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

August 18, 1961

Memorandum

To: Allen S. Dakan, Chief
Division of Administrative Management

From: W. R. Griswold, Chief
Division of Minerals

Subject: OME-6137 (Asbestos)
Lee Folks
Blue Jay No. 1 Claim
Gila County, Arizona

The Applicant's letter of August 15, 1961, has cancelled the subject application. Therefore, the docket is forwarded to the inactive file.

GLAult/a
cc to: Docket
Region III (2) w/2 cys Mr. Folks' letter
Director's Reading File

AUG. 15th.1961
YOUNG, ARIZONA.

FROM: LEE FOLKS
RE: OME-6137 - ASBESTOS
BLUE JAY NO. I CLAIM
GILA COUNTY, ARIZONA.

UNITED STATES DEPARTMENT OF THE INTERIOR:
OFFICE OF MINERALS EXPLORATION WASHINGTON D.C.

Mr. Griswold, Chief
Division of Minerals.

Regarding your letter of July 11th. 1961. It is common knowledge that the banks do not make any such loans.
The regulations for the application plainly states that the applicant may use his own equipment and charge rent for it. So it is quite obvious to me that one must be wealthy to obtain this loan, and since I'm not I hereby instruct you to file this application in that round file on the floor byyour desk. Then you can say to yourself I've just made another republican out of a good democrat.
In other words cancel my application period.

LEE FOLKS

O.M.E.

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

AUG 1 1 1961

OME
DEPARTMENT OF THE INTERIOR

Mr. Lee Folks
P. O. Box 38
Young, Arizona

Re: OMX-6137 (Asbestos)
Lee Folks
Blue Jay No. 1 Claim
Gila County, Arizona

Dear Mr. Folks:

Please advise us the approximate date we may expect to receive the additional information requested in my letter of July 11, 1961, concerning the subject application for exploration assistance.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

GLAult/gla
8-10-61
cc to: Director's Reading File
Region III (2)
Docket

Region III

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

JUL 1 1 1961

OME
DEPARTMENT OF THE INTERIOR
JUL 1 1 1961
REGION III
DENVER, COLORADO

Mr. Lee Folks
P. O. Box 38
Young, Arizona

Re: OME-6137 (Asbestos)
Lee Folks
Blue Jay No. 1 Claim
Gila County, Arizona

Dear Mr. Folks:

To continue the processing of your application for exploration assistance at the subject property, this office needs the following additional information item for item as requested in the application form:

1.(a) Concerning financial eligibility, your letter to the Valley Bank does not state the amount and terms requested, and you do not submit evidence of a request to a second bank. Therefore, in order to assist us in determining your financial eligibility, please apply to two banks, one being your bank of account; (1) stating the amount of the loan you need for the proposed exploration work and the purpose for which it is to be used, (2) providing each with a simple recent financial statement showing your assets and liabilities, and (3) requesting them to inform you upon what terms they would be willing to make the loan. Copies of your letters to the banks and their replies, together with a copy of your financial statement, should then be sent to this office.

1.(c) You state that you will finance your share of exploration costs by furnishing supervision and the use of your own equipment. Experience has shown that such services and the depreciation on applicant-owned equipment will not cover an operator's share of the total exploration costs. In addition, the Government does not advance funds for its share under a contract. An operator pays all of the first month's costs and then submits a voucher on forms furnished by the Government. After approval, the operator is reimbursed for the Government's share of the costs. As it usually takes from two to three weeks to reimburse an operator, he should have sufficient funds at hand to cover all costs for at least the first two months. Thereafter, normally, reimbursement is received by an operator at monthly intervals. Therefore, please inform us how you propose to finance your share of the exploration cost.

OME
DEPARTMENT OF THE INTERIOR
JUL 1961
REGION III
DENVER, COLORADO

2.(a) and (c) On the first page of the application blank you state that you are the Applicant, but in the accompanying letter you say you have a partner whose name appears on the location notice. Three names, Lee Folks, Charles Mees, and Rosella Mees, are typed on the location notice, and your signature appears only at the bottom of the notice.

Please advise us whether Mr. and Mrs. Mees are partners with you in the proposed exploration project or only partners in locating the Blue Jay No. 1 claim. If the latter, we will need a Lien or Subordination Agreement signed by Mr. and Mrs. Mees, as part owners of the land offered for subordination in the proposed exploration project. Enclosed are six copies of MMX Form 52, Lien or Subordination Agreement, for your use if needed. Five copies should be completed and returned to this office. Signatures on the agreement do not have to be notarized.

5.(c) If an OMX contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for drifting.

Proposed changes in OMX regulations which would have had the effect of increasing the Government's contribution to an exploration loan for certain minerals, asbestos included, from 50 percent to 75 percent, were not approved by the Congress. Therefore, your assumption that the Government will pay 75 percent of the cost of a contract is not correct.

The above is not to be construed as any assurance that the Government will pass favorably upon your application for assistance in an exploration project.

Sincerely yours,

W. R. Griswold

W. R. Griswold, Chief
Division of Minerals

Enclosures

SPHolt/gla
7-7-61
cc to: Director's Reading File
Region III (2)
Docket

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

JUN 2 6 1961

OME
DEPARTMENT OF THE INTERIOR

Mr. Lee Folks
P. O. Box 38
Young, Arizona

Re: OME-6137

Dear Mr. Folks:

Your application for exploration assistance, dated June 20, 1961 submitted to our office at Denver, Colorado, has been assigned Docket Number OME-6137. Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region III

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

JUN 2 6 1961

Mr. Lee Folks
P. O. Box 38
Young, Arizona

Re: OME-6137

Dear Mr. Folks:

Your application for exploration assistance, dated June 20, 1961 submitted to our office at Denver, Colorado, has been assigned Docket Number OME-6137. Kindly identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Allen S. Dakan, Chief
Division of Administrative
Management

Copy to: Region III

Building 20 - Federal Center
Denver 25, Colorado

June 22, 1961

Memorandum

To: George C. Selfridge, Chief
Division of Field Operations, OME
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, OME, Region III

Subject: Application for OME Aid (Asbestos)
Lee Folks
Blue Jay No. 1 claim
Gila County, Arizona

Attached are three signed copies of the subject application.

Only one copy of NME Form 40 is being retained in this office and all the other data and information forwarded by the applicant is attached hereto.

It is questionable in my mind if this could be considered an application since the applicant expects to pay his share of the exploration costs by the use of his equipment and supervising the job himself. This, in accordance with his own estimate of costs, would be insufficient.

Original signed by

Hugh M. Connors

Attachments
HMC/lm
cc File
Chron

Budget Bureau No. 42–R1368
Approval expires Dec. 31, 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*	APPLICANT DO NOT USE THIS BLOCK
LEE FOLKS P.O. BOX 38 YOUNG, ARIZONA	DOCKET NUMBER DATE RECEIVED REGION DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*	LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE		
	NAME	ADDRESS	TITLE
INDIVIDUAL [X] CORPORATION [ ] PARTNERSHIP [ ] OTHER *(Specify)* [ ]			
STATE IN WHICH FIRM IS ORGANIZED			

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE	PROPERTY NAME	LOCATION COUNTY	STATE
ASBESTOS			
ESTIMATED COST OF PROJECT $ $3,000.00	ASBESTOS	B LUE JAY NO. I GILA	ARIZONA

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). 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 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. 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 3(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 Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME 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, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

JUNE 20th 1961 — DATED

Lee Folks — BY *(Signature)*

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. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) 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 adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. 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 land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if 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, giving quantities and grades and sampling methods used. Support 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 have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe ac-essibility of property and of any mine workings.

Name the shipping and supply points and state the the property.

Work:

the proposed exploration work giving sizes of openings *for each item of work.* Use narrative, maps, plans, and sections as necessary. Show 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 *land boundaries* or to the closest identifiable corner.

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

(c) If an OME contract is executed, state how soon thereafter work would be started and finished. State your anticipated average daily or monthly rate of progress for each type of work.

6. Experience:

State your operating experience and background to conduct this exploration work and also that of the person who will supervise the work.

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or 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. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. 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 equipment and tools costing $50 or more per unit. Give specifications and indicate how each item is to be acquired—i.e., rented, purchased or provided by the applicant. If rented or purchased, state the estimated rental or purchase price. If furnished by the applicant, state condition and present fair market value.

(e) Initial rehabilitation and repairs. Describe the type and the cost of *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 in the exploration work.

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

(g) Miscellaneous. Describe the type and estimate the cost of repairs and maintenance of the operating equipment listed in 7(d). Do not repeat initial repairs listed in 7(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*—The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to: (1) acquiring, using, or possessing land and any existing improvements, facilities, buildings, installations, and appurtenances, or the depreciation and depletion thereof; (2) general overhead, corporate management, interest and taxes (other than payroll and sales taxes); (3) insurance (other than employees' liability insurance); and (4) damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).]

INT.-DUP. SEC., WASH., D.C. 50399