Region III

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

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DEPARTMENT OF THE INTERIOR
B 1965
REGION III
DENVER, COLORADO

MAR 1 1965

Mr. Stanley E. Pyndus
General Manager
Southwest Gas Supply Company
1327 Esperson Building
Houston 2, Texas

Re: OME-6401 (Silver)
Southwest Gas Supply Company
Caretto, et al., Group of Claims
Cochise County, Arizona

Dear Mr. Pyndus:

This will acknowledge receipt of your letter of February 24, 1965, enclosing additional information to the subject application.

As you were advised in our letter of January 8, 1965, your proposed work appears to be largely of a preliminary nature to obtain geological information rather than exploration of a specific target area for mineral deposits. If you could submit additional geological evidence showing the projected fault intersections, favorable formations, and depths of such formations, it would be helpful. It might be necessary for you to perform some physical work on the property to supply this specific information.

The Bisbee-Warren area has always been considered a copper province with fringe areas of lead and zinc deposits. As none of the base metals are currently eligible for exploration assistance, it would be necessary to furnish evidence that the principal mineral being sought is silver or other eligible minerals before we could give favorable consideration to your application. This evidence could include assays of samples from any mineralized areas on the property to be explored, records of ore shipments of properties in the nearby area having similar geological conditions, and a more detailed description of the structures, formations, and mineral occurrences on the property.

If you can comply with the foregoing requirements and also can supply the information previously requested concerning your interest in the property to be explored and meet the Owner's Subordination

or Performance Bond requirements, we shall be glad to proceed with the processing of your application.

Sincerely yours,

George Fumich, Jr.

Acting Director

FEJohnson/bih/gla (3-3-65)
cc to: Director's Reading File
Docket
✓Region III w/cy incoming letter and 5 enclosures
Mr. Johnson

SOUTHWEST GAS SUPPLY
1327 EDPERSON BUILDING, HOUSTON 2, TEXAS, CA 2-6673

February 24, 1965

Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Attention: Mr. George C. Selfridge, Chief
Division of Exploration Operations

Gentlemen:

With reference to your letter of January 8, 1965, reviewing our application OME 6401, we have been able to secure a portion of the data requested.

Your request with reference to our giving assurance that commercial silver is present is not possible, however, from studies of the camp we do know that free gold and silver associated with other metals are present. We had understood that the nature of the OME program was to seek out potential ore bodies, which can only be found by an exploratory approach. We would not expect to find a straight silver deposit, but rather one associated with gold, lead, manganest and copper.

The pre-mineral divided fault is an important locus of metallization, wherein we would expect ore bodies to be localized and only found by core drilling. It is a known fact that the above-mentioned minerals do exist in this area and in this camp. Near the porphyry centers, such as lavender pit and Cambell Hill no ore bodies exist, however, farther out from these centers more blend and galena exist, and still farther out are silver lead deposits, which we believe are within the Carrolto claims. The last wave of mineralizing carried zinc, lead and silver which were deposited around the copper bodies, or farther out.

Bids were taken and a copy is enclosed herein. We have used an average cost estimate from these bids.

Also enclosed are copies of letter from the two banks.

Yours very truly,

SOUTHWEST GAS SUPPLY COMPANY

Stanley E. Pyndus
General Manager

SEP:lm
Encls.

Moving in and out	$ [illegible]
Reaming and setting casing @ $1.00/foot	10,00[illegible]
50 - holes @ $9.00 foot	90,[illegible]
Roads @ $12.00/hour	[illegible]
Engineer, 60 days @ $75.00	4,5[illegible]
2 geologists, 90 days @ $60.00 + $15.00 per diem	13,[illegible]
Assays (lead, zinc, silver, gold, Uranium, platinum, Rare earth) est approx?	10,000
Geophysical, geochemical, aerial photo, magneter and gravity meter surveys	10,[illegible]
Water truck rental and mileage @ 12¢ mile	[illegible]
Standby time for cementing	1,1[illegible]
Cement	1,[illegible]
$160.86/day for 90 days	$14[illegible]

306 East Pima Street
Phoenix, Arizona 85004
February 16, 1965

Southwest Gas Supply
836 Rusterman Building
Houston 2, Texas

Attention Mr. Stanley E. Fyndus

SUBJECT: PROPOSAL COVERING YOUR COMPANY'S PLANNED EXPLORATORY CORE DRILLING PROGRAM, VICINITY WARREN, ARIZONA

Gentlemen:

1. In response to your letter of January 27, 1965 and after the examination of the drilling area described above, we are pleased to submit for your review our proposal as outlined below.

2. Our understanding of your program is as follows:

a) Minimum footage approximately 10,000 linear feet of NX and NX size drill holes.

b) The holes will be vertically inclined and are expected to have an average depth of 300 feet.

c) Formations expected to be encountered in the area consist of sediments both altered and broken with the possibility of encountering granitic type rocks in the bottom of the holes. The overburden involved is expected to consist of a minor amount of valley fill or outwash material.

d) Water necessary for the drilling operation will require hauling by truck from the city supply at Warren, Arizona.

e) Southwest Gas Supply Company will prepare and maintain suitable access roads necessary for the haulage of water in standard 2-wheel drive service truck. They also will prepare and level the necessary drill sites.

3. For the work as outlined above we propose to employ one Longyear drilling machine of suitable capacity and design equipped with modern wireline drilling equipment and supported by the necessary service vehicle.

We would expect to operate the work on a one or two shift basis, six days per week.

4. We will carry public liability insurance covering personal injury and property damage and Workmen's Compensation Insurance, and also all-risk insurance on the drilling equipment protecting against loss by theft, fire, flood, landslides and other similar hazards. Certificates showing the coverage referred to will be furnished upon request.

5. Based upon the conditions as outlined above and from experience gained from drilling in the same general area, we are pleased to quote as follows:

a) Mobilization and demobilization of personnel and drilling equipment.....$365.00 Lump Sum

b) Overburden drilling including the setting of casing to ledge - 3½" to 4½" diameter holes -

0 to 50 feet in depth.....$5.95 per feet

c) Diamond core drilling - Vertical holes -

Depths	Wireline Sizes - Prices Per Foot: BX	NX
Ledge to 500 feet....	$5.70	$5.95

d) Reaming, if and where required -

Depths	All Sizes Involved
Ledge to 500 feet.....	$2.95 per foot

e) Cementing activity, including time spent by crew waiting for cement to set and drilling out cement.....$11.25 per hour with two-man drill crew.

f) Cement, drill mud, mud additives and other hole plugging or stabilizing material consumed in the drilling program will be invoiced to you at our cost, f.o.b. jobsite basis.

g) Standby time or delays for your convenience or for which you are responsible will be invoiced to you at.....$10.60 per hour for two-man drill crew.

h) Water truck service will be made available on the following basis:

1. Truck rental charge.....$150.00 per month

2. Mileage recorded while engaged in water hauling activity.....$0.12 per mile

3. If it becomes necessary to hire a full time water truck driver in order to properly supply the drilling operation, a charge of $3.25 per hour will be made to cover the labor, payroll taxes and other related expense involved.

February 2, 1965

BRANCH OFFICE:
419 SO. 96TH STREET
SEATTLE 8, WASHINGTON
PARKWAY 3-0944

Southwest Gas Supply
806 Esperson Building
Houston 2, Texas

Attention: Stanley E. Pyndus

Gentlemen:

The following is our proposal for core drilling approximately 10,000 feet of hole on your property south of Bisbee, Arizona. It is our understanding these holes will average 300 feet in depth.

Item:	Description:	
1-	Mobilization	
	(a) Move in Charge (per rig) Including all equipment, supplies and personnel	$ 750.00 Lump Sum
	(b) Moving from site to site Including all equipment, supplies and personnel	250.00 Lump Sum
	(c) Move out Charge Including all equipment, supplies and personnel	500.00 Lump Sum
2-	Core Drilling	
	Including all Labor, equipment, drill rods, casing, wire line, core barrels, operating supplies, water truck, pumps, core boxes and site preparation.	
	(a) Drilling 3 5/8" hole through overburden and weathered rock for installation of NX Coller pipe	15.00 per lin.ft.
	(b) Drilling & casing NX hole	12.00 per lin.ft.
	(c) Drilling BX Wire line	9.50 per lin.ft.
3-	Reaming and setting casing	
	(a) Reaming BX to NX	4.00 per lin.ft.
	(b) Setting & removing BX casing	15.00 per hour
4-	Cementing	
	(a) Cementing & redrill of cement for cave or water loss @ $15.00 per hour plus cost of materials.	

Item:	Description:	
4-	Cementing (continued)	
	(b) Standby time for cement	$ 12.00 per hour

In event you wish us to assume all risks and costs of cementing and casing hole, add $2.00 per foot to our prices under Item 2- (a),(b) & (c), Core Drilling.

Our bid is based on one drill, one shift, six days per week.

Very truly yours,

CONTINENTAL DRILLING COMPANY

R.O. Thies

ROT:ga

Sexton Bros. Drilling Co.

Diamond Core Drilling Contractors

Exploratory Drilling For All Minerals

Phone 565-3267 P. O. Box 506

Foundation Testing, Dams, Tunnels, Bldgs., Pressure Grouting

Cortez, Colorado, 81321

Jan. 4, 1965

SOUTHWEST GAS SUPPLY
836 Esperson Building
Houston 2, Texas

Att: Mr. Stanley E. Pyndus,

Dear Mr. Pyndus,

In regards to your letter of Dec. 22, 1964 on the core drilling work you are proposing in the Bisbee area of Arizona.

On Dec. 30, 1964 we were at Bisbee and met with Mr. Carette. We were out and looked over the property where approximately the drilling is to be done. It is possible it would require some road building depending on where the holes will be staked. Therefore we would like to submit our bid on the drilling and also in the event there maybe some road building a price on our dozer by the hour basis.

Our bid is as follows:

Core Drilling-NX or BX size _____ $ 5.95 per Lin. Ft.
Road Building _____ $ 12.00 per Hour

Type of equipment we are using for contract work is as follows: Joys 22 HD truck or skid mounted, International 4x4 water truck, mounted with 1000 gallon tank and all other necessary equipment for completing drilling operations and a T D 9 Dozer for road building.

Sincerely,

Sexton Bros. Drilling Company
Earl Sexton

EE/sj

COPY

December 1, 1964

The Bank of Texas
Loan Department
Houston, Texas 77002

Gentlemen:

Southwest Gas Supply has silver claims in the Bisbee area of Arizona and West Texas, and desires to explore and evaluate these properties. We desire a loan from the bank in the amount of approximately $50,000 with an interest rate of 6% to do this prospecting.

We shall drop by personally and shall bring our maps, geology and data to justify this request.

Yours very truly,

S. E. Pyndus
President & General Manager

SEP:lm