production or purchases from a third party? May we imply from the sale of 4 tons of #3 to the Jaquays Mining Corporation that only a small portion of the Applicant's production is eligible for purchase under the buying program? You report, "Much of the soft fiber tends to be slightly harsh." Is the Applicant having difficulty meeting quality specifications of the buying program?

8623

The examination report lists numerous favorable factors on Page 2 but fails to support their position.

(1) On "proximity to diabase," the Field Team states the zones to be 65-70 feet above the diabase. Are not most of the deposits within 25 to 30 feet above or below the diabase?

(2) "Limestone beds favorable for emplacement of serpentine-fiber zones." This statement appears to be unsupported as we can find no mention of the location of the mineralization with reference to the base of the algal member of the Moscal.

We will require additional information relating to the ownership of the property but will defer this requirement for the present pending your reply to our questions. We will need a Consent to Lien and Subordination Agreement from the Owner, Via Development Company. By an instrument entitled an "Offer" (undated), the respective interests of a group of people were transferred to Reynolds Falls Asbestos, Inc., in exchange for shares of stock. The Applicant must verify that this offer was accepted.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Approved:

Frank D. Lamb (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

LGHouk:gad 4/7/58
Copy to: Admr. R. File
Operating Committee
Mr. Kiilsgaard, 5222
Mr. D. O. Kennedy, 3516
Mr. Houk

OFFICE OF THE DIRECTOR
DMEA
RECEIVED APR 14 1958

DATE	INITIALS	CODE
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224 New Customhouse
Denver 2, Colorado

April 11, 1958

AIR MAIL

Memorandum

To: T. M. Romslo w/enclosures
W. L. Emerick w/enclosures

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4909 (Asbestos) Reynolds Falls Asbestos, Inc. (Reynolds Falls Mine) Gila County, Arizona

Enclosed is a copy of a letter from the Chairman, Operating Committee, on the subject docket dated April 8, 1958.

Will you please submit a joint supplemental report covering the questions contained in the Chairman's letter.

We will appreciate receiving your recommendations at an early date so that we may obtain the information requested in the last paragraph of the Chairman's letter.

E. N. Harshman

HMC:dp

cc: Dec. Op. Comm. (2)
Harshman
Docket
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

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RECEIVED APR 28 1958

DATE	INITIALS	CODE
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224 New Customhouse
Denver 2, Colorado
April 24, 1958

Memorandum

To: Chairman, Operating Committee

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 4909 (Asbestos) Reynolds Falls Asbestos, Inc. (Reynolds Falls Mine) Gila County, Arizona

This responds to your letter of April 8, 1958, on the subject docket.

Enclosed are the original and one copy of a memorandum from the field examiners dated April 21, 1958. The examiners reaffirm their belief that their proposed method of driving at a horizon low enough to be below any possible ore horizons and probing upward with drill holes offers more of an opportunity to adequately explore the possible ore trend at low cost. Although the propriety of exploration on the subject property might be questioned, we believe that the examiners have justified their recommended program.

The last paragraph of your letter dated April 8, 1958, states that additional information relating to the ownership to the property will be required, but will be deferred pending our reply to your questions. We, therefore, assume that you will obtain the necessary Consents to Lien, and also verfication that the exchange of interests for shares of stock was accepted.

E. N. Harshman

E. N. Harshman

Cult
HMC

MINERAL REPORTS FOR TO:
DMEA
RECEIVED
APR 22 1958
U. S.
GEOLOGICAL SURVEY
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
APR 23 1958
REGION III
DENVER, COLORADO

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Box 4126 University Station
Tucson, Arizona

OFFICIAL FILE COPY
DMEA
RECEIVED APR 28 1958

DATE	INITIALS	CODE

April 21, 1958

Memorandum

To: E. N. Harshman, Acting Executive Officer, DMEA Field Team, Region III

From: T. M. Romslo
W. L. Emerick

Subject: Docket No. DMEA-4909 (Asbestos) Reynolds Falls Asbestos, Inc. (Reynolds Falls Mine) Gila County, Arizona

In reference to the Operating Committee's letter to W. H. King on the above docket, dated April 11, 1958, we submit the following additional information, which has been delayed pending information from the applicant.

We do not concur with the Operating Committee's suggestion on exploration by drifts, inclines or surface work in the vicinity of N. 2150 E. 650 (Fig. 3), inasmuch as the exposed thin serpentine bands at this point may not be in the main ore horizon and for another reason later stated. It is uncertain if the mineralized zones in the 65-foot adit (start of applicant's proposed work) or in the mineralized exposure in the vicinity of co-ordinates N. 2150 E. 650 are in the same position stratigraphically as the ore horizon in the Reynolds Falls mine. It is for this reason that we propose drifting below any known or expectable ore horizons. The examining team proposed its method of exploration to fit possible conditions and possible ore trends only after considerable deliberation had been given to other methods, including the one suggested by the Operating Committee. The other reason for discarding the work area suggested by the Operating Committee is that it is to the west of the ore horizon trends suggested by both the applicant and examining team. We believe the proposed method of driving at a horizon low enough to be below any possible ore horizons and probing upward with drill holes offers more of an opportunity to adequately explore the possible ore trend at low cost.

We listed, on page 14 of the examination report, several prime factors controlling asbestos deposition, among which were proximity to diabase and limestone beds favorable to deposition of asbestos. The diabase at the Reynolds Falls deposit lies 65 to 70 feet below the ore horizon. It is true that in other places in the district the asbestos deposits may lie about 25 to 30 feet from the diabase, either above or below it, but usually above it. Also, it can and does lie immediately above the diabase in places in the district. Both L. A. Stewart (B. of M. Inf. Circular 7706) and A. F. Shride (unpublished report and oral communication) indicate that the structural control at the Reynolds Falls mine influencing the deposition of the asbestos at the extreme distance of 65 to 70 feet from the diabase has not been determined, but they both suggest that there is undoubtedly a direct relationship between the deposit and the underlying diabase.

It has not been possible to certainly identify the presence of the algal member of the Mescal limestone in the area because exposures are limited by a thick cover of debris. Both Stewart and Shride accept the limestone as Mescal, but they are uncertain of the stratigraphic position of the ore horizon within it. However, it is believed that the ore horizon probably lies immediately below the base of the algal member.

Mel Stockman, when contacted April 19, 1958, said that the applicant's sales in tons of fiber to the Government were our reported 0.05 of No. 1, 0.9 of No. 2, and 0.95 of No. 3, plus the sales covered by the settlement sheets. Therefore, the correct production by the applicant to February 1958 was about 35 short tons of which about 15 tons of No. 4 and lower grade material is stockpiled near the mill. Approximately 4 tons of No. 3 grade was sold to the Jaquays Mining Co. and the remaining tons - 0.5 of No. 1, 7.15 of No. 2, and 8.45 of No. 3, was sold to the Government. Regarding the sales to Jaquay, he said that the Government would have accepted the fiber as to quality but could not purchase it because the tonnage ratio of No. 3 to combined Nos. 1 and 2 would have been more than allowed. He also said that all operations at the Reynolds Falls mine were terminated late in February 1958 for economic reasons.

T. M. Romslo
U. S. Bureau of Mines

W. L. Emerick
U. S. Geological Survey

cc: W. H. King (8)
Harshman
DMEA/TUC
Emerick

TMR:WLE:ms

George -

This is a weak proposal. Larry thought at best a cheaper project would be necessary, if approved. Since alternate proposal is rejected by Field Team - denial appears in order.

FEJohnson

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/30	Houk	600
5/6	Selbredge	130
5/5	Lamb	130
5/5	Williams	130
5/6	Johnson	110
"	Stillwell	100
5/6	[illegible]	220
		221

Noted
600 Noted

MAY 6 1958

Mr. Richard Pierce
President, Reynolds Falls
Asbestos, Inc.
571 W. Whittier Blvd.
La Habra, California

Re: Docket No. DMEA-4909-Asbestos
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona

Dear Mr. Pierce:

Your application for aid for an exploration project and other reports available to us in Washington relating to the subject property have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information indicates to us that the probability of disclosing significant reserves of asbestos is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

LGHouk:gad 4/30/58
Copy to: Admr. R. File
Operating Committee
Field Team, Region III
Mr. Kiilsgaard, 5222
Mr. D. O. Kennedy, 3516
Mr. Houk

8623

REYNOLDS FALLS ASBESTOS, INC.
1018 Title & Trust Building
Phoenix, Arizona

May 20, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 26 1958

DATE	INITIALS	CODE
5/26	C	220
5/26	Hach	600

Mr. C. O. Mittendorf, Administrator
D.M.E.A.
Department of Interior 600
Washington 25, D. C.

Re: Docket No. DMEA 4909 (Asbestos)
(Reynolds Falls Mine) Gila
County, Arizona

Dear Mr. Mittendorf:

Mr. Richard Pierce recently received notification from your office that the above DMEA loan application had been rejected.

We would appreciate receiving an explanation of why this loan was rejected and what could be done, if anything, to reopen the application for further processing.

Very truly yours,

REYNOLDS FALLS ASBESTOS, INC.

M. E. Brayman am

Marion E. Brayman

MEB/am

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/2	Houk	600
		~~110~~
4	Mittendorf	100
6/2	C	220
		~~225~~

600

JUN 2 1958

Mrs. Marion E. Brayman
Reynolds Falls Asbestos, Inc.
1018 Title & Trust Building
Phoenix, Arizona

Re: Docket No. DMEA-4909-Asbestos
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona

Dear Mrs. Brayman:

Reference is made to your letter of May 20, 1958, in which you requested an explanation why the exploration assistance was not granted on the Reynolds Falls Asbestos Property.

A search of our docket fails to show that you are connected with this Company in an official capacity, therefore, we suggest that you ask a Company official for this information.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

LGHouk:gad 5/28/58
Copy to: Admr. R. File
Field Team, Region III
Mr. Kiilsgaard, 5222
Mr. D. O. Kennedy, 3516
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 16 1958

DATE	INITIALS	CODE

REYNOLDS FALLS ASBESTOS, INC.
1018 Title & Trust Building
Phoenix, Arizona

June 7, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 16 1958

DATE	INITIALS	CODE
6/16	C	220
6/16	Hirsch	600
		225

Mr. C. O. Mittendorf, Administrator
D. M. E. A.
Department of Interior 600
Washington 25, D. C.

Re: Docket No. DMEA 4909 (Asbestos)
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona

Dear Mr. Mittendorf:

We recently received notification from your office that the above DMEA loan application had been rejected.

We would appreciate receiving an explanation of why this loan was rejected and what could be done, if anything, to reopen this application for further processing.

Very truly yours,

REYNOLDS FALLS ASBESTOS, INC.

Richard Pierce

Richard Pierce, President

am

cc: Mr. Marion E. Brayman

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/19	Houck	600
6/18	Selledge	120
"	Johnson	100
"	Mittendorf	1000
		220

600

JUN 18 1958

Mr. Richard Pierce
President, Reynolds Falls Asbestos, Inc.
1018 Title & Trust Building
Phoenix, Arizona

Re: Docket No. DMEA-4909-Asbestos
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona

Dear Mr. Pierce:

Reference is made to your letter of June 7, 1958, asking why the exploration assistance was not granted, and how to reopen the application for further processing.

The denial was based in part on the limited extent of the asbestos mineralization and the lack of geological evidence of finding minable concentrations of asbestos of strategic grade.

Ordinarily if the Corporation did additional work on the property of sufficient scope to obtain more favorable information, we would be pleased to reopen the application. However, there is insufficient time for your Corporation to do the work and for us to complete processing the case before June 30, 1958, the date the DMEA Program terminates. There is, however, legislation pending in Congress for a modified type of exploration program.

A copy of our press release of June 6, 1958, is enclosed for your information.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Enclosure

LGHouk:gad 6/17/58
Copy to: Admr. R. File
Field Team, Region III
Mr. Kiilsgaard, 5222
Mr. D. O. Kennedy, 3516
Mr. Houk

8623

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 24 1958
FILE CODE
5/14 C 220
225

224 New Customhouse
Denver 2, Colorado
May 12, 1958

Mr. M. E. Brayman
Reynolds Falls Asbestos, Inc.
1018 Title & Trust Building
Phoenix, Arizona

Re: Docket No. DMEA 4909 (Asbestos)
(Reynolds Falls Mine) Gila
County, Arizona

Dear Mr. Brayman:

This will acknowledge receipt of your letter dated May 8, 1958, requesting information as to the status of the captioned DMEA application.

Mr. C. O. Mittendorf, Administrator, wrote to Mr. Richard Pierce, President, Reynolds Falls Asbestos, Inc. on May 6, 1958, giving Mr. Pierce the DMEA decision on the captioned docket.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

EHC:sly

cc: Adm. Op. Comm. (2)
Harshman
Romale
Emerick
Docket
Chron.

HMC

REYNOLDS FALLS ASBESTOS, INC.
1018 Title & Trust Bldg.
Phoenix, Arizona

DMEA
DEPARTMENT OF THE INTERIOR
MAY 9 1958
REGION III
DENVER, COLORADO

May 8, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 1958
CODE

Mr. W. H. King, Executive Officer
Field Team
Region 3
Defense Minerals Exploration Administration
New Custom House Building
Denver, Colorado

Re: DMEA-4909

Dear Mr. King:

May we have a report as to the status and progress of the above stated DMEA loan application.

Thank you.

Very truly yours,

Reynolds Falls Asbestos, Inc.

M E Brayman

M. E. Brayman

MEB/am

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
4/30	Houk	

600

April 30, 1958

Memorandum

To: Mr. C. O. Mittendorf, Administrator

From: Lawrence G. Houk, Director, Division of Nonmetallic Minerals

Subject: Evaluation of application and field examination report.

Docket No. DMEA-4909-Asbestos
Reynolds Falls Asbestos, Inc.
Reynolds Falls Mine
Gila County, Arizona

Denial of application is recommended.

Owner Via Development Co., lease and option. Asbestos mineralization is located in a slight flexure on the dip side of north trending folds.

Workings: About 39,000 square feet has been mined according to the Field Team, and the yield was $5.70 to $7.50 per square foot. Our figures show yield about 1/2 of the above amount.

Past production:

1924-1958 Reynolds Falls

Past production at present day prices.

#1	4.5	Tons	@	$1,500	-	$6,750.00
#2	32	"	@	950	-	30,400.00
#3	34	"	@	450	-	15,000.00
#4	63	"	@	400	-	25,200.00
#5	78	"	@	200	-	15,600.00
Others	150	"	@	75	-	11,250.00
	361.5					$104,200.00

The Bureau of Mines conducted an exploration here in August, 1943. It is described in I.C. 7760. The reserves found are reported to have been mined. The reserves quoted were #1 - 0.25 ton; #2 - 31.10 tons; #3 - 49.11 tons. 166.34 tons or a total of all grades of 246.80 tons.

Field Team estimate $225,000.00 to $300,000.00 all grades.

Applicant's Engineer $500,000.00 all grades.

Recent production (1957-1958): 35 tons all grades.

#1	.05	)
#2	7.15	)To General Services Administration.
#3	8.45	) (4 tons #3 sold to Jaquays.)
#4	15.00	Stockpiled at mine.

Applicant's proposal:

1,000 feet of drifting
246 feet of raising
840 feet of long hole drilling
Total estimated cost $35,968.17

Field Team's proposal:

500 feet of sublevel adit and
2,650 feet of up long hole drilling
Total estimated cost $17,257.50
Government participation 8,628.75

Reasons for denial:

This project is weak and not well supported by the Examination Report. There is a limited asbestos mineralization here which may continue northward but is marginal. I do not believe the mineralization is strong enough to support the expenditure of $8,628.75. Recent production shows 45% sales to GSA, and 55% to private industry or stockpiled at the mine. The first three grades account for only about 20% of all historical production. The fiber is apparently of sufficient strength and softness to be eligible for purchase under Public Law 733, although the Field Team states, "much of the soft fiber of this deposit tends to be slightly harsh."

We wrote the Field Team for clarification of some points in the report and asked for supporting evidence of the favorable factors listed. The examiners did not concur with our recommendation for a location of new work, further northwest. They repeated their recommendation to stay under the ore horizon and drill upward from the original location and corrected recent production data. The Applicant sold to Jaquays Mining Corporation because the Depot will accept only one ton of #3 for each ton of #1 or #2. The operation shut down in February, 1958, for economic reasons. Mr. Harshman states in covering memorandum dated April 24, 1958: "Although the propriety of exploration on the subject property might be questioned, we believe that the examiners have justified their recommended program."

Recommendations:

Although the Bureau of Mines and the Geological Survey concur with the Field Team, the Division of Nonmetallic Minerals recommends denial.

LGHouk:gad 4/30/58
Copy to: Admr. R. File
Mr. Houk