MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6625

Application
- [ ] Denied
- [x] Withdrawn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
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual 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
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No. _____: Reports
- [ ] Analysis of Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual 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

72195-65

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
APR 12 1967

INITIALS	CODE

April 10, 1967

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: Chance Corporation (Silver)
Chance Property
Cochise County, Arizona

Transmitted herewith is one copy of an application for financial assistance in minerals exploration on the above-stated property for your attention and consideration. The other copy is being retained in the Field Office files, Region III.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

MEClark/mc/4/10/67

OME Region III
RECEIVED
MAR 21 1967
Denver, Colorado

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Copy of Lease-Purchase Agreement between J. F. Rydbom and Vernon C. Davis on Chance No. 1 Am. and other claims
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MME Form 40
Jan. 65

Budget Bureau No. 42-R1508
Approval expires Dec. 31, 1968

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UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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.)*

Chance Corporation
457 A Washington SE
Box 8765
Albuquerque, New Mexico 87108

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6625

DATE RECEIVED: 4-12-67

REGION: III

DIVISION CODE:

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

STATE IN WHICH FIRM IS ORGANIZED: Arizona

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Ora R. Hall, Jr.	Box 1754, Roswell, NM	President
James V. Reynolds	Box 8765, Albuquerque, NM	Vice-Pres
Ozzie Reeves	Espanola, NM	Sec-Treas

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver

ESTIMATED COST OF PROJECT: $ 120,000

PROPERTY NAME	LOCATION COUNTY	STATE
Chance	Cochise	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 two 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, D.C., or with the nearest OME Field Office.~~ Washington, D. C., 20242, 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.

March 14, 1967
DATED

Ora R. Hall Jr.
BY (Signature)

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. 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 accessibility of property and of any mine workings.

(b) Name the shipping and supply points and state the distances to the property.

5. Exploration Work:

(a) Describe fully the proposed exploration work giving individual footages and 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

CHANCE CORPORATION

Reply To Box 8765

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

March 14, 1967

Office of Mineral Exploration
U. S. Geological Survey
Denver Federal Center Building 25,
Room 2284
Denver, Colorado 80225

Gentlemen:

Enclosed herewith in duplicate is our application for an O.M.E. loan for exploration assistance on our Chance No. 1 Am. unpatented lode mining claim, located in Section 12, T20S, R27E, Cochise County, Arizona.

Pursuant to the instructions on MMe Form 40:

1.(a) We enclose evidence of our efforts made within the last 90 days to obtain credit for exploration on our Chance No. 1 Am. claim.

1.(b) Chance Corporation has no affiliated, parent or controlling company.

1.(c) Chance Corporation proposes to furnish its share of the cost of the proposed exploration with cash.

2.(a) Chance Corporation is the lessee of the property on which the work will be conducted. A true copy of our leases and related instruments are enclosed.

2.(b) Chance Corporation proposes to explore the Chance No. 1 Am. claim. Other claims under lease to Chance Corporation are described in the afore mentioned leases and are shown on the enclosed plat - Figure 2. The exploration will be conducted solely upon the Chance No. 1 Am. claim and this is the only claim which would be subject to Government royalty.

CHANCE CORPORATION

Reply To Box 8765

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

2.(c) Enclosed (in folder #1) are five copies of Lien and Subordination Agreement MME Form 52. You will note that they are signed only by Chance Corporation. We have been unable to get the landowners to subordinate, although J. F. Rydbom, the owner of a 7/9 interest in the Chance No. 1 Am. claim had given us verbal assurance that he would do so, prior to our acquiring the lease on his interest. We believe his refusal is based on the belief that now that we had expended a substantial sum upon the property, he could force us to at this time purchase his interest pursuant to the terms of our option agreement. A copy of the letter of refusal to subordinate is enclosed.

Require Party Bond

3.(a-g) Various reports, maps and other information are enclosed.

4.(a) Our mine foreman, Mr. Ralph Pursley, can meet with your representative at the property at your convenience. Mr. Pursley can be contacted by mail at Dos Cabezas Route, Willcox, Arizona and by telephone at home, 602-824-3544, or if we know your schedule we will arrange with Mr. Pursley.

4.(b) Directions to reach property, assessibility of property and the mine workings and the name of and distance to supply points are described or shown by the enclosed reports and/or maps.

5(a) Chance Corporation proposes to drive 1500 feet of 7' x 7' drift. This work is described in detail in the enclosed report by Conrad Appledorn, a registered consulting geologist and mining engineer. The location of the proposed work as related to geologic features, existing mine workings and to land boundaries is shown on Figures No. 3 and 4.

CHANCE CORPORATION

Reply To Box 8765

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ALBUQUERQUE, N. M. 87108
Phone 265-8389

5.(b) No access road need be built.

5.(c) If an O.M.E. contract is executed, work would be started as soon as shaft rehabilitation is completed, probably about May 1, 1967. It is anticipated that a monthly rate of progress of not less than 125 feet will be achieved.

6. Chance Corporation is a new company. We have only one supervisory employee with mining experience, our mine foreman. We propose to defer acquiring a technical staff until we determine that a commercial ore deposit is established as being present on our leased property. For this reason we plan to have the exploration work let under a contract to Cumberland Western Corporation who submitted the low bid and who has available the equipment to perform and competent technical personnel to supervise the proposed exploration program. ?

7.(a) The lowest bid was $120,000 for the total job of 1500 feet of 7' x 7' drifts as described in our bid invitation letter of March 7, 1967, or $80.00 per foot of drift - including all the specifications described in the bid. The other bids received are enclosed. Too High

Very truly yours,

CHANCE CORPORATION

Ora R. Hall

Ora R. Hall, Jr.
President

OBH:pwc

VALLEY
NATIONAL BANK
ESPANOLA, NEW MEXICO

Feb 10,1967

Mr J V Reynolds
Vice President
Chance Corporation
457 A Washington SE
Albuquerque, N Mex

Dear Mr Reynolds,

Reference is made to your loan application in the amount of $37,500 to be expended on an exploration program at your Chance Mine in Arizona and which you would like paid over a three year period with payments beginning six months hence.

Since this money would be loaned out of state use and due to the tight money situation we do not feel that we could justify making you such a loan. Our decision casts no reflection on your paying ability or credit rating. NG

Very Truly Yours

W H Sultemeier
President

CHANCE CORPORATION
457 A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

February 9, 1967

Mr. W. H. Sultermeier, President
Valley National Bank
Espanola, New Mexico

Dear Mr. Sultermeier:

As a follow up to our previous discussions we are writing this letter as a formal request for a loan in the sum of $37,500 to be expended on an exploration program at our Chance Mine in Arizona. We would like to repay the loan over a three year period with payments to begin in six months. A seven percent interest rate is satisfactory.

You are our bank of account and are familiar with the company's financial picture. We will appreciate your consideration at the earliest possible time.

Yours truly,

CHANCE CORPORATION

J. V. Reynolds,
Vice President

JVR:pwc

CHANCE CORPORATION
457 A Washington, S. E.
Box 6765
Albuquerque, New Mexico 87108

SECURITY NATIONAL BANK
OF
ROSWELL, NEW MEXICO

P. O. BOX 1497 PHONE 623-3501

March 17, 1967

Mr. Ora R. Hall, Jr.
President
Chance Corporation
4578 Washington SE
Albuquerque, New Mexico

Dear Mr. Hall:

Thank you very much for your letter of March 8 requesting a loan in the amount of $37,500.00 to be used for operation and exploration at the Chance Mine in Arizona.

Our Bank feels that this loan should be handled out of risk capital by the investors, therefore, we must regretfully decline your application.

Sincerely,

James A. Clark

JAMES A. CLARK
President

JAC:B

CHANCE CORPORATION

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

March 8, 1967

Security National Bank
Roswell, New Mexico

Att: James A. Clark
President

Gentlemen:

As a follow up to our previous discussions, we are writing this letter as a formal request for a loan in the sum of $37,500 to be expended on an exploration program at our Chance Mine in Arizona. We would like to repay the loan over a three year period with payments to begin in six months. A seven percent interest rate is satisfactory.

From our discussions, you are familiar with the property and the company's financial picture. We will appreciate your consideration at the earliest possible time.

Sincerely yours,

CHANCE CORPORATION

Ora R. Hall, Jr.

Ora R. Hall, Jr., President

ORHeih

DANIEL L. E. HUCKINS
MINING GEOLOGIST
POST OFFICE BOX 5073 ANNEX STATION
TUCSON, ARIZONA
MAIN 3-1312

March 8, 1967

Mr. J. V. Reynolds
Chance Corporation
Box8965
Albuquerque, New Mexico

Dear Mr. Reynolds:

Reference is made to your letter of March 6, 1967, addressed to Mr. Joe F. Rydbom and myself:

Kindly be advised that neither Mr. Rydbom nor myself will permit any lien of any kind whatsoever against our Chance Claims, or any of them, or any ore contained on them, to be in effect past or beyond the termination of our agreement with Mr. Vernon C. Davis under any of the means therein provided.

In the event that an OME loan is secured by you the government may only have recourse to Mr. Davis, or his assigns under the terms of the agreement and/or a bonding Company, for the repayment of any part of that loan, and not to ourselves or to the land except to the extent that it is being operated under the terms of our agreement with Mr. Davis.

Very sincerely yours,

Daniel L. E. Huckins

Daniel L. E. Huckins

By:

Daniel L. E. Huckins

Daniel L. E. Huckins

J. F. Rydbom

Joe F. Rydbom

CHANCE CORPORATION
457 A Washington, S. E.
Box 8965
Albuquerque, New Mexico 87108

March 6, 1967

Air Mail

Mr. Joe Rydbom
Mr. Dan Huckins
Box 5073 - Annex Station
Tucson, Arizona

Gentlemen:

In accordance with our conference at Mr. Rydbom's home at the Chance Mine, it is our understanding that neither you, as owner of a 2/9 interest in the Chance #1 claim nor Mr. Rydbom as owner of a 7/9 interest in the Chance #1 claim, are willing to sign a subordination agreement on your property agreeing to repay O.M.E. five percent of ore developed and produced from the Chance #1 claim in the event of certification of a mineral discovery by O.M.E. as a result of our proposed O.M.E. exploration program.

We are hopeful that we can satisfy O.M.E. requirements with a performance bond executed by us. Please sign below and return to us as soon as possible if our understanding is correct.

Yours truly,

CHANCE CORPORATION

per J. V. Reynolds

We advise you herewith that we will not sign a subordination agreement with O.M.E. on our Chance #1 claim.

_____

_____

[illegible]
[illegible] S.E.
[illegible]
[illegible] 07103

THE CHANCE MINE, SWISSHELM MINING DISTRICT
COCHISE COUNTY, ARIZONA

LOCATION:

The Chance Mine is located in Section 12, T20S, R27E, in the Swisshelm Mining District of Cochise County, Arizona, some 40 miles south of Willcox and 30 miles north of Douglas. Access to the property is by way of State Highway 666 from either Willcox or Douglas to five miles north of Elfrida, thence east on the Rucker Canyon Road, an unpaved all-weather road, 12.8 miles, thence south 4.5 miles to the mine. The location of the mine, and the access, is shown on Figure 1.

HISTORY:

A history of the Swisshelm Mining District is given in Arizona Bulletin No. 158, pages 30 to 36, by F. W. Gailbraith and W. B. Loring. A copy of this article, taken from Bulletin 158, is appended to this report as Appendix A. F. J. Rydbom, an owner of the mine since 1949, discontinued his work on the Chance Mine in the early 1950's because of litigation involving the property. The production history for this short period is not available.

Chance Corporation was formed in November, 1966 to explore and hopefully to reactivate Chance Mine. Work to rehabilitate the shaft and underground workings was started immediately and has continued to date. **Claims under lease are shown on Figure 2.**

Need section map

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Box 8765
Albuquerque, New Mexico 87108

RESERVES:

Ore reserves in the Chance Mine are unknown. The workings are inaccessible until rehabilitation of the shaft, currently in progress, is completed. The easternmost drift on the 220 foot level reportedly was in mineralization at a point just east of D.D.H. A-6, shown on Figure 3, but the heading had to be abandoned because the ore took a pronounced roll downward to the east and water difficulties made the heading very difficult to work. Mill grade silver-bearing ore is reported in the old workings, but cannot be verified.

GEOLOGY:

A report on the Chance Mine written by D. L. E. Huckins, Consulting Geologist, is appended to this report as Appendix B. Appendix A covers the general geology of the District most concisely. A geologic map by Mr. Huckins, Figure 3 of this report, shows the features in the vicinity of the Chance Mine.

PROPOSED EXPLORATION:

The Chance Corporation proposes to explore three areas of probable substantial mineralization east and south of the Old Chance workings, by drifts, as shown on Figure 4. This work is based on geologic relations shown on Figure 3, and the known areas of mineralization found in diamond drill cores taken from the property. A synopsis of all drill holes (C-1 through C-13) for which we have records is given in Appendix C. Drill Hole C-3

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encountered 6.5 feet of massive sulfide at a depth of 204 feet, some 500 feet south of the Chance Shaft. The area in which this mineralization was encountered is on the northeast flank of the synclinal roll in which all of the substantial ore bodies in the Mountain Queen (Schibner) Mine were encountered. Significantly, confirmatory zones of mineralization were encountered in other drill holes along this same trend, in C-9 and C-13, and manganese oxides, commonly found associated with or near to ore, was encountered in C-6. These shows of mineral, along a well defined and hitherto productive trend, point to a strong probability that one or more substantial ore bodies are present.

Drill Hole C-1 encountered significant mineralization at a depth of 280 feet, some 240 feet east of the Chance Shaft, and 200 feet southeast of the drift at the A-6 drill hole, where mineralization was reported in the face of the drift. Here, surface geologic mapping has delineated a strongly silicified and otherwise altered zone lying along the axis of a steeply plunging synclinal roll which corresponds to the areas of mineralization found underground. The inference is plain, that this is a second structure which may localize substantial bodies of ore.

Between the Chance Shaft and D.D.H. C-3, there is a strongly faulted and altered area in which one drill hole, C-2, has found possible ore indicators. It is proposed that this area

CHANCE CORPORATION
457 A Washington, S. E.
Box 6745
Albuquerque, New Mexico 87108

be crossed by the southern exploratory drift from the Chance Shaft, to investigate this area for possible mineralization.

EXPECTED RESULTS:

It is anticipated that the proposed exploration will result in the discovery of substantial quantities of high grade silver-bearing sulfide ore. Several factors that are favorable to this conclusion have been shown previously. It should also be noted that the ores mined from the Mountain Queen, up-dip from the ore found in the C-3 drill hole, were mainly oxidized ores of silver and lead with subsidiary sulfide values. The ore cored in C-3 was sulfide only, with possibly a thin overlying selvage of oxide. Further development westward from C-3, which will follow discovery of ore in the axis of the trend, will possibly penetrate an enriched zone near the water table, which, from the indicated trend of the Naco limestone-andesite contract, will be on Chance ground some 150 feet to 200 feet northwest of C-3.

Independent estimates of stope size and unsupported statements of shipments indicate that about 40,000 tons of ore have been produced from the Mountain Queen Mine and 10,000 tons from the Chance Mine. Inasmuch as we have only areas to compare, it will be noted that there is an area of known mineralization on Chance ground, along the Mountain Queen synclinal ore trend,

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Box 8765
Albuquerque, New Mexico 87108

of roughly twice the size as that mined previously along the same trend on the Mountain Queen Claim. On that basis, there is the possibility of developing twice as much ore, or approximately 80,000 tons. grade?

The indicated ore trend along the synclinal axis joining A-6 and C-1 may be less extensive, as shown by known surface indications, though it may extend farther to the northwest, where mapping is less thorough. On an areal basis, an ore zone may exist that is comparable to that of the Mountain Queen synclinal axis.

The ore developed and mined from the Chance Shaft occurs in an apparently erratically located and less well developed trend. Previous geological work has pointed to control by the intersection of northeasterly trending and northwesterly trending fractures and shears. This area is not related structurally to the two synclinal features that are the object of the proposed exploratory effort, but is located between these two structrual elements. There is a possibility that a similar structural and mineralized situation may be discovered in the vicinity of drill hole C-2.

The grade of ore found in drill hole C-3 is representative of the ore we expect to develop as a result of this exploratory program. This ore, at current metal prices, has a net smelter return value of $55.00 per ton to the producer, after all

CHANCE CORPORATION
457 A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

transportation and smelter charges have been deducted. On this basis, we expect to discover ore worth several million dollars as a result of the proposed exploratory program.

ANTICIPATED COST OF WORK:

The planned exploration program consists entirely of underground drifting toward and along favorable ore trends. Sufficient core data are available to guide the proposed work, and for the type of ore bodies expected, being rather limited in size but high grade replacements at the contact of the andesite sill and the overlying Naco limestone, additional core drilling is deemed inadvisable.

The proposed work, shown on Figure 4, comprises two drifts, the first being 500 feet southward from the Chance Shaft, to explore the ground adjacent to drill holes C-2, C-13 and C-3, thence 500 feet southeastward along the ore trend toward drill holes C-6 and C-9, and 250 feet northwestward along the ore trend toward the Mountain Queen workings. The second drift is projected southeastward from A-6 to explore the eastern synclinal trend to and beyond C-1, being 250 feet in length.

The total cost of this work is anticipated to be $100,000. The drift is planned to be 7 feet by 7 feet in cross section and will be roof bolted or timbered as required. Bids have been received from three contractors, attached as Appendix D, and are the basis for this projected cost. Conventional drifting

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practice will be followed in prosecuting this work using air leg drills, mucking machine and motorized haulage.

Conrad Appledorn

CA:pwc

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CONRAD R. APPLEDORN

RESUME OF EDUCATION AND EXPERIENCE

February 10, 1967

1950	B of Mining Engineering - University of Minnesota
1954	MS in geology with minor in geophysics - University of Minnesota
1948 to 1950	Employed by E. J. Longyear Company, parttime work while in school, in geological office.
1950 to 1951 - 1953 to 1954	Teaching Assistant in Department of Geology at University of Minnesota, while in graduate school.
1950	Field assistant for Texas Bureau of Economic Geology. Completed thesis work under GSA research grant on the Navajo Indian reservation.
1951 to 1956	U. S. Geological Survey, geologist, geological field studies (structural and stratigraphic) in Montana, Colorado, California and New England) (1½ years of this period were spend in the Armed Forces in Korea)
1956 to 1963	Continental Oil Company, in West Texas and New Mexico Employed as petroleum engineer and later unitization engineer.
1963 to 1966	International Oil and Gas Corporation, Artesia, New Mexico. Employed as district engineer and later district superintendent.
1966 to Present	Independent engineer and geologist (From 1960 to present, have worked as independent geologist in mineral exploration and development in southwest United States and Mexico)

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CHAPTER III—SWISSHELM DISTRICT

By F. W. Galbraith and W. B. Loring

PHYSICAL FEATURES

The Swisshelm district is in the northern portion of the Swisshelm Mountains, about 30 miles north of Douglas.

Most of the lead mining area is within Twp. 20 S. R. 27E. It is accessible by 4 miles of road that branches southward from the Rucker Canyon road at a point 13 miles east of U.S. Highway 666.

The Swisshelm Mountains form a range about 15 miles long which extends north-northwest from the Chiricahua Mountains, on the east side of Sulphur Spring Valley. A small valley, about 5,500 feet above sea level or some 1,000 feet lower than the nearby peaks, trends northward through the mining area.

ROCKS

The geology of the Swisshelm Mountains was studied briefly by C. J. Sarle in 1922 for the Geologic Map of Arizona. In 1947 W. B. Loring[1] made a geologic study of the Swisshelm mining district and determined the stratigraphic sequence as follows (see also Fig. 7):

Age, formation and character	Thickness in feet
Tertiary	
Rhyolite flows; lavender to red, massive	500+
Cretaceous	
Morita formation; maroon shales, arkosic quartzites, and conglomerates	1,000
Permian	
Snyder Hill formation; limestone, thin-bedded with red shales and conglomerate at the base	250
Pennsylvanian	
Naco formation; medium-to-thin bedded limestone alternating with thin shale. Conglomerate at base	2,400
Mississippian	
Escabrosa limestone; thick-bedded, white, and relatively pure	330
Devonian	
Lower Ouray formation; limestones, thin black, shaly, and dolomitic	50
Martin limestone; thin-to-thick bedded, brown to gray, sandy	350
Cambrian	
Copper Queen limestone; gray, sandy. Parting quartzite at top	175
Abrigo formation; interbedded limestone and shale, thin, cherty, and green	225
Cochise formation; interbedded limestone and shale, thin, cherty, and green	200
Bolsa quartzite; dense, medium-bedded, white	200+

The Cretaceous and older rocks are intruded by granite which crops out over much of the western portion of the range. Its age

[1] References are listed numerically at end of chapter.

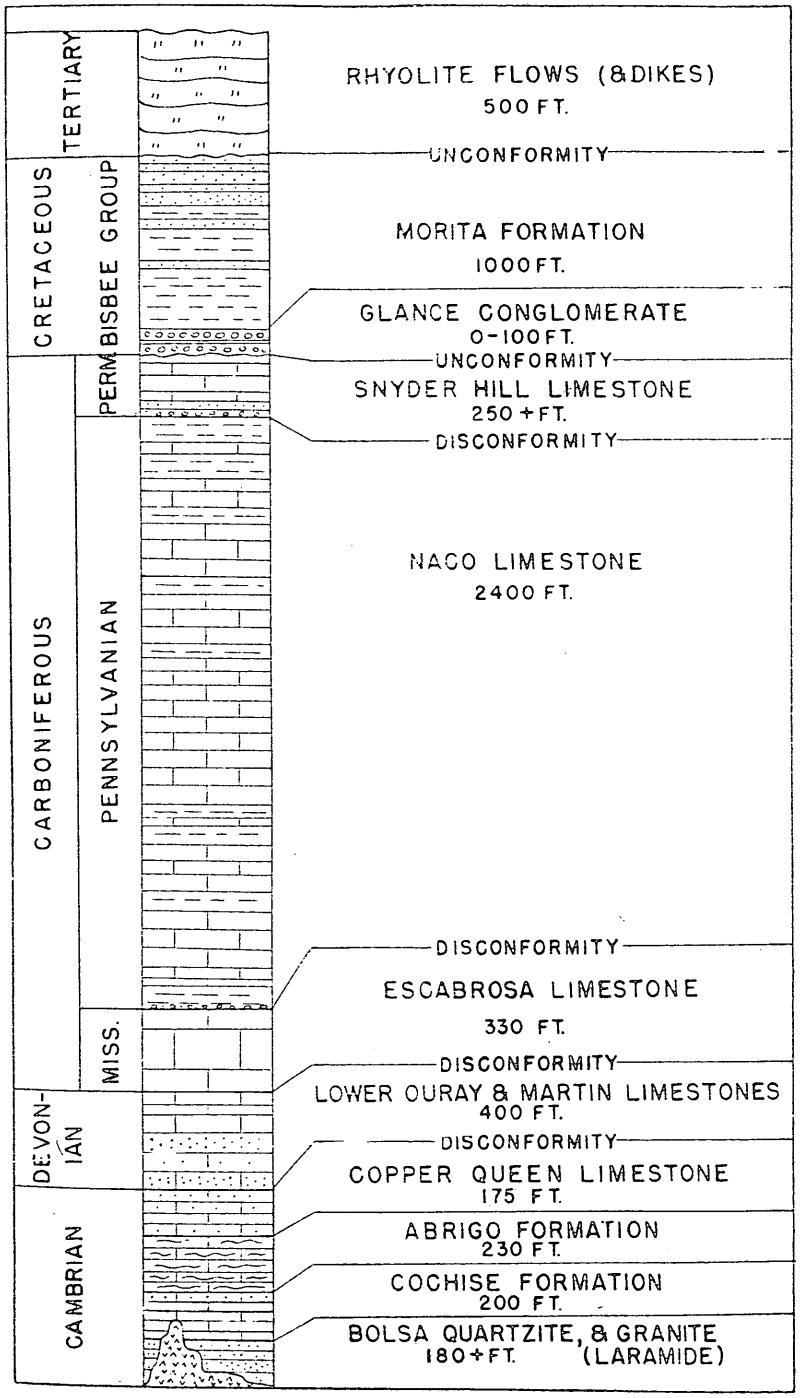

Figure 7.—Generalized columnar section, Swisshelm Mountains, Arizona. (By W. B. Loring.)

Appendix A

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tentatively is considered as Laramide (late Cretaceous — early Tertiary).

Numerous small dikes of diorite cut the granite. A relatively thin, tabular mass of diorite porphyry crops out in the central part of the district.

STRUCTURE

The post- Cretaceous structural history of the Swisshelm Mountains includes intense folding, thrust faulting, and normal faulting. The sedimentary formations of the Swisshelm mining district represent the eastern flank of a sharply compressed anticline which plunges 15 degrees north-northwestward. The beds on the east flank have an average northeasterly dip of about 45 degrees. A body of granite has been intruded along the anticlinal axis and separates the eastern flank from the western flank, whose beds crop out in the foothill area to the west of the range and dip steeply to the southwest.

The structure of the eastern flank has been complicated by a low-angle thrust fault on which a plate of Upper Paleozoic rocks has been moved over the Lower Paleozoic rocks. The outcrop of this fault is highly irregular, but may be traced in a northwesterly direction across the central part of the district. It dips 10 to 15 degrees to the northeast. The beds in the overthrust plate have an average dip of about 35 degrees to the southwest.

In the northern part of the area several parallel thrust faults have resulted in a complex imbricate structure.

The main thrust fault has been intruded by a tabular body of diorite porphyry (Fig. 8) which ranges from 4 to 50 feet in thickness.

Where the porphyry is best exposed in the central part of the district. Cambrian rocks dipping eastward lie below the sill, and Pennsylvanian rocks dipping westward lie above it.

Along the western margin of the district is a normal fault which strikes north-northwest and dips 60 degrees to the northeast. It has brought Tertiary rhyolite on the northeast down against Paleozoic sedimentary rocks on the southwest. Loring estimated the vertical displacement at about 500 feet.

ORE DEPOSITS

Occurrence

The ore deposits of the Swisshelm district occur as replacements in Naco limestone. The most productive bodies of ore have been found in the beds immediately above the diorite prophyry. They were apparently localized by the intersections of northwesterly and northeasterly tension fractures with the favorable limestone beds.

Production

The Swisshelm district produced lead, silver, and gold at intervals during 1885-1918, but no figures regarding the output for that period are available.

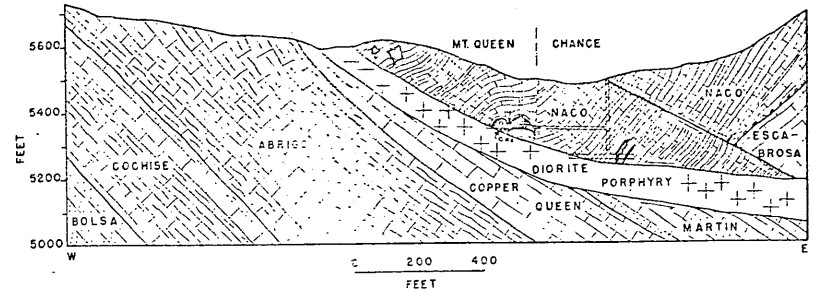

Figure 8.—Cross section of Mountain Queen and Chance mine areas, looking north.

Production during 1918-49 has been approximately as follows:[2]

Lead, 1918-49	9,271,217 pounds,	valued at $1,117,930
Silver, 1918-49	244,780 ounces,	194,989
Gold, 1918-49	2,887 ounces,	96,211
Zinc, 1948-49	197,500 pounds,	25,306
Copper, 1926-49	49,318 pounds,	8,705
Total value, 1918-49		$1,443,141

The greater part of this output was during 1946-49.

Mountain Queen or Scribner Mine

Situation: The Mountain Queen or Scribner mine is in the northeastern part of the Swisshelm Mountains, approximately ½ mile south-southeast of U.S. Mineral Monument No. 1, at an altitude of 5,500 feet.

History and production: The deposit was discovered in 1885, and a small production of oxidized lead-silver ore was intermittently maintained until 1913. No production records are available for this period.

In 1913 the property was leased. Recorded production from 1918-26 is gold, $5,807; silver, $35,365; lead, $41,754.

In 1935, a well drilled for water near the east side of the Mountain Queen claim penetrated ore 25 feet thick at a depth of 125 feet. This ore was mined from a shaft on the Chance No. 1 claim. In 1941 a cave-in put an end to this operation. A production of $80,000 is reported for this period.

In 1945 the property was again leased and has been operated more or less continuously since that time. As of 1951, it was owned by Dr. Edwin Larson of Los Angeles, California. In 1947 a two-compartment shaft was completed on the Mountain Queen claim. The bulk of total ore taken from the mine was produced during 1947-49.

The total production from the Mountain Queen mine is not known, but it has accounted for the greater part of the output of the Swisshelm district.

Geology: The Mountain Queen mine is in the Pennsylvanian Naco formation, which consists of thin limestone beds alternating

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with thin-bedded calcareous shale. In general the beds strike N. 35 degrees W. and dip 25 to 50 degrees SW.

The Naco formation is part of an overthrust plate of Paleozoic sedimentary rocks which is underlain by a tabular body of diorite porphyry (Fig. 8) intruded along the plane of the thrust fault. The horizontal compression which resulted in the thrust faulting also produced minor folds in the Naco formation, the axes of which trend northwesterly. Vertical tension fractures have formed parallel to the fold axes, and a series of fractures with northeasterly strike and steep dips have developed at right angles to the trend of the folds. Bedding slips with northwesterly strike and low northeasterly dips are also present.

Ore deposits: The ore bodies occur as replacements in the Naco formations at the upper contact with, or not far above, the dirite prophyry. Some of the individual ore bodies attain a length of 100 feet, a width of 50 feet, and a thickness of 10 or more feet.

On the 160 level the ore bodies occur along the axis of a minor fold which trends northwestward. Parallel and at right angles to the fold axis are several more or less vertical fractures. Also parallel to the fold axis is a bedding slip which dips 40 degrees northeastward. The ore apparently occurs in an area where the axis of the fold, the northwest and northeast fractures, and the bedding slip intersect immediately above the diorite porphyry contact. This relationship suggests a definite structural control of ore deposition by thorough preparation of the more brittle limestone beds by fracturing or brecciation.

In the near-surface workings on the western edge of the Mountain Queen claim, ore deposition appears to have been controlled by high angle northeasterly trending fractures.

Ore minerals from the 160 level are principally galena and cerussite with which is associated a little pyrite. In 1947 the average grade was reported to be 25 per cent lead with a sulfide-carbonate ratio of 1:4. The silver most probably is contained in the galena, as microscopic examination of the ore failed to reveal the presence of any silver mineral. In the old surface workings iron oxides are abundant, and cerargyrite probably was an important constituent of these ores.

The mine is developed to a depth of 210 feet by a shaft, adits, drifts and stopes, aggregating about 1,000 feet of work. The mine produces no water.

In June, 1951, according to C. W. Colvin,[8] mine superintendent, underground development work was being carried on in the northern part of the mine.

Chance Mine

Situation: The Chance mine is in the northeastern part of the Swisshelm Mountains, a few hundred feet northeast of the Mountain Queen or Scribner mine.

History and production: The claims embracing the Chance mine were located in 1885 shortly after discovery of the Mountain Queen, but apparently no ore was found then on the property.

In 1915 a shallow inclined shaft was sunk near the northern end of the Chance group of claims, with negative results.

In 1935, following discovery of ore on the Mountain Queen claim, a shaft 116 feet deep was sunk on the Chance No. 1 claim and a drift run to the newly discovered ore body of the Mountain Queen. So far as is known, no ore was discovered on the Chance at that time.

In 1945 the lessees of the Mountain Queen and Chance claims jointly sank a new shaft 250 feet deep on the Chance No. 1, 220 feet southeast of the old shaft. A drift to the east on the 200 level penetrated ore.

The production from the Chance mine is not known, but it has been substantially less than that from the Mountain Queen or Scribner mine.

Geology and ore deposits: The Chance mine is in the same overthrust block of Pennsylvanian Naco formation (Fig. 8) as the Mountain Queen mine. The beds strike northwesterly and dip approximately 55 degrees southwestward. The overthrust block is underlain by the tabular body of diorite porphyry and is broken by a series of northeasterly trending fractures with steep dips.

Four ore bodies had been discovered up to the end of 1947. One of these, which had been mined out, was 50 feet long, 20 feet thick and 30 feet high. They are replacements of the limestone beds along or adjacent to fractures which strike north-northeast and lie immediately above the diorite porphyry contact. As in the Mountain Queen, the diorite porphyry is so altered that the fractures could not be definitely traced into it.

Ore minerals are galena and cerussite. A little pyrite occurs associated with the galena. In 1947 the average grade was reported to be 25 per cent lead and, in places, up to 28 ounces of silver and 0.2 ounces of gold per ton.

The mine is developed to a depth of 250 feet by a shaft, manway, drifts, and cross-cuts aggregating about 1,300 feet of work.

As of 1947, the mine workings yielded about 3,000 gallons of water per day.

Swisshelm Mountain Gold and Silver Mining Company

Situation: The property of the Swisshelm Mountain Gold and Silver Mining Company is approximately 2,000 feet northeast of U.S. Mineral Monument No. 1, or a mile northeast of the Scribner.

History and production: The Mammoth and Whale groups of claims were located in 1898. They were acquired in 1922 by Swisshelm Development Company, which completed an inclined shaft 300 feet deep and several hundred feet of drifting.

In 1947 Swisshelm Mountain Gold and Silver Mining Company acquired the claims.

The production from this property is not known.

Geology and ore deposits: The mine of Swisshelm Gold and Silver Mining Company is in the same overthrust block of Pennsylvanian Naco formation as the Mountain Queen and Chance mines. The beds strike northeasterly and dip about 30 degrees northwestward.

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Mineralization consists of replacements in the Naco formation. It is principally of silver with some lead and gold, accompanied by quartz, calcite, and a little pyrite.

The mine is developed by an inclined shaft 300 feet deep on a 30-degree incline, an adit on the 75 level, 575 feet of cross-cuts, and 425 feet of drifting.

REFERENCES, SWISSHELM DISTRICT

1. W. B. Loring, Geology and ore deposits of the Mountain Queen area, northern Swisshelm Mountains, Cochise County, Arizona: University of Arizona Thesis, 65 pp., 1947.
2. Compiled by J. W. Anthony. For 1918-29, from estimates by J. B. Tenney; for 1930-47, from U.S. Mineral Resources and U.S. Minerals Yearbooks.
3. Oral communication.

CHAPTER IV—HUACHUCA MOUNTAINS

By Eldred D. Wilson

PHYSICAL FEATURES

The Huachuca Mountains are in southwestern Cochise County, on the west side of the San Pedro Valley. They form a range approximately 22 miles long by a maximum of 8 miles wide which trends northwestward from the International boundary. The maimum altitude, 9,446 feet, is on Miller Peak, 4,500 feet above the eastern base of the range. The slopes are prevailingly steep and deeply dissected by canyons.

Topography of the Huachuca Mountains has been mapped by the U.S. Geological Survey on the Hereford and Benson quadrangle sheets.

The principal settlement is Fort Huachuca, at the northeastern base of the range. Ranches and summer homes are in several of the canyons, and a few people live at some of the mines. Hereford, a station on the Southern Pacific railway, is 9 miles east of the mountains.

The eastern margin of the range is skirted by State Highway 92, and its southern end is crossed by the Montezuma Canyon road. Access roads from these routes and from highways on the north and west lead to the mines.

ROCKS

The rocks of the Huachuca Mountains have been described in considerable detail by Alexis[1] and Weber.[2]

Bolsa quartzite rests upon pre-Cambrian granite and is overlain by limestones and shales of Cambrian, Devonian, Mississippian, Pennsylvanian, and Permian ages. Above the Permian is a thick succession of conglomerate, sandstone, quartzite, shale, and interbedded volcanic flows, of Lower Cretaceous age. These beds are unconformably overlain by Tertiary (?) volcanic rocks in the northwestern part of the range.

[1] References are listed numerically at end of chapter.

Intruding the Cretaceous and older rocks is a northwestward-trending stock of quartz monzonite which crops out over an area 7 miles long by 2½ miles wide in the southern part of the range, between Montezuma Canyon and Carr Peak.[2] Associated with it it are dikes of andesite and quartz-latite porphyry.

STRUCTURE

As determined by Alexis[1] and Weber,[2] the Huachuca Mountains area was successively deformed by folding, broken by thrust and reverse faulting, and subjected to normal faulting. In the east-central portion, according to Weber,[2] six major thrust-fault systems were superimposed upon the northeastern limb of a regional anticlinal fold.

Folding was apparently initiated previous to thrust faulting, but continued with the development of successively younger thrusts northeastward from the anticlinal axis. Both fold axes and thrust faults strike persistently northwestward, generally paralleling the trend of the range. The thrusts dip prevailingly northeastward at low to high angles.

The development of minor anticlinal and synclinal folds apparently accompanied thrust faulting, in several places resulting in folding of the earlier thrust sheets. Overturned folds and drag folds were also companion features.

The observed major structural deformation apparently began in post-early Cretaceous time, and may have continued into the Tertiary.[2]

The quartz monzonite is largely younger than the major deformation of the range.[2]

ORE DEPOSITS

History and Production[3]

Prospecting in the Huachuca Mountains began at an early date but was retarded by Apache hostilities until the establishment of Fort Huachuca in 1877. During the early eighties a little ore was sent from the Nellie James and other properties to lead smelters at Charleston and Benson.

Early in the present century, the Butte and Arizona, State of Texas, and Sitric were developed, and the Exposed Reef was worked as a gold prospect. The Eureka and Copper Glance mines were operated by a religious sect living at Sunnyside.[4] The Wisconsin mines were developed by a company which in 1903 was managed by Harry Hamburg.[4]

Tungsten deposits[5] were worked mainly during war years, and gold placers during periods of depression. Zinc and lead have been mined principally since the beginning of World War II.

Available figures regarding production of lead, zinc, copper, gold, and silver in the Huachuca Mountains (Hartford district) are as follows:[6]

Lead, 1909-49	558,685 lb.,	valued at $ 49,007
Zinc, 1943-47	348,000 lb.,	39,247
Copper, 1909-48	71,550 lb.,	10,113
Gold, 1909-49	388 oz,	15,740
Silver, 1909-49	24,254 oz.,	16,517
Unspecified (mainly lead and silver)		23,379
Total value, 1909-49		$154,003

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THE CHANCE MINE, SWISSHELM MINING DISTRICT

SWISSHELM MOUNTAINS, COCHISE COUNTY, ARIZONA

The Chance Mine lies approximately 40 miles due north of Douglas, Arizona, and is located in Section 12, Range 27 East, Township 20 South, of the Gila and Salt River base line.

The property consists of 14 unpatented lode mining claims; the ownership of these claims is as follows:

> Eight (8) claims are held by the writer under a lease-option-to-purchase agreement with Mr. J. F. Rydbom, their owner. This agreement will expire in January of 1966. The claims held under the terms of the agreement are the Chance Claims Numbers 1, 2, 3, and 4; the Crest claims Numbers 1, 2, and 3; and the Keystone Claim. The positions of the Chance Number 1 Claim and the Chance Number 3 Claim are shown on the accompaning 200 scale map.
>
> The remaining six (6) claims are held by the writer and are the Marble Hill Claims Numbers 1, 2, and 3; and the Mine Ridge Claims Numbers 1, 2, and 3. The positions of these claims are also shown on the above map.

Rocks present in the area range from pre-Cambrian granite and formations of the pre-Cambrian Apache group to Tertiary and Quaternary alluvial material as well as recent stream gravels and talus materials.

In the immediate area of the property the Naco limestone of Carboniferous age has been overthrust onto the Cambrian Abrigo limestone along a major North-South trending thrust fault, here referred to

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as the "Master" thrust, of probable early Tertiary age. This major structure has been intruded by a "sill" of well-brecciated porphoritic andesite of which several phases are present. Subsequent to the intrusion of the andesite, some continued minor thrust movement occurred, followed by hydrothermal alteration of the andesite and the overlying Naco limestone and finally by the emplacement of ore.

The vast bulk of the ore mined from the Chance and the adjoining Scribner Mine has been taken from oxidized replacement ore-bodies in the Naco limestone at or immediately above its contact with the underlying andesite sill. The largest ore-bodies are localized near the base of a synclinal roll of the andesite-Naco contact, as indicated on the vertical sections accompaning the 100 scale geologic surface plan.

The Chance Mine on the Chance Number 1 Claim is developed by a 230 foot vertical shaft with levels at 160 and 220 feet. Almost all the production from this mine was made from the 220 level which is at the andesite-Naco contact. The 160 level connects with the Scribner Mine workings.

The Scribner Mine on the Mountain Queen Claim is developed by a vertical shaft to a depth of perhaps 210 feet. The ore mined from this property came from the areas outlined in plan view on the 100 scale alteration overlay. While the bulk of the ore came from the 160 level and above, some ore was developed and mined from a sublevel in the andesite below the 160 level workings.

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Figures from the Minerals Yearbook, 1947 through 1954, indicate that the main ore zone of the Scribner Mine at the andesite-Naco contact produced some 24,000 tons of ore which contained 0.05 to 0.10 oz. Au, 3.6 to 5.4 oz. Ag, 0.05 to 0.15% Cu, 8.8 to 15.7% Pb, and less than 1.3% Zn.

The underground workings of both mines are now inaccessible due to impassability and/or unsafe conditions. The water table presently stands at the 160 level in the Chance shaft.

In November, 1963, the writer's diamond drill hole C-3_2 cut 6.5 feet of massive sulfide ore at a depth of 204.6 feet which assayed 15.6% Pb, 12.5% Zn, 0.68% Cu, 0.05 oz. Au and 12.8 oz. Ag. This ore is presumed to represent the extension of the main ore zone at the andesite-Naco contact worked in the Scribner Mine. Core recovery was good (91%) and almost all the core recovered from the intersection is unoxidized sulfide ore. This material evidently represents the hypogene equivalent of the oxidized ore taken from the Scribner Mine.

The Master thrust fault continues to the South of drill hole C-3_2 for at least one-half mile and should favorable conditions persist, the presence of a significant tonnage of ore is possible.

REGISTERED GEOLOGIST
CERTIFICATE EXPIRES
Daniel L. E. Huckins
DEC. 31, 1964
ARIZONA U. S. A.

Respectfully submitted,

Daniel L. E. Huckins

Daniel L. E. Huckins
December 1963

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SYNOPSIS OF DIAMOND DRILL CORES

Project:	Chance Mine
Location:	Swisshelm Mining District Cochise County, Arizona
Map Reference:	Chance Mine Geologic Map, 1" = 100' scale Elevations relative to collar of Chance Shaft, assumed 500 feet
Geology by:	D. L. E. Huckins

Appendix C

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Hole No.: C-1
Coord.: 4951 N, 5185 E
Elev.: 558'

Hole Size: AX
Total Depth: 314.9'
Inclination: 90°

Date Started: 3-27-63
Date Completed: 6-7-63

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-3.0'			Overburden	
0-10.7;			Casing	
10.7'-22.5'	11.8'	100	Jasperized Dolomite	
22.5'-32.6'	10.1'	98	Ls, med. grey, foss.	
32.6'-64.1'	31.5'	90	Ls, grey, foss., replaced and altered. Fault zone at 63.5', dips 30°	
64.1'-71.7'	7.6'	97	Ls, altered to dolo.	
71.7'-77.0'	5.3'	100	Foss. Ls, largely unaltered, veinlets and fractures with Fe oxides and dolo	
77.0'-89.5'	12.5'	100	Ls, almost complete replaced by dolo., scattered qtz aggregates.	
89.5'-93.3'	3.8'	92	Dolo, soft and red, with abundant calcite veinlets, intensive shearing.	
93.3'-98.7'	5.4'	100	Ls recrystallized to dolo and calcite	
98.7'-103.2'	4.5'	95	Ls, veinlets of calcite and dolo.	
103.2'-123.3'	20.1'	100	Brecciated ls, replaced by dolo	
123.3'-131.5'	8.2'	100	Ls, completely altered to red, soft dolo. zones of abundant hematite after pyrite.	
131.5'-151.0'	19.5'	85	Ls, numerous veinlets of calcite, brecciated zones and gouge with indications of flat thrust structures	
151.0'-183.2'	32.2'	96	Ls, minor alteration, scattered silicification.	
183.2'-247.3'	64.1'	99	Ls, almost totally silicified, minor dolomitized zones, fractures contain quartz, calcite and Fe oxides.	
247.3'-278.6'	31.3'	98	Ls, recrystallized, altered and silicified in part, veinlets of calcite and Fe oxides.	
278.6'-280.3'	1.7'	58	Mineralized zone, probably Ls extensively altered and replaced. Pyrite, galena, and probably some Sphalerite occure in a fine grained aggregate with quartz and calcite.	Assay: PB 3.5% Au 0.01 oz, Ag 1.5 oz. Zn and Cu not tested.

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Hole No.: C-1

280.3'-285.0'	4.7'	58	Andesite, intensely sheared and bracciated with ls fragments.	Assay: Au Tr, Ag 0.4 oz
285.0'-291.4'	6.4'	70	Red clay gouge with fragments of Andesite and ls. Thrust plane.	
291.4'-295.5'	4.1'	100	Ls, bracciated, recrystallized	
295.5'-314.9'	19.4'	95	Andesite, sheared and altered.	

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Hole No.: C-2
Coord.: 4740 N, 5022 E
Elev.: 525'

Hole Size: AX
Total Depth: 239.7'
Inclination: 90°

Date Started: 7-3-63
Date Completed: 7-28-63

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-10.7'	10.7'		Casing	
10.7'-74.2'	63.5'	92	Silicified Ls, brecciated	
74.2'-140.7'	66.5'	89	Dolomitized Ls, intensely altered to 118', minor silicification below. Brecciated in part	
140.7'-161.8'	21.1'	88	Silicified Ls, broken and sheared	
161.8'-223.0'	61.2'	96	Silicified and dolomitized Ls, sheared and fractured, minor calcite and Mn oxides present	
223.0'-225.1'	2.1'	50	Andesite, brecciated and silicified	
225.1'-228.8'	3.7'	43	Ls and fault gouge, red clay and fragments of Ls and andesite. Mn oxides present in Ls.	
228.8'-239.8'	11.0'	94	Andesite, intensely altered.	

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Hole No.: C-3
Coord.: 4522N, 4991 E
Elev.: 515'

Hole Size: AX
Total Depth: 226.2'
Inclination: 90°

Date Started: 10-16-63
Date Completed: 11-2-63

Footage	Feet Drilled	%Core Recovery	Description	Remarks
0-13.6'	13.6'	0	Casing. Open cavities	
13.6'-70.2'	56.6'	64	Dolomitized Ls, calcite veinlets. Sparse psuedomorphic hematite after pyrite	
70.2'-120.8'	50.6'	90	Silicified Ls. Sparse massive quartz and Mn oxides	
120.8'-202.3'	81.5'	100	Silicified and dolomitized Ls. Occasional intricately sheared and brecciated zones with veinlets of calcite, quartz and Fe oxides	
202.3'-204.6'	2.3'	100	Marble, cut by a dolomitized shear with 4-5% Mn oxides. Irregular zones in marble replaced by quartz, which is in turn replaced by galena, pyrite and sphalerite	Sulfides up t 10% of rock b volume
204.6'-211.1'	6.5'	91	Massive sulfide ore. Lost core probably represents oxidized material at top of zone. Sulfides are pyrite, galena, sphalerite, and chalcopyrite, generally fine grained, with sprase quartzgangue. Assay is a weighted average of the entire intersection.	Assay: PB 15.6 oz Zn 12.5% Cu 0.68% Au 0.05 oz Ag 12.8 oz
211.1'-212.3'	1.2'	25	Andesite, intensley altered.	
212.3'-214.9'	2.6'	96	Marble, veinlets of black soft mineral.	
214.9'-226.2'	11.3'	100	Andesite, sheared and bracciated, altered in part.	

[illegible]ANCE CORPORATION
[illegible]57 A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

Hole No.: C-4
Coord.: 4479 N, 4874 E
Elev.: 501'

Hole Size: AX
Total Depth: 209.4'
Inclination: 90°

Date Started: 7-3-64
Date Completed: 8-21-64

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-25.0'	25.0'	-	Casing. Overburden.	
25.0'-143.8'	118.8'	99	Silicified and dolomitized Ls. Shale zone 116.8'-118.9'	
143.8'-147.0'	3.2'	75	Andesite, sheared	
147.0'-149.6'	2.6'	100	Ls. silicified	
149.6'-209.4'	59.8'	73	Andesite	

CHANCE CORPORATION
457 A Washington, S.E.
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Albuquerque, New Mexico 87108

Hole No.: C-5
Coord.: 4447N, 5069E
Elev.: 533'

Hole Size: AX
Total Depth: 280.3'
Inclination: 90°

Date Started: 10-6-64
Date Completed: 10-24-64

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-12.0'	12.0'	-	Silicified and silicated Ls.	Casing at 8'
12.0'-262.0'	250.0'	98.5	Dolomitized, silicified and silicated Ls Altered in part, scattered Fe oxides. Heavy Fe oxides in argillic rock in lower 50'.	
262.0'-280.3'	18.3'	96	Andesite, sheared and brecciated.	

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Albuquerque, New Mexico 87108

Hole No.: C-6
Coord.: 4337N, 5009E
Elev.: 509'

Hole Size: AX
Total Depth 258.2'
Inclination: 90°

Date Started: 10-6-64
Date Completed: 10-24-64

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0.45'	4.5'	-	Overburden	
4.5'-42.0'	37.5'	35	Red cave breccia, silicified, silicated, and argillized Ls. Mn oxides and pyrite abundant	
42.0'-114.0'	72.0'	92	Silicated and silicified Ls.	
114.0'-128.4'	14.4'	100	Recrystallized Ls, Mn oxides in veinlets with pyrite.	
128.4'-242.1'	113.7'	99	Silicified and silicated Ls, sparse chlorite and Fe oxides.	
242.1'-258.2'	16.1'	87	Porphyritic Andesite.	

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Albuquerque, New Mexico 87108

Hole No.: C-7
Coord.: 4250N, 4922 E
Elev.: 536'

Hole Size: AX
Total Depth: 197.7'
Inclination: 90°

Date Started: 11-10-64
Date Completed: 12-5-64

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-70.0'	70.0'	28	Red cave breccia, fragments of silicified, silicated and pyrited Ls.	
70.0'-177.0'	107.0'	99	Silicated and silicified Ls., altered, moderate dolomitization and Fe oxides in veinlets.	
177.0'-197.7'	20.7'	82	Andesite, sheared and brecciated.	

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Albuquerque, New Mexico 87108

Hole No.: C-8
Coord.: 4130 N, 5059 E
Elev.: 523'

Hole Size: AX
Total Depth: 214.6'
Inclination: 90°

Date Started: 12-9-64
Date Completed: 1-15-65

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0.45.5'	45.5'	19	Red cave breccia, marblized, dolomitized and pyritized Ls.	
45.5'-109.4'	63.9'	98	Ls. foss., cut by veinlets of dolomite and calcite.	
109.4'-110.9'	1.5'	73	Andesite sill, contacts flat.	
110.9'-126.2'	15.3'	100	Marble, coarsley xln, cut by 3 andesite sills, contacts dipping at about 50°	
126.2'-188.3'	62.1'	99	Silicified and silicated Ls, intensely altered zone 139-155' with 8% pyrite	Assay at 141': 0.005 oz Au 0.2 oz Ag
188.3'-214.6'	26.3'	89	Andesite, contact dips at 60°	

CHARTER COMMUNICATION
457 A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

Hole No.: C-9
Coord.: 4112 N, 5162 E
Elev.: 566'

Hole Size: AX
Total Depth: 329.5'
Inclination: 90°

Date Started: 1-28-65
Date Completed: 3-23-65

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-128.4'	128.4'	90	Silicified and silicated Ls, scattered veinlets with Fe oxide and calcite.	
128.4'-151.3'	22.9'	99	Andesite and Diorite Porphyry, chloritized and pyritized	
151.3'-170.6'	19.3'	98	Ls. partially dolomitized	
170.6'-174.6'	4.0'	99	Andesite dike, pyritized.	
174.6'-294.7'	120.1'	99	Ls, silicified and silicated.	
294.7'-310.8'	16.1'	98	Ls, partially silicified, much altered. Several zones have up to 3% by volume pyrite, galena and chalcopyrite	
310.8'-329.5'	18.7'	95	Andesite porphyry.	

CHANCE CORPORATION
457 A Washington, S. E.
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Albuquerque, New Mexico 87108

Hole No.: C-10
Coord.: 4027 N, 5322 E
Elev.; 606'

Hole Size: AX
Total Depth: 396.6'
Inclination: 90°

Date Started:
Date Completed:

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-237.8'	237.8'	99	Silicified and silicated Ls, some veinlets of pyrite and iron oxides, chloritized shale from 214'-218'.	
237.8'-380.0'	142.2'	99	Dolomitized and silicified Ls, a minor shale bed at 341' dips 45°.	
380.0'-396.6'	16.6'	58	Andesite.	

CHANCE CORPORATION
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Albuquerque, New Mexico 87108

Hole No.: C-11
Coord.: 3867N, 5509E
Elev.: 620'

Hole Size: AX
Total Depth: 397.7'
Inclination: 90°

Date Started: 5-20-65
Date Completed: 6-26-65

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-10.5'	10.5'	-	Casing	
10.5'-75.4'	64.9'	99	Silicified and dolomitized Ls. Lower 28' shaly.	
75.4'-91.5'	16.1'	98	Fault breccia, fragments of altered Ls., in part with heavy Fe oxides.	
91.5'-270.0'	178.5'	99	Limestone and shale, Ls is dolomitized and silicified near shale, dips 60° at 100' and 45° at 155'.	
270.0'-294.4'	24.4'	26	Andesite porphyry, intensely altered.	
294.4'-374.8'	80.4'	99	Dolomitized Ls, shale beds from 329' to 367' dips 45°.	
374.8'-381.5'	6.7'	96	Sandstone ? or felsite.	
381.5'-397.7'	16.2'	95	Andesite admixed with felsitic rock.	

CHANCE CORPORATION
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Albuquerque, New Mexico 87108

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Cochise, State of Arizona, described as follows:[2] Chance No. 1 Am. Unpatented Lode Mining claim located in Section 12, T20S, R27E - Location Notice recorded in book 70, page 312, Official Records of said county.

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

Chance Corporation[3],
hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

Lessors J. F. Rydbom and Daniel L. E. Huckins are the owners of the Chance No. 1 Am. Claim and there is no encumbrance upon said claim except for our lease.

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book _____, Page ____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 14th day of March, 1967.

_____ (Street)
_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
_____ (Seal) _____

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_____ (City & State)
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_____ (Seal) _____

_____ (Street)
_____ (City & State)
X Ora R Hall Jr (Seal) _____

I, Ozzie Reeves (Name), certify that I am the Secretary-Treasurer (Title—Secretary, etc.) of the corporation named herein; that Ora R. Hall, Jr. (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
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Contract No. 14-23-090 –
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Lessors J. F. Rydbom and Daniel E. B. Hacking are the owners of the Chance No. 1 Am. Claim and there is no encumbrance upon said claim except for our lease.

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

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Dated this 14th day of March, 1967.

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_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
X Ora R Hall Jr. (Seal) _____

I, Ora R. Hall, Jr. (Name), certify that I am the Secretary-Treasurer (Title—Secretary, etc.) of the corporation named herein; that Ora R. Hall, Jr. (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
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(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

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Lessors J. F. Rydbom and Daniel L. E. Huckins are the owners of the Chance No. 1 Am. Claim and there is no encumbrance upon said claim except for our lease.

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6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 14th day of March, 1967.

_____ (Street)
_____ (City & State)
_____ (Seal)

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_____ (City & State)
_____ (Seal)

_____ (Street)
_____ (City & State)
X Ora R Hall (Seal)

I, Ozzie Reeves (Name), certify that I am the Secretary-Treasurer (Title—Secretary, etc.) of the corporation named herein; that Ora R. Hall, Jr. (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

MME Form 52
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UNITED STATES
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OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
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Lessors J. F. Rydbom and Daniel L. E. Huckins are the owners of the Chance No. 1 Am. Claim and there is no encumbrance upon said claim except for our lease.

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

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6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 14th day of March, 19 67.

_____ (Street)
(City & State)
_____ (Seal) _____

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(City & State)
_____ (Seal) _____

_____ (Street)
(City & State)
Ora R. Ball (Seal) _____

I, Ozzie Reeves (Name), certify that I am the Secretary-Treasurer (Title—Secretary, etc.) of the corporation named herein; that Ora R. Ball, Jr. (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

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MME Form 52
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FOR GOVERNMENT USE ONLY
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(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

Lessors J. F. Rydbom and Daniel L. E. Huckins are the owners of the Chance No. 1 Am. Claim and there is no encumbrance upon said claim except for our lease.

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book _____, Page ____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 14th day of March, 1967.

_____ (Street)
_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
_____ (Seal) _____

_____ (Street)
_____ (City & State)
_____ (Seal) _____

X Ora R. Hall Jr. (Seal) _____ (Street)
_____ (City & State)

I, Ozzie Reeves (Name), certify that I am the Secretary-Treasurer (Title—Secretary, etc.) of the corporation named herein; that Ora R. Hall, Jr. (Name), who signed this agreement was then President (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

Hole No.: C-12
Coord.: 4647 N, 4838 E
Elev.: 496'

Hole Size: BX
Total Depth: 177.9'
Inclination: 90°

Date Started: 7-7-65
Date Completed: 7-31-65

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-43.2'	43.2'	35	Red cave breccia, Ls fragments moderately pyritized.	
43.2'-97.1'	53.9'	98	Ls, silicified and silicated, partially altered, sparse hematite in veinlets.	
97.1-160.4'	63.3'	98	Dolomitized and marblized Ls.	
160.4'-166.1'	5.7'	79	Fault zone, flat, sheared and crushed, andesite and Ls fragments.	
166.1'-177.9'	11.8'	97	Prophyritic andesite.	

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Albuquerque, New Mexico 87108

Hole No.: C-13
Coord.: 4612 N, 4955 E
Elev.: 505'

Hole Size: BX
Total Depth: 198.0'
Inclination: 90°

Date Started: 8-5-65
Date Completed: 8-19-65

Footage	Feet Drilled	% Core Recovery	Description	Remarks
0-32.1'	32.1'	20	15' overburden, 17' red cave breccia	
32.1'-108.2'	76.1'	98	Silicified and silicated Ls.	
108.2'-155.5'	47.3'	98	Marblized and dolomitized Ls.	
155.5'-182.5'	27.0'	98	Silicated and silicified Ls.	
182.5'-193.9'	11.4'	79	Andesite, sheared at 30-45°. One thin zone, ½" thick, has galena and sparse pyrite.	
193.9'-198.0'	4.1'	-	Andesite	

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Box 8765
Albuquerque, New Mexico 87108

CHANCE CORPORATION

Reply To Box 8768

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

March 7, 1967

Your bid is invited on the driving of 1500 feet of drift at the Chance Mine, located in Section 12, T20S, R27E, Cochise County, Arizona. The drifting, to be done off the 220 foot level of the Chance Shaft, is shown on the enclosed map.

It is believed that the 500 feet of drift from the shaft to C3 will be through a badly broken area in incompetent andesite. The 185 feet southeasterly from C3 to C6 will be driven on the Naco limestone-andesite contact, at an apparent decline of over 11 degrees, or 20% grade. The extension of the drift southeasterly from C6 would also be on this contact, as would the drift northwesterly from C3. The easterly drift to be driven southeasterly to and beyond C1 would also be driven on the Naco limestone-andesite contact.

Heavy continuous timbering, probably 8" x 8" posts and caps, with 3" lagging on the sides and back may be required in the andesite, while roof bolting may be sufficient or perhaps not even required where the walls and back are in limestone. At the present state of development the mine is estimated to make 3,000 gallons of water a day.

Facilities available are limited to a well timbered single compartment shaft with manway, an installed headframe with head pulley, hoist rope and a hoist with no motor, no prime mover, no power supply, no compressor, no skip, no cage, no mine cars and no water line or air line beyond the bottom of the shaft.

The drift shall be 7' x 7' in section and the contractor shall install 20# rail, laid on 4" x 6" x 3' ties set on 18" centers, 3" air line, 1½" water line, 18" rigid ventilation tubing, and is to carry an adequate water ditch on one side of the drifts.

Our bid is $175,000.00 on the above specifications and requirements for the 1500 feet of drift described.

Four Corners Exploration Co.
Box 116, Grants, N.M.

CORPORATION
S.E.
87103

CHANCE CORPORATION

Reply To Box 2765

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

March 7, 1967

Your bid is invited on the driving of 1500 feet of drift at the Chance Mine, located in Section 12, T20S, R27E, Cochise County, Arizona. The drifting, to be done off the 220 foot level of the Chance Shaft, is shown on the enclosed map.

It is believed that the 500 feet of drift from the shaft to C3 will be through a badly broken area in incompetent andesite. The 185 feet southeasterly from C3 to C6 will be driven on the Naco limestone-andesite contact, at an apparent decline of over 11 degrees, or 20% grade. The extension of the drift southeasterly from C6 would also be on this contact, as would the drift northwesterly from C3. The easterly drift to be driven southeasterly to and beyond C1 would also be driven on the Naco limestone-andesite contact.

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Facilities available are limited to a well timbered single compartment shaft with manway, an installed headframe with head pulley, hoist rope and a hoist with no motor, no prime mover, no power supply, no compressor, no skip, no cage, no mine cars and no water line or air line beyond the bottom of the shaft.

The drift shall be 7' x 7' in section and the contractor shall install 20# rail, laid on 4" x 6" x 3' ties set on 18" centers, 3" air line, 1½" water line, 18" rigid ventilation tubing, and is to carry an adequate water ditch on one side of the drifts.

Our bid is $ 150,000.00 on the above specifications and requirements for the 1500 feet of drift described.

Hilltop Mining Company

per. George O. Lotspich Jr

Box 201
Fairplay, Colorado

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457 A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

CHANCE CORPORATION

Reply To Box 8705

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

March 7, 1967

Your bid is invited on the driving of 1500 feet of drift at the Chance Mine, located in Section 12, T20S, R27E, Cochise County, Arizona. The drifting, to be done off the 220 foot level of the Chance Shaft, is shown on the enclosed map.

It is believed that the 500 feet of drift from the shaft to C3 will be through a badly broken area in incompetent andesite. The 185 feet southeasterly from C3 to C6 will be driven on the Naco limestone-andesite contact, at an apparent decline of over 11 degrees, or 20% grade. The extension of the drift southeasterly from C6 would also be on this contact, as would the drift northwesterly from C3. The easterly drift to be driven southeasterly to and beyond C1 would also be driven on the Naco limestone-andesite contact.

Heavy continuous timbering, probably 8" x 8" posts and caps, with 3" lagging on the sides and back may be required in the andesite, while roof bolting may be sufficient or perhaps not even required where the walls and back are in limestone. At the present state of development the mine is estimated to make 3,000 gallons of water a day.

Facilities available are limited to a well timbered single compartment shaft with manway, an installed headframe with head pulley, hoist rope and a hoist with no motor, no prime mover, no power supply, no compressor, no skip, no cage, no mine cars and no water line or air line beyond the bottom of the shaft.

The drift shall be 7' x 7' in section and the contractor shall install 20# rail, laid on 4" x 6" x 3' ties set on 18" centers, 3" air line, 1½" water line, 18" rigid ventilation tubing, and to carry an adequate water ditch on one side of the drifts.

Our bid is $120,000 on the above specifications and requirements for the 1500 feet of drift described.

Cumberland Western Corp
Ralph Baird - Secy
208 1st Natl Bank Bldg
Joplin, Mo

GHANCE CORPORATION
457 A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

LEASE-PURCHASE AGREEMENT

This AGREEMENT, made and entered into this 15th day of August, 1966, by and between J. F. RYDBOM, joined by his wife FLORENCE RYDBOM, residents of Cochise County, Arizona, hereinafter referred to as Lessor; and VERNON C. DAVIS, a married man, of Albuquerque, New Mexico, hereinafter referred to as Lessee.

WITNESSETH:

ARTICLE 1

Ownership

1. The Lessor is the owner of a certain interest in unpatented lode mining claims, situated in the Swisshelm Mining District, Cochise County, Arizona, the location notices of which are recorded in the office of the County Recorder, Cochise County, Arizona, in record of mines, in Book or Docket and pages as follows:

NAMES	DOCKET	BOOK	PAGE
Chance #1		64	238
" amended location		70	312
Chance #2		64	239
" amended location		70	314
Chance #3		70	52
Chance #4		70	53
Keystone	60		37
Crest #1	128		617
" amended location	364		532
Crest #2	128		618
" amended location	364		531
Crest #3	136		568

2. J. F. RYDBOM and FLORENCE RYDBOM, his wife, are the owners of the Crest lode mining claims, numbers 1, 2, and 3, and are the owners of 7/9 interest in the Chance lode mining claims, numbers 1, 2, 3, and 4, and are the owners of 1/2 interest in the Keystone lode mining clai

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ARTICLE 2

Agreement to Sell

1. Lessor agrees to sell, transfer and convey to Lessee, all their right, title and interest in and to all the mining claims described in Article 1, paragraph 2, above, and including all of their mineral rights, surface rights, water and water rights, thereto belonging to or in anywise appertaining, including all buildings, headframes and ore bins thereon; all pipe and rails installed underground, and the rails installed on surface at the Chance mine shaft, also the hoist installed at the Chance mine shaft, and the water tanks installed below the Chance mine shaft.

2. Lessee agrees to perform certain exploration work thereon, in accordance with the terms of this agreement, with the right to purchase said property for the within specified consideration.

3. NOW, THEREFORE, Lessor, for and in consideration of the sum of TEN DOLLARS ($10.00) this day paid by Lessee to Lessor, receipt of which is hereby acknowledged, and the further consideration of the additional payments and the performance of the covenants, terms, conditions and agreements hereinafter set forth to be kept and performed by Lessee and Lessor, do hereby covenant, promise and agree to sell and convey to said Lessee, free and clear of all liens, taxes and encumbrances, by a good and sufficient deed of conveyance, properly signed and acknowledged by Lessor, in accordance with the laws of the State of Arizona, all those mining claims set forth and described in Article 1, paragraph 2, above, together with all the buildings, headframes and ore bins thereon, including pipelines, rails and equipment agreed to in Article 2, paragraph 1, of this agreement.

ARTICLE 3

Purchase Price and Terms of Sale

Lessee or his successors or assigns shall have the right to purchase all the property set forth and described above, for a total

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price of FORTY THOUSAND DOLLARS ($40,000.00), without interest, and payable in full, on or before the expiration date of this agreement, the 15th day of August, 1971. The following payments shall be made by Lessee:

2. In the event Lessee does not have a concentrating mill in Cochise County, Lessee shall pay a total fifteen percent (15%) of the net smelter return less reasonable transportation charges from mine to smelter for all direct shipping ore. Lessee agrees that in the event the ores mined from the property are trucked by Lessee to a railhead or smelter, that the cost of such trucking shall be such as would be consistent with the charges that an independent contractor might make for such trucking. If Lessee does have a concentrating mill in Cochise County, then Lessee shall pay a total ten percent (10%) of the net smelter return less reasonable transportation charges from mill to smelter for all concentrates produced by a mill and for any direct shipping ore produced, if such ore has not been commingled in Lessee's mill with ores from any other property or properties.

3. It is expressly understood that ores from the Lessor's claims will be considered to be commingled when such ores in going through Lessee's mill circuit are blended with other material, such that the ores and minerals recovered from the ores lose their separate identity as to source in the milling process.

4. Net smelter return shall mean that net amount paid by the smelter after deducting the cost of transportation charges from mine or mill to smelter, and after deducting all smelter charges, deductions and penalties, if any, excepting demurrage charges.

5. Beginning with the seventh (7th) month of this Agreement, the 15th day of February, 1967, Lessee agrees to pay Lessor not less than FIVE HUNDRED DOLLARS ($500.00) per month, with royalties to apply against said sum, and payable at the end of each month.

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6. Of the total hereinbefore described royalty agreed to be paid by Lessee to a one hundred percent (100%) ownership of the afore-described leased premises, the amount to be paid Lessor J. F. Rydbom and wife shall be 7/9 of the royalty produced or arising from production on the Chance claims, 1/2 of the royalty arising from production on the Keystone claim, and all the royalty arising from production on the Crest claims.

7. It is expressly understood that ores from this property may be commingled and milled with ores from other properties. HOWEVER, if such commingling takes place, Lessee will pay Lessors a total of fifteen percent (15%) of the net smelter return on that portion of the concentrates attributable to the ores from Lessor's claims. Such apportionment of concentrates resulting from the milling of commingled ores shall be determined on the basis of tonnage only, except that Lessor shall receive full credit for all metal payments that derive from values contained in "other" ore that is mingled with Lessor's ore where the amount of any specific metal recovered from said "other" ore amounts to less than 1% Pb, 2% Zn, 0.5% Cu, and 1 oz. Ag./ton.

Should "other" ore with value of +0.5% Cu. be mingled, then apportionment of royalty payment creditable to copper shall be determined by mutual agreement based on general engineering practice.

Regarding a tonnage apportionment, on a concentrate made by the mill from three tons of this ore and one ton of ore from some other property, the aforementioned fifteen percent (15%) net smelter return will be paid Lessor on 75% of the concentrate. In the event of commingling of this ore with other ores, all ores must be weighed with reasonable accuracy so that just apportionment may be made for any given ore.

ARTICLE 4

Duration of Agreement

The term of this Agreement shall be a period of five (5) years

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beginning with the date of signing of this agreement, the 15th day of August, 1966, and expiring five (5) years from that date, the 15th day of August, 1971, unless terminated by one of the parties hereto as hereinafter provided.

ARTICLE 5

Possession and Work Performance

1. Upon execution of this Agreement, Lessee shall have the right to the immediate, sole and exclusive possession of all the said property and improvements, with the right to explore, develop, mine, work and use the same, or any part thereof; and to extract, ship and sell ores, concentrates and minerals from said mines and mining claims, or any part thereof; and to construct, make and use on said mining claims, all such shafts, headframes, buildings, drifts, tunnels, raises, winzes, drill holes and other workings and dumps as may, in his sole discretion, be useful to the working and development of said mining claims, or any part thereof; during the entire term of this Agreement Lessee shall have peaceful possession and control of same, PROVIDED, HOWEVER, (A) that Lessor shall have the use of the buildings on the Chance #2 mining claim, namely, his present residence and the four (4) storage buildings, until the property has been paid for in full, and shall have sixty (60) days thereafter to dispose of or remove his personal property; (B) that all mining work shall be done and performed by Lessee, or his successors or assigns, in a miner-like fashion in accordance with good mining practice and in compliance with the mining code of the State of Arizona, the regulations of the mine inspector and the rules and regulations of mines.

2. Lessee agrees to expend a minimum of Ten Thousand Dollars ($10,000) in exploration and/or development work on the property within six months. Lessee shall have the option at any time to

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surrender said lease and to be absolved of all obligations thereunder by payment to Lessor of ONE THOUSAND DOLLARS ($1,000.00) cash.

3. In event Lessee has not commenced work on the property within ninety (90) days of date of this Agreement, then Lessee shall pay Lessor FIVE HUNDRED DOLLARS ($500.00)/ month, until such time as constructive work has begun. All payments made by Lessee to Lessor shall apply to the purchase price. Minimum annual payments shall total EIGHT THOUSAND DOLLARS ($8,000.00).

4. In the event that this Agreement should be terminated by Lessee, or his successors or assigns, prior to the payment of the full purchase price of the property, it is agreed that copies of all engineering and assay data and results of drilling, pertaining to all or any part of the said mining claims, shall be furnished to Lessor or his heirs, executors, administrators or assigns.

ARTICLE 6

Royalties

1. Royalty payments shall apply to any premiums, bonuses or subsidies paid by the government of the United States on production of ore or minerals.

2. Lessor agrees to pay royalty payments on or before the fifteenth day of the month next following the receipt by Lessee of payments from the smelter or mill for ores or concentrates or minerals bought or purchased, and to accompany such payments with a statement of the amount of royalty due on each lot shipped and a duplicate smelter or mill treatment sheet on each such lot and shall furnish to Lessor a copy of such royalty statement and a duplicate smelter or mill settlement sheet.

3. In the event that ores from Lessor's property are milled in Lessee's mill, Lessee shall supply to Lessor statements regarding the disposition of the various lots milled. In the event that ores from

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the property are commingled in Lessee's mill, Lessee shall supply to Lessor the weights of the various lots of ore that are commingled and such assay that may have been required to determine the values present in "outside" ore as described in Paragraph 7, Article 3.

ARTICLE 7

Posting and Maintenance of Notices Against Liens

Lessor reserves the right to post upon said mining claims, or any of them, such non-liability notices as he may deem necessary to protect the said property from liens and claims, and Lessee agrees to maintain and keep posted upon said property any notices to such effect.

ARTICLE 8

Taxes

Lessor is to pay when due, and before delinquent, all taxes on any improvements upon said property up to the date of this Agreement, and shall continue to pay any taxes levied against the buildings described in Article 5, Paragraph 1, as the residence of Lessor and four (4) storage buildings on the Chance #2 claim until the full purchase price for the property has been paid. Any taxes levied upon said premises or any improvements made thereafter by Lessee, or his successors or assigns, excepting the buildings reserved above, shall be paid by Lessee.

ARTICLE 9

Payment of Bills

Lessee agrees to promptly pay and discharge when due, and before delinquent, any and all bills for labor or materials furnished or incurred by him in or upon said mines or mining claims and to keep said mining claims free from liens or encumbrances for any labor or materials furnished or used upon said mines or mining claims.

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ARTICLE 10

Insurance

Lessee shall, at his expense, carry all employer's liability, workman's compensation, old age and unemployment insurance required by law.

ARTICLE 11

Annual Assessment Work

Lessee shall do or cause to be done, at his expense, the annual assessment work as required by law upon said mining claims during the life of this agreement and shall file in the proper county Recorder's Office proof of said annual assessment work, and furnish the Lessor with a copy of such filing before August 31st of each year.

ARTICLE 12

Right to inspect property

1. Lessor or his duly authorized servants, employees, agents or attorneys shall have the right, at such reasonable times so as not to interfere with Lessee's mining operations, to go upon said mining claims, or any part thereof, for the purpose of inspecting any work or development thereupon by Lessee, without any liability on the part of Lessee, for death or injuries to the parties making such inspection.

2. In the event that ores from this property are milled in Lessee's mill, Lessor, or his duly authorized servants, employees, agents or attorneys shall have the right, at such reasonable times, so as not to interfere with Lessee's milling operations, to go upon such millsite, or any part thereof for purposes of inspecting said milling operations.

ARTICLE 13

Removal of Equipment

In the event of abandonment of the property, or the forfeiture

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of this Agreement, buildings, machinery, equipment and improvements placed upon the premises by Lessee may be removed by Lessee within 120 days after the termination of this Agreement, PROVIDED HOWEVER, that all laid rails or timber placed in the underground workings of said property shall not be removed but shall remain in place and become the property of Lessor; it being understood and agreed between Lessee and Lessor that in the removal of any buildings, machinery or improvements placed upon the premises by Lessee, such removal shall be done in such a manner as not to damage the underground workings of said mines or mining claims. In the event said property is not removed within 120 days as hereinabove provided, said property shall then become the property of Lessor.

ARTICLE 14

Voluntary Surrender

It is agreed that Lessee or his successors or assigns, shall have the right, at any time, to surrender this Agreement to Lessor for cancellation, after which all payments and liabilities of Lessee under the terms of this Agreement shall cease and terminate and this Agreement shall thenceforth become absolutely null and void; PROVIDED, HOWEVER, that before such surrender shall become effective, the Lessee shall give Lessor thirty (30) days written notice of his intentions so to do, but Lessee, or his successors or assigns, shall meet any obligations previously incurred hereunder to the date of such surrender. The notice herein provided for shall be mailed via registered mail to the Lessor at Box 137, Elfrida, Cochise County, Arizona.

ARTICLE 15

Quit-Claim Deed

Upon termination of this Agreement by Lessee b efore the full purchase price of the property has been paid, Lessee agrees to furnish to Lessor a quit-claim deed to the property relinquishing all of his right, title and interest in the property.

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Albuquerque, New Mexico 87108

ARTICLE 16

Forfeiture Clause

The failure of Lessee to keep or perform any of the covenants, conditions, agreements or make any of the payments as set forth in this Agreement, shall, at the election of Lessor, work a forfeiture thereof and any and all money which shall have been paid as heretofore in this Agreement provided shall be deemed forfeited unto Lessor as liquidated damages; in this connection, however, it is understood and agreed between the parties hereto that before any forfeiture becomes effective, except as to the purchase price payments, Lessor shall send Lessee a written notice via registered mail setting forth the violations of the terms of this Agreement which Lessor contends have been violated, together with a declaration of Lessor's intention to declare this Agreement forfeited and the rights of Lessee terminated; and, unless the violations of the terms and conditions hereof are rectified within thirty (30) days after the receipt of said notice, then the rights of Lessor to terminate shall be absolute. The notice herein provided for shall be mailed to the Lessee, VERNON C. DAVIS, at 3506 Colorado N.E., Albuquerque, New Mexico.

ARTICLE 17

Abstract of Title

Lessor agrees to supply to Lessee, upon full payment of the purchase price of the property by Lessee to Lessor, an abstract or abstracts of title showing that Lessor is the owner of, or assignee of, the property.

ARTICLE 18

Vertical Boundary Lines

As between these parties, their successors and assigns, there shall be no apex rights and vertical claim boundaries shall govern.

CHANCE CORPORATION
457 A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

ARTICLE 19

Rydbom-Huckins Commingled Ore

Regardless of any preceding provision, royalties on concentrates derived from commingled ore mined solely from claims owned by J. F. Rydbom and Daniel L. E. Huckins shall be apportioned on a tonnage basis and shall be calculated on the basis of a ten percent (10%) net smelter return.

ARTICLE 20

Assignment

This Agreement shall be binding upon the parties executing the same and their respective heirs, next of kin, executors, administrators, devisees, legatees, successors and/or assignees, and their assigns shall have the right vested in it, subject to all the terms and conditions herein contained.

IN WITNESS WHEREOF the parties hereto have set their hands on this date, the 22nd day of August, 1966.

J. F. Rydbom
J. F. Rydbom

Florence Rydbom
Florence Rydbom

SELLER

Vernon C. Davis
Vernon C. Davis

BUYER

CHANCE CORPORATION
457 A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

STATE OF ARIZONA)
) ss.
COUNTY OF COCHISE)

This instrument was acknowledged before me this 22nd day of August, 1966, by J. F. RYDBOM and FLORENCE RYDBOM, his wife.

Phillip H. Struthers
Notary Public

My Commission Expires:

~~My Commission Expires Aug. 23, 1969~~

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

This instrument was acknowledged before me this 12th day of August, 1966, by VERNON C. DAVIS.

Nella T. Bray
Notary Public

My Commission Expires:

My Commission Expires Dec. 29, 1966

CHANCE CORPORATION
457 A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

LAW OFFICES
TOGNONI & PUGH
FIRST NATIONAL BANK BUILDING
PHOENIX, ARIZONA 85004

MINE LEASE AND PURCHASE AGREEMENT ASSIGNMENT

THIS ASSIGNMENT made and entered into on the 14th day of December, 1966, by and between VERNON C. DAVIS, nominee for James V. Reynolds, Ora R. Hall, Jr., T. J. Deason, Jr., Ozzie Reeves, Oscar Bourge, R. A. Canning, Walter Kegel and Conrad Appledorn, Assignors, and CHANCE CORPORATION, an Arizona corporation, Assignee,

W I T N E S S E T H::

WHEREAS, on the 15th day of October, 1966, a Mine Lease and Purchase Agreement was entered into between Daniel L. E. Huckins and Carol Louise Huckins, his wife, lessors, and Vernon C. Davis, lessee, hereinafter referred as the "Huckins Lease", on certain mining claims described as follows:

NAME OF CLAIMS	BOOK	PAGE
Chance #1	64	238
Amended location	70	313
Chance #2	64	239
Amended location	70	314
Chance #3	70	52
Chance #4	70	53
Keystone	60	37
Marble Hill #1 (relocated)	343	447
Marble Hill #2 (relocated)	343	446
Marble Hill #3 (relocated)	343	445
Mine Ridge #1	347	402
Mine Ridge #2	347	403
Mine Ridge #3	347	404
Mine Ridge #4	382	164
Bluebell Claim	360	61

All being recorded in the Cochise County Recorder's Office, and

WHEREAS, on the 15th day of August, 1966, a Mine Lease and Purchase Agreement was entered into between J. F. Rydbom and Florence Rydbom, his wife, lessors, and Vernon C. Davis, lessee, hereinafter

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referred to as the "Rydbom Lease", on certain mining claims described as follows:

NAME OF CLAIM	DOCKET	PAGE
March #1	165	181
Big Hill #1	363	83
Big Hill #2	377	425
Golden Rod	400	125
Contact #1	400	126
Contact #2	400	127
Contact #3	400	128

All being recorded in the Cochise County Recorder's Office, and

WHEREAS, on the 15th day of August, 1966, a Mine Lease and Purchase Agreement was entered into between J. F. Rydbom and Florence Rydbom, his wife, lessors and Vernon C. Davis, lessee, hereinafter referred to as the "Rydbom Lease #2", on certain mining claims described as follows:

NAME OF CLAIM	BOOK	PAGE
Chance #1	64	238
Amended location	70	312
Chance #2	64	239
Amended location	70	314
Chance #3	70	52
Chance #4	70	53
Keystone	60	37
Crest #1	128	617
Amended location	364	532
Crest #2	128	618
Amended location	364	531
Crest #3	136	568

All being recorded in the Cochise County Recorder's Office, and

WHEREAS, Assignor has been holding said leases as nominee as set forth above until such time as a corporation was organized to which said leases could be transferred, and

WHEREAS, Chance Corporation has been organized by Messrs.

LAW OFFICES
TOGNONI & PUGH
FIRST NATIONAL BANK BUILDING
PHOENIX, ARIZONA 85004

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Reynolds, Hall, Deason, Reeves, Bourg, Canning, Kegel and Appledorn for the purposes of exploring, developing, and mining properties such as the leases and mining claims herein assigned.

NOW, THEREFORE, in consideration of $10.00 and mutual agreements, covenants, conditions and other valuable considerations, the sufficiency of which is hereby acknowledged, Vernon C. Davis hereby assigns to Chance Corporation all his right, title and interest in Huckins Lease, Rydbom Lease, and Rydbom Lease #2 along with the mining claims therein leased and hereinabove described.

IN WITNESS WHEREOF the assignor has executed this Assignment the day and year hereinabove written.

Vernon C. Davis

Vernon C. Davis

LAW OFFICES
TOGNONI & PUGH
FIRST NATIONAL BANK BUILDING
PHOENIX, ARIZONA 85004

STATE OF New Mexico)
) ss.
County of Bernalillo)

On this the 14th day of November, 1966, before me, the undersigned officer, personally appeared VERNON C. DAVIS, known to be to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

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

Phyllis Wesselink

Notary Public

My Commission Expires:

1-20-69

CHANCE CORPORATION
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Box 8765
Albuquerque, New Mexico 87108

LEASE-PURCHASE AGREEMENT

This AGREEMENT, made and entered into this 15th day of August, 1966, by and between DANIEL L. E. HUCKINS, joined by his wife CAROL LOUISE HUCKINS, residents of Tucson, Pima County, Arizona, hereinafter referred to as Lessor; and VERNON C. DAVIS, a married man, of Albuquerque, New Mexico, hereinafter referred to as Lessee.

WITNESSETH:

ARTICLE I

Ownership

1. The Lessor is the owner of certain unpatented lode mining claims, situated in the Swisshelm Mining District, Cochise County, Arizona, the location notices of which are recorded in the office of the County Recorder, Cochise County, Arizona, in record of Mines, in Book or Docket and pages as follows:

NAMES	DOCKET	BOOK	PAGE
Chance #1		64	238
" amended location		70	313
Chance #2		64	239
" amended location		70	314
Chance #3		70	52
Chance #4		70	53
Keystone	60		37
Marble Hill #1 - relocated	343		447
" #2 - relocated	343		446
" #3	343		445
Mine Ridge #1	347		402
" #2	347		403
" #3	347		404
" #4	382		164
Bluebell Claim	360		61

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P.O. 8765
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2. DANIEL L. E. HUCKINS and CAROL LOUISE HUCKINS, his wife, are the owners of 2/9 interest in the Chance lode mining claims, numbers 1, 2, 3, and 4, and are the owners of 1/2 interest in the Keystone lode mining claim, and have full interest in Mine Ridge lode mining claims, numbers 1, 2, 3, and 4, and Marble Hill lode mining claims, numbers 1, 2 and 3, and Bluebell Claim.

ARTICLE 2

Agreement to Sell

1. Lessor agrees to sell, transfer and convey to Lessee, all the mining claims described in ARTICLE 1, paragraph 1, above, and all the mineral rights, surface rights, water and water rights, thereto belonging or in anywise appertaining, including all buildings, headframes and ore bins thereon; all pipe and rails installed underground, and the rails installed on surface at the Chance mine shaft, also the hoist installed at the Chance mine shaft, and the water tanks installed below the Chance mine shaft.

2. Lessee agrees to perform certain exploration work thereon, in accordance with the terms of this agreement, with the right to purchase said property for the within specified consideration.

3. NOW, THEREFORE, Lessor, for and in consideration of the sum of TEN DOLLARS ($10.00) this day paid by Lessee to Lessor, receipt of which is hereby acknowledged, and the further consideration of the additional payments and the performance of the covenants, terms, conditions and agreements hereinafter set forth to be kept and performed by Lessee and Lessor, do hereby covenant, promise and agree to sell and convey to said Lessee, free and clear of all liens, taxes and encumbrances, by a good and sufficient deed of conveyance, properly signed and acknowledged by Lessor, in accordance with the laws of the State of Arizona, all those mining claims set forth and described in Article 1, paragraph 1, above, together with all the buildings, headframes and ore

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bins thereon, including pipelines, rails and equipment agreed to in Article 2, paragraph 1, of this agreement.

ARTICLE 3

Purchase Price and Terms of Sale

1. Lessee or his successors or assigns shall have the right to purchase all the property set forth and described above, for a total purchase price of FIFTY THOUSAND DOLLARS ($50,000.00), without interest, and payable in full, on or before the expiration date of this agreement, the 15th day of August, 1971. The following payments shall be made by Lessee:

2. In the event Lessee does not have a concentrating mill in Cochise County, Lessee shall pay a total fifteen percent (15%) of the net smelter return less reasonable transportation charges from mine to smelter for all direct shipping ore. Lessee agrees that in the event the ores mined from the property are trucked by Lessee to a railhead or smelter, that the cost of such trucking shall be such as would be consistent with the charges that an independent contractor might make for such trucking. If Lessee does have a concentrating mill in Cochise County, then Lessee shall pay a total ten percent (10%) of the net smelter return less reasonable transportation charges from mill to smelter for all concentrates produced by a mill and for any direct shipping ore produced, if such ore has not been commingled in Lessee's mill with ores from any other property or properties.

3. It is expressly understood that ores from the Lessor's claims will be considered to be commingled when such ores in going through Lessee's mill circuit are blended with other material, such that the ores and minerals recovered from the ores lose their separate identity as to source in the milling process.

4. Net smelter return shall mean that net amount paid by the smelter after deducting the cost of transportation charges from mine

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or mill to smelter, and after deducting all smelter charges, deductions and penalties, if any, excepting demmurage charges.

5. Beginning with the seventh (7th) month of this Agreement, the 15th day of February, 1967, Lessee agrees to pay Lessor not less than FIVE HUNDRED DOLLARS ($500.00) per month, with royalties to apply against said sum, and payable at the end of each month.

6. Of the total hereinbefore described royalty agreed to be paid by Lessee to a one hundred percent (100%) ownership of the afore-described leased premises, the amount to be paid Lessor, Daniel L. E. Huckins and wife shall be 2/9 of the royalty produced or arising from production on the Chance claims, 1/2 of the royalty arising from production on the Keystone claim, and all of the royalty arising from production on the Marble Hill, Mine Ridge and Bluebell Claims.

7. It is expressly understood that ores from this property may be commingled and milled with ores from other properties. HOWEVER, if such commingling takes place, Lessee will pay Lessors a total of fifteen percent (15%) of the net smelter return on that portion of the concentrates attributable to the ores from Lessor's claims. Such apportionment of concentrates resulting from the milling of commingled ores shall be determined on the basis of tonnage only, except that Lessor shall receive full credit for all metal payments that derive from values contained in "other" ore that is mingled with Lessor's ore where the amount of any specific metal recovered from said "other" ore amounts to less than 1% Pb, 2% Zn, .0.5% Cu. and 1 oz. Ag/ton.

Should "other" ore with value of +0.5% Cu. be mingled, then apportionment of royalty payment creditable to copper shall be determined by mutual agreement based on general engineering practice.

Regarding a tonnage apportionment, on a concentrate made by the mill from three tons of this ore and one ton of ore from some other property, the aforementioned fifteen percent (15%) net smelter return will be paid Lessor on 75% of the concentrate. In the event of commingling

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of this ore with other ores, all ores must be weighed with reasonable accuracy so that just apportionment may be made for any given ore.

ARTICLE 4

Duration of Agreement

The term of this Agreement shall be a period of five (5) years beginning with the date of signing of this Agreement, the 15th day of August, 1966, and expiring five (5) years from that date, the 15th day of August, 1971, unless terminated by one of the parties hereto as hereinafter provided.

ARTICLE 5

Possession and Work Performance

1. Upon execution of this Agreement, Lessee shall have the right to the immediate, sole and exclusive possession of all the said property and improvements, with the right to explore, develop, mine, work and use the same, or any part thereof; and to extract, ship and sell ores, concentrates and minerals from said mines and mining claims, or any part thereof; and to construct, make and use on said mining claims, all such shafts, headframes, buildings, drifts, tunnels, raises, winzes, drill holes and other workings and dumps as may, in his sole discretion, be useful to the working and development of said mining claims, or any part thereof; during the entire term of this Agreement Lessee shall have peaceful possession and control of same, PROVIDED, HOWEVER, (A) that Lessor shall have the use of the buildings on the Chance #2 mining claim, namely, the four (4) storage buildings, until the property has been paid for in full, and shall have sixty (60) days thereafter to dispose of or remove his personal property; (B) that all mining work shall be done and performed by Lessee, or his successors or assigns, in a miner-like fashion in accordance with good mining practice and in compliance

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[illegible]
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with the mining code of the State of Arizona, the regulations of the mine inspector and the rules and regulations of mines.

2. Lessee agrees to expend a minimum of TEN THOUSAND DOLLARS ($10,000.00) in exploration and/or development work on the property within six months. Lessee shall have the option at any time to surrender said lease and to be absolved of all obligations thereunder by payment to Lessor of ONE THOUSAND DOLLARS ($1,000.00) cash.

3. In event Lessee has not commenced work on the property within ninety (90) days of date of this Agreement, then Lessee shall pay Lessor FIVE HUNDRED DOLLARS ($500.00) / month, until such time as constructive work has begun. All payments made by Lessee to Lessor shall apply to the purchase price. Minimum annual payments shall total TEN THOUSAND DOLLARS ($10,000.00).

4. In the event that this Agreement should be terminated by Lessee, or his successors or assigns, prior to the payment of the full purchase price of the property, it is agreed that copies of all engineering and assay data and results of drilling, pertaining to all or any part of the said mining claims, shall be furnished to Lessor or his heirs, executors, administrators or assigns.

ARTICLE 6

Royalties

1. Royalty payments shall apply to any premiums, bonuses or subsidies paid by the government of the United States on production of ore or minerals.

2. Lessor agrees to pay royalty payments on or before the fifteenth day of the month next following the receipt by Lessee of payments from the smelter or mill for ores or concentrates or minerals bought or purchased, and to accompany such payments with a statement of the amount of royalty due on each lot shipped and a duplicate smelter or mill treatment sheet on each such lot and shall furnish to Lessor a

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copy of such royalty statement and a duplicate smelter or mill settlement sheet.

3. In the event that ores from Lessor's property are milled in Lessee's mill, Lessee shall supply to Lessor statements regarding the disposition of the various lots milled. In the event that ores from the property are commingled in Lessee's mill, Lessee shall supply to Lessor the weights of the various lots of ore that are commingled and such assay that may have been required to determine the values present in "outside" ore as described in Paragraph 7, Article 3.

ARTICLE 7

Posting and Maintenance of Notices Against Liens

Lessor reserves the right to post upon said mining claims, or any of them, such non-liability notices as he may deem necessary to protect the said property from liens and claims, and Lessee agrees to maintain and keep posted upon said property any notices to such effect.

ARTICLE 8

Taxes

Lessor is to pay when due, and before delinquent, all taxes on any improvements upon said property up to the date of this Agreement, and shall continue to pay any taxes levied against the buildings described in ARTICLE 5, paragraph 1, as the ~~residence of Lessor and~~ four (4) storage buildings on the Chance #2 claim until the full purchase price for the property has been paid. Any taxes levied upon said premises or any improvements made thereafter by Lessee, or his successors or assigns, excepting the buildings reserved above, shall be paid by Lessee.

ARTICLE 9

Payment of Bills

Lessee agrees to promptly pay and discharge when due, and before delinquent, any and all bills for labor or materials furnished

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or incurred by him in or upon said mines or mining claims and to keep said mining claims free from liens or encumbrances for any labor or materials furnished or used upon said mines or mining claims.

ARTICLE 10

Insurance

Lessee shall at his expense carry all employer's liability, workman's compensation, old age and unemployment insurance required by law.

ARTICLE 11

Annual Assessment Work

Lessee shall do or cause to be done, at his expense, the annual assessment work as required by law upon said mining claims during the life of this Agreement and shall, within the time required by law, file in the proper County Recorder's Office proof of said annual assessment work.

ARTICLE 12

Right to Inspect Property

1. Lessor or his duly authorized servants, employees, agents or attorneys shall have the right, at such reasonable times so as not to interfere with Lessee's mining operations, to go upon said mining claims, or any part thereof, for the purpose of inspecting any work or development thereupon by Lessee, without any liability on the part of Lessee, for death or injuries to the parties making such inspection.

2. In the event that ores from this property are milled in Lessee's mill, Lessor, or his duly authorized servants, employees, agents or attorneys shall have the right, at such reasonable times, so as not to interfere with Lessee's milling operations, to go upon such millsite, or any part thereof for purposes of inspecting said milling operations.

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Albuquerque, New Mexico 87108

ARTICLE 13

Removal of Equipment

In the event of abandonment of the property, or the forfeiture of this Agreement, buildings, machinery, equipment and improvements placed upon the premises by Lessee may be removed by Lessee within 120 days after the termination of this Agreement, PROVIDED HOWEVER, that all laid rails or timber placed in the underground workings of said property shall not be removed but shall remain in place and become the property of Lessor; it being understood and agreed between Lessee and Lessor that in the removal of any buildings, machinery or improvements placed upon the premises by Lessee, such removal shall be done in such a manner as not to damage the underground workings of said mines or mining claims. In the event said property is not removed within 120 days as hereinabove provided, said property shall then become the property of Lessor.

ARTICLE 14

Voluntary Surrender

It is agreed that Lessee or his successors or assigns, shall have the right, at any time, to surrender this Agreement to Lessor for cancellation, after which all payments and liabilities of Lessee under the terms of this Agreement shall cease and terminate and this agreement shall thenceforth b ecome absolutely null and void; PROVIDED, HOWEVER, that before such surrender shall become effective, the Lessee shall give Lessor thirty (30) days written notice of his intentions so to do, but Lessee, or his successors or assigns, shall meet any obligations previously incurred hereunder to the date of such surrender. The notice herein provided for shall be mailed via registered mail to the Lessor atBox 5073, Tucson, Arizona.

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ARTICLE 15

Quit-Claim Deed

Upon termination of this Agreement by Lessee b efore the full purchase price of the property has been paid, Lessee agrees to furnish to Lessor a quit-claim deed to the property relinquishing all of his right, title and interest in the property.

ARTICLE 16

Forfeiture Clause

The failure of Lessee to keep or perform any of the covenants, conditions, agreements or make any of the payments as set forth in this Agreement, shall, at the election of Lessor, work a forfeiture thereof and any and all money which shall have been paid as heretofore in this Agreement provided shall be deemed forfeited unto Lessor as liquidated damages; in this connection, however, it is understood and agreed between the parties hereto that before any forfeiture becomes effective, except as to the purchase price payments, Lessor shall send Lessee a written notice via registered mail setting forth the violations of the terms of this Agreement which Lessor contends have been violated, together with a declaration of Lessor's intention to declare this Agreement forfeited and the rights of Lessee terminated; and, unless the violations of the terms and conditions hereof are rectified within thirty (30) days after the receipt of said notice, then the rights of Lessor to terminate shall be absolute. The notice herein provided for shall be mailed to Lessee, VERNON C. DAVIS, at 3506 Colorado N.E., Albuquerque, New Mexico.

ARTICLE 17

Abstract of Title

Lessor agrees to supply to Lessee, upon full payment of the purchase price of the property by Lessee to Lessor, an abstract or abstracts of title showing that Lessor is the owner of, or assignee of, the property

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Albuquerque, New Mexico 87108

ARTICLE 18

Vertical Boundary Lines

As between these parties, their successors and assigns there shall be no apex rights and vertical claim boundaries shall govern.

ARTICLE 19

Rydbom-Huckins Commingled Ore

Regardless of any preceding provision, royalties on concentrates derived from commingled ore mined solely from claims owned by J. F. Rydbom and Daniel L. E. Huckins shall be apportioned on a tonnage basis and shall be calculated on the basis of a ten percent (10%) net smelter return.

ARTICLE 20

Assignment

This Agreement shall be binding upon the parties executing the same and their respective heirs, next of kin, executors, administrators, devisees, legatees, successors and/or assignees, and their assigns shall have the rights vested in it, subject to all the terms and conditions herein contained.

IN WITNESS WHEREOF the parties hereto have set their hands on this date, the 22nd day of August, 1966.

Daniel L E Huckins
Daniel L. E. Huckins

Carol Louise Huckins
Carol Louise Huckins

SELLER

Vernon C. Davis
Vernon C. Davis

BUYER

CHANCE CORPORATION
457 A Washington, S. E.
Box 8745
Albuquerque, New Mexico 87108

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

This instrument was acknowledged before me this 22 day of August, 1966, by DANIEL L. E. HUCKINS and CAROL LOUISE HUCKINS, his wife.

Notary Public

My Commission expires:
My Commission Expires Nov. 16, 1966

STATE OF ARIZONA)
) ss.
COUNTY OF PIMA)

This instrument was acknowledged before me this 12th day of August, 1966, by VERNON C. DAVIS.

Notary Public

My Commission expires:
My Commission Expires Dec. 29, 1966

CHANCE CORPORATION
457 A Washington, S. E.
[illegible] 87145
Albuquerque, New Mexico 87108

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/6	[illegible]	120
		110
		220

November 6, 1967

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6625 (Silver)
Chance Corporation
Chance Mine
Cochise County, Arizona

The Applicant has not replied to our letter of September 29, 1967, Accordingly, the subject docket is referred to the inactive file and the application considered as having been withdrawn.

Frank E. Johnson
Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Region III
120M

BLong/bsl 11/6/67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/29	Kitsemo	120
		120
		110
9/29	cal	220
10/2	[illegible]	120M

AIRMAIL

Chance Corporation
457-A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

Re: OME-6625 (Silver)
Chance Corporation
Chance Mine
Cochise County, Arizona

Gentlemen:

On August 29, 1967, we requested additional information which is necessary for the processing of your application.

If you need additional time to prepare this information, please let us know. If we do not receive a reply from you within thirty days from the date of this letter, we must assume that you are no longer interested in proceeding with your application and we shall consider it as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region III

BSLong/bsl 9-29-67

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
8/29/67	RMSmith	120
		110
8/29	CAC	220
		120M

AIRMAIL

Chance Corporation
457-A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

AUG 29 1967

Re: OME-6625 (Silver)
Chance Corporation
Chance Mine
Cochise County, Arizona

Gentlemen:

We have not had a reply to our letter of June 26, 1967. Will you please inform us of your plans regarding the application. If you have decided not to pursue it further, will you please so inform us.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III
Mr. Kirkemo

GLAult/a 8-29-67

23263

MME Form 7
(2/63)

OFFICIAL FILE CO

Date	Surname	Code
6/23/67	Kirkham	120
		110
6/26	Cee	220
		120M

AIRMAIL

Chance Corporation
457-A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

JUN 26 1967

Re: OME-6625 (Silver)
Chance Corporation
Chance Mine
Cochise County, Arizona

Gentlemen:

This is in response to your letter dated June 14, 1967, regarding the cited application.

We have stated in previous correspondence with you that the geological and assay information available to us does not justify the expenditure of Government funds in the proposed program of exploration. We have explained that there are specific regulations as to eligibility of certain commodities for OME assistance. We have stated our reasons for concluding that the chances for discovering a significant tonnage of ore are discouraging. The specific details were stated in the third paragraph of our letter to you dated May 5, 1967.

Your estimate of possible reserves of silver resulting from the proposed exploration is nearly four times greater than the total recorded production of the Swisshelm district. The geological and assay data derived from drill holes in the vicinity of Hole C-3 do not support this estimate. The mineralized material found in Hole C-3 apparently does not maintain the same thickness and grade to any of the six nearby drill holes. In fact, none of the material cut in these nearby holes was sampled or assayed because there was little or no mineralization present according to the descriptive logs of cores obtained from these holes. In accordance with guidelines that may be found in any standard mining geology or mining engineering textbook, and following the recognized practice of the mining industry, only a small area of influence surrounding Hole C-3 can be considered in a reserve estimate and, therefore, the estimate of tonnage and of metal content is not large.

Any additional facts submitted will be considered as we have stated previously. If you determine that the intercept of mineralized material in Hole C-3 is not directly below the collar of the hole, perhaps you would have reason to revise your proposed program. From surveys of many

23263

holes on the OME program, we have noted that deviations from the vertical in the course of drilling vertical holes to depths of about 200-250 feet are not large. Whether there was much deviation in drilling Hole C-3 can be determined by surveying the hole. We doubt that a horizontal shift in location of the target would be so great as to be outside the area already explored by Holes C-3, C-4, C-5, C-6, C-12, and C-13.

The program you have proposed cannot be approved for OME assistance. If you have additional facts to submit, we will give them our prompt attention.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III w/cy incoming letter
Mr. Kirkemo

HKirkemo/gla 6-23-67

CHANCE CORPORATION

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

June 14, 1967

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Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
United States Department of the Interior
Washington 25, D.C.

RE: OME-6625

Dear Mr. Johnson:

We earnestly solicit information as to just what you consider a significant quantity of silver to be. Presumably you relate the amount of silver that might be found to the dollars of exploration funds expended. Specifically what minimum number of ounces of silver should reasonably be expected to be discovered per dollar of OME funds expended to obtain your approval of an application?

You have taken the position that the $90,000 of OME assistance we requested is substantially out of line when compared to the amount of silver that would reasonably be discovered with the exploration program we proposed in OME-6625, which amount of silver we believe would be 1,000,000 ounces. Does your rejection of OME-6625 mean:

1 - that the ratio of 11 ounces of silver per dollar of OME funds is inadequate to meet your requirements?, or

2 - that you believe the work we propose will not achieve this measure of success?, or both?

We contemplate making OME applications for other properties and it would be of great assistance if we know what specific minimum requirement we had to satisfy to obtain your approval. It would save us a lot of hard work and expense and we would perhaps avoid submission of an application which you would not approve.

Mr. Frank E. Johnson

We do not understand the basis for your statement that "the geologic probability of a significant discovery of eligible minerals being made is less than favorable". If your reason for this statement is not classified, we would appreciate your elucidation at this point.

Result of drilling Past prod. small

You seem adamant that if silver is not predominant but instead is accessory in value to lead and zinc, then it, the silver present, can not be significant. Assay of core from hole C-3 gave 12.8 oz. Ag. per ton. This amount of silver can be classed as not significant only if the tonnage of ore of such grade in this C-3 deposit is not significant. Presence of substantial values of lead and zinc in the proposed exploration zone could under no reasonable interpretation of the intent of the OME program justify a determination that because of the presence of such lead and zinc values the proposed exploration program is not eligible for OME participation.

Why do you believe the C-3 ore deposit to be insignificant tonnage? Would your rejection of the reasonable possibility of a significant deposit at C-3 be subject to change if a drift survey showed that the ore horizon intercept coordinates of the C-3 vicinity holes were at some, perhaps appreciable, variance with the collar coordinates?

We believe our proposed exploration program of 1,500 feet of drifting warrants OME participation. As a substitute, we would accept a program consisting of several stages, with approval of stage two, etc. dependant upon the results obtained by the preceding stage.

For stage one we propose driving 500 feet from the present underground workings to C-3. We can contract for this at a unit price identical to our presently quoted price of $80 per foot for the entire 1,500 ft. program set forth in OME-6625. The OME participation in this 500 ft. of drifting in stage one would be $30,000. As a second alternative, we propose that only this above described phase one program be conducted, with no subsequent stages.

Yours truly,

CHANCE CORPORATION

J.V. Reynolds
Vice President

JVR: rd

OME Form 7
(2/63)

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Date	Surname	Code
6/9/67	Kirkemo	120
		110
		220
		120M

JUN 9 1967

AIRMAIL

Chance Corporation
457-A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

Re: OME-6625 (Silver)
Chance Corporation
Chance Mine
Cochise County, Arizona

Gentlemen:

We have your letter dated May 29, 1967, referring to eligibility of the Chance mine for assistance under the OME program.

Under Public Law 85-701 which established the OME program in 1958, the Government is authorized to provide for discovery of additional domestic mineral reserves, and under regulations governing the program only certain minerals are eligible for assistance. The list of minerals eligible for assistance is changed from time to time as the domestic supply improves or worsens. For instance, lead and zinc were eligible for assistance at the beginning of the program and later were removed because of improved supply, and contracts to explore for these commodities could not be executed thereafter.

The information available to us concerning the Chance mine indicates that the geologic probability of a significant discovery of eligible minerals being made is less than favorable and, therefore, expenditure of Federal funds in a proposed project is not warranted.

Assay records of drilling already completed and past production records indicate eligible minerals are present only as accessory constituents of lead and zinc mineralization and that the probability of discovering a large deposit of lead and zinc from which a significant quantity of silver might be obtained is not favorable.

We have suggested that you submit additional information which would qualify your property for consideration under the OME program. As considerable work already has been performed on the property, we

23263

expect that you have sent us all of the information that
able and, if so, we have no alternative but to base our de
on the facts at hand.

If you have additional information to offer, we will be glad to consider it.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/gla 6-9-67

CHANCE CORPORATION

Reply To Box 8765
457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

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JUN 1 1967
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May 29, 1967

Air Mail

6625

Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Department of the Interior
Washington 25, D. C.

Dear Mr. Johnson:

Reference is made to your letter of May, 1967. The delay in answering was necessitated by my recent trip.

In the second paragraph you state "...unless at least one of these three criteria can be met, we have no alternative but to deny the application." The three criteria you stipulate are:

1. "Reasonable assurance that the principal values in the exploration target are in eligible minerals", or

2. "That the deposit could be mined for the eligible minerals alone", or

3. "That there is geological probability that a significant quantity of eligible metals would result from future production."

We reiterate that these first two criteria are not reasonable and that there is nothing in the OME program that dictates the principal values be in eligible minerals or that the deposit could be mined for the eligible minerals alone.

The basic tenet of the OME program is to assist in the discovery of significant amounts of the eligible minerals. This tenet would be negated if you rejected an application

Thermofax copy made for Region III sent 6/1/67

CHANCE CORPORATION

Reply To Box 8765

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

solely because the principal values were not in eligible minerals or because the deposit could not be mined for the eligible minerals alone if there was a significant and appreciable amount of eligible mineral(s) present in the deposit to be explored.

In our specific instance we believe that the 12.8 oz Ag per ton found by drill hole C-3 is significant, appreciable and adequate to sustain our contention that our exploration target satisfies the OME requirement. We admit that the $16.51 per ton gross contained value of silver alone probably does not justify an effort at exploitation. If our lead and zinc values were less and amounted to only $16.00 per ton, the combined value of + $31.00 per ton would well justify an operation if significant reserves of such grade ore could be discovered. Then the value would be primarily in silver and your first criteria would be satisfied, solely because we had less lead and zinc than is the case. To say that our proposal would be acceptable solely if we had less lead and zinc values present would be ridiculous.

This brings us to your third criteria. We believe that there is a farily good probability for developing a significant tonnage of ore. We do not believe that the geological and assay information obtained from drill holes in the vicinity of hole C-3 by any means preclude or even indicates that a significant amount of ore of the grade cut at hole C-3 will not be found. We do not expect to discover several hundred thousand tons of ore and admit that the findings in other drill holes in the vicinity of hole C-3 indicate that the ore body (bodies) present may be of relatively limited areal extent.

However, it should not be ignored that replacement ore deposits in limestone commonly have horses of waste within their limits, and it is not unlikely that one or more of the other drill holes in the vicinity of hole C-3 are within such a waste zone, surrounded by good grade ore. It is

CHANCE CORPORATION

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

because of the likelihood of such a condition that we believe the next phase of exploration on the Chance should be by drifting, as submitted in our OME proposal.

Results of a geophysical survey which our geologist conducted with a McPhar vertical loop/horizontal loop electromagnetic unit over the general target area show hole C-3 to be located within a very definite anomaly. This anomaly is elongated along the axis of the synclinal trough shown on our Figure 3. This, to us, shows there is a definite continuation of the mineralized structures from the Mountain Queen Mine to and southeast of hole C-3, and that these ore bodies are located along the aforementioned synclinal axis. Ore at hole C-3 is sulfide, contrasting to the primarily oxide ore mined in the past from the Mountain Queen, but hole C-3 is also down structure, deeper and below the water table. We believe there is a good correlation that the C-3 ore has an association with the Mountain Queen mineralization and is not an unrelated deposit. Merit of the proposed easterly drift, directed towards Hole C-1, should not be ignored.

We believe that we have presently submitted sufficient evidence and reason for our application to be approved.

Yours truly,

CHANCE CORPORATION

J. V. Reynolds,
Vice-President

JVR:pwc

MME Form 7
(2/63)

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Date	Surname	Code
5/5/67	Kirkemo	120
		110
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		120M

AIRMAIL

Chance Corporation
457-A Washington, S. E.
Box 8765
Albuquerque, New Mexico 87108

MAY 5 1967

Re: OME-6625 (Silver)
Chance Corporation
Chance Mine
Cochise County, Arizona

Gentlemen:

We note the comments in your letter dated April 28, 1967, with regard to the eligibility of your property for OME assistance on the basis of silver content.

We have not rejected your application nor condemned the proposal. Our concern is to have reasonable assurance that the principal values in the exploration target are in eligible minerals, that the deposit could be mined for the eligible minerals alone, or that there is geological probability that a significant quantity of eligible metals would result from future production. You have furnished no additional geological or assay information to confirm any of these possibilities, and, unless at least one of these three criteria can be met, we have no alternative but to deny the application.

The silver content and thickness of mineralized material in Hole C-3 is encouraging, but the possibility for developing a significant tonnage of ore is discouraging. Geological and assay information obtained from drill holes in the vicinity of Hole C-3 indicates that ore of this grade has limited areal extent. These holes were strategically located for testing possible trends of mineralized structures from the Mountain Queen mine, but they did not confirm the trend into the area drilled, nor the silver content and thickness of ore in Hole C-3.

These observations are based on the evidence available to us. We would be pleased to consider any other factors that you can provide in support of an exploration program in which OME can participate based on any of the three criteria mentioned.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson, Chief
Office of Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
OME Reg. III w/cy Appl.letr.
Mr. Kirkemo

HKirkemo/gla 5-5-67

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CHANCE CORPORATION

Reply To Box 8765

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

April 28, 1967

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MAY 2 1967
INITIALS | CODE
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Mr. Frank E. Johnson
Chief, Office of Minerals Exploration
U. S. Department of the Interior
Washington 25, D. C.

Dear Mr. Johnson:

Reference to OME-6625 (Silver) and specifically to your letter of April 25, 1967.

We take major exception to your letter on a most substantive point.

In the second paragraph of your letter you state "that the information furnished with the application indicates that the proposal does not qualify for OME assistance because the principal values of metals in the deposit are in lead and zinc which are not eligible under the program". We fully concur that the Chance contains greater values in lead and zinc than in silver and that at present there is no OME program to explore for lead and zinc - but we do not feel that you are following what we believe is the clear cut congressional intent of the OME program when you condemn a proposal such as ours merely because our values are greater in lead and zinc than they are in silver.

We find nothing in the OME program that gives you any basis to reject an application because it may lead to discovery of a substantial amount of lead and zinc.

Our proposed program hopefully would lead to discovery of 80,000 tons of ore which contains silver in the amount of that discovered in the diamond drill core of Hole C-3, viz. 12.8 oz per ton. The amount of silver in such a discovery would exceed 1,000,000 ounces, which in itself justifies OME participation.

CHANCE CORPORATION

Reply To Box 8765

457-A WASHINGTON, S.E.
ALBUQUERQUE, N. M. 87108
Phone 265-8389

You might have a basis to reject our proposal if the silver content were only nominal, but 12.8 oz per ton is certainly not nominal.

It would be unreasonable to take the position that if we had lesser values of lead and zinc and the same appreciable 12.8 oz silver per ton that then our proposal would qualify because the principal value of metal in the deposit would be in silver. On the contrary, the presence of the indicated substantial amounts of lead and zinc will give even greater assurance that our OME program will result in a certification that a commercial ore deposit has been discovered, and further that the government will accordingly be assured to a greater degree that their OME contribution will be repaid in full.

We can assure you that we are able and willing to furnish a Performance Bond in the amount of the Government's interest in an OME contract if one is granted. We request that our application be judged on its merits.

Pursuant to our lease-option on the Chance, title could devolve to us prior to the Government being repaid their OME contribution. Consequently, we thought you would want to have our signature on the Lien-Subordination Agreement.

We will immediately request a commercial loan from a bank in Arizona and will supply you with a copy of said letter or request and their response.

Yours truly,

CHANCE CORPORATION

J. V. Reynolds

J. V. Reynolds,
Vice President

JVR:pwc

MME Form 7
(2/63)

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Date	Surname	Code
4/25/67	Kirbemo	
		20 M

AIRMAIL

Chance Corporation
457 A Washington, S.E.
Box 8765
Albuquerque, New Mexico 87108

APR 25 1967

Re: OMX-6625 (Silver)
Chance Corporation
Chance Mine
Cochise County, Arizona

Gentlemen:

Your application for financial assistance to explore the Chance mine has been reviewed, and we offer the following comments.

The information furnished with the application indicates that the proposal does not qualify for OMX assistance because the principal values of metals in the deposit are in lead and zinc which are not eligible under the program.

The record of production for the Swisshelm district in the period 1918-1949 as reported in Arizona Bulletin No. 158 shows that lead and zinc accounted for nearly 80 percent of the total value of ore produced, and in 1947 the value of lead production at the Chance mine accounted for nearly 60 percent of the total return.

Assays of drill core indicate that lead and zinc values predominate, and although the areas where the samples were taken may be worthwhile targets for you to explore, OMX participation in the exploration cannot be justified. Unless you can furnish evidence to qualify for the OMX program, we would consider your application as withdrawn if you request.

If you expect that predominantly silver-bearing exploration targets are present, you should submit sample and assay data to support this view and related information to substantiate an alternate or new exploration proposal.

If you can furnish the above information, we would have to have your assurance that you are able and willing to furnish a Performance Bond

23263

in the amount of the Government's interest in an OME contract if one is granted. The Lien and Subordination Agreements submitted are invalid because only the owners of the land should have signed. You indicate, however, that the owners refused to sign.

We also suggest that you address another request for a commercial loan to a bank in Arizona inasmuch as the Valley National Bank in Espanola, New Mexico, stated it would not grant a loan for out of state use.

Submittal of information to complete your application and to qualify for the OME program should not be construed as a commitment by the Government to grant an exploration loan.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Econ. Geol. File
OME Docket
OME Reading File
R-III
Kirkemo

HKirkemo/mm (4/25/67)

April 13, 1967

Chance Corporation
457 A Washington S. E.
Box 8765
Albuquerque, New Mexico 87108

Subject: OME-6625

Gentlemen:

Your application for exploration assistance, dated March 14, 1967, submitted to our office at Denver, Colorado, has been assigned Docket No. OME-6625.

Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region III

Office of Minerals Exploration

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MINERALS

March 22, 1967

No. 110
HK 120

Mr. Ora R. Hall, Jr., President
Chance Corporation
457 A Washington NE
Box 8763
Albuquerque, New Mexico 87108

Subject: Chance Corporation (Silver)
Chance Property
Cochise County, Arizona

Dear Mr. Hall:

Your application for financial assistance in minerals exploration on the above-mentioned subject has been received and will be forwarded to Washington for processing in the near future.

Sincerely yours,

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
Hasler chron
OME chron
Chance corporation application file

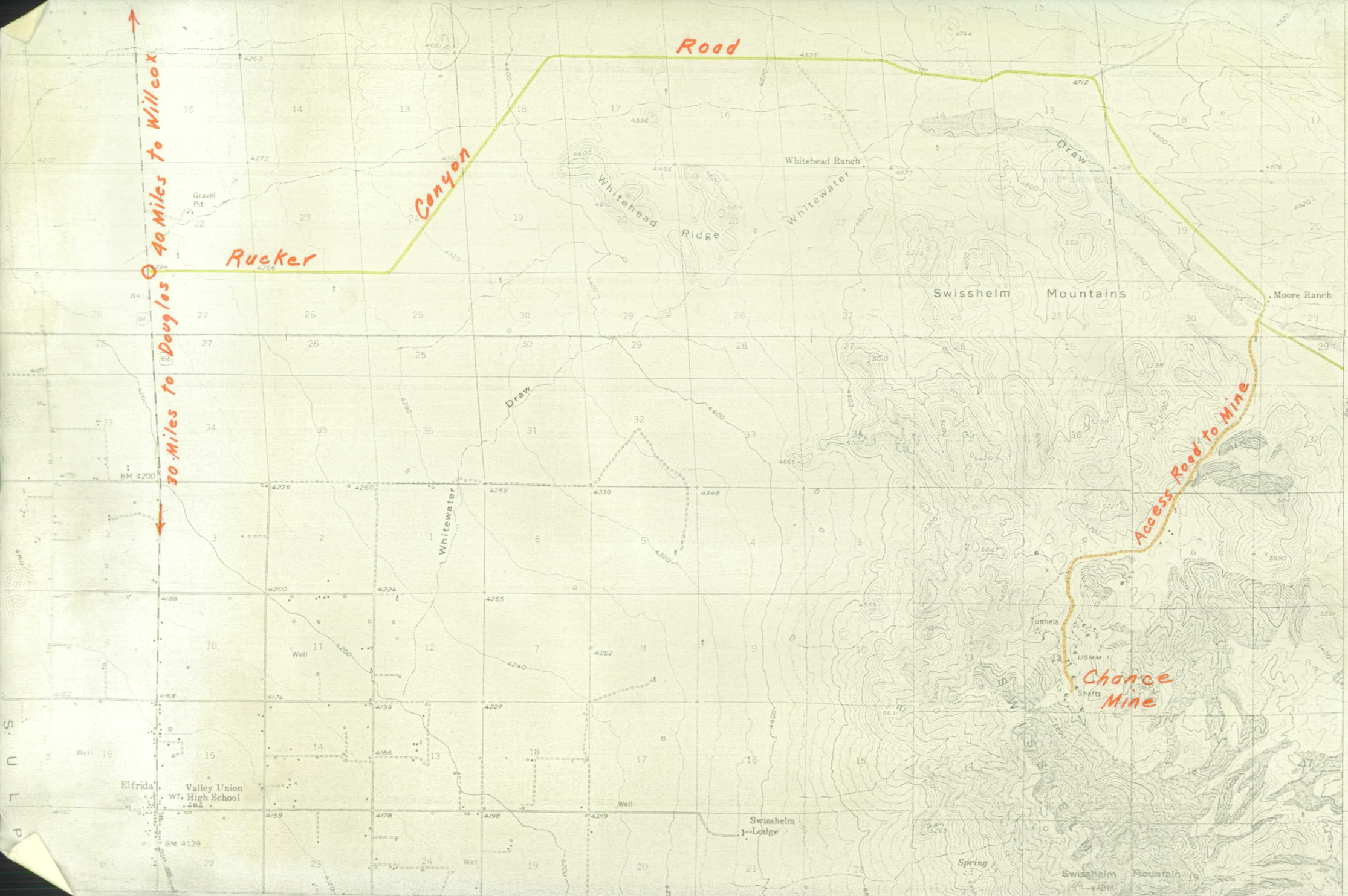
Rood
Canyon
Rucker
40 Miles to Willcox
30 Miles to Douglas
Gravel Pit
Whitehead Ranch
Whitehead Ridge
Whitewater
Draw
Swisshelm Mountains
Moore Ranch
Access Road to Mine
Tunnels
USMM 1
Shafts
Chance Mine
Well
BM 4200
Elfrida
Valley Union High School
BM 4139
Swisshelm Lodge
Spring
Swisshelm Mountain
T. 19 S.
T. 20 S.
270 000 FEET
3514000m N.

Figure 1

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Albuquerque, New Mexico 87108

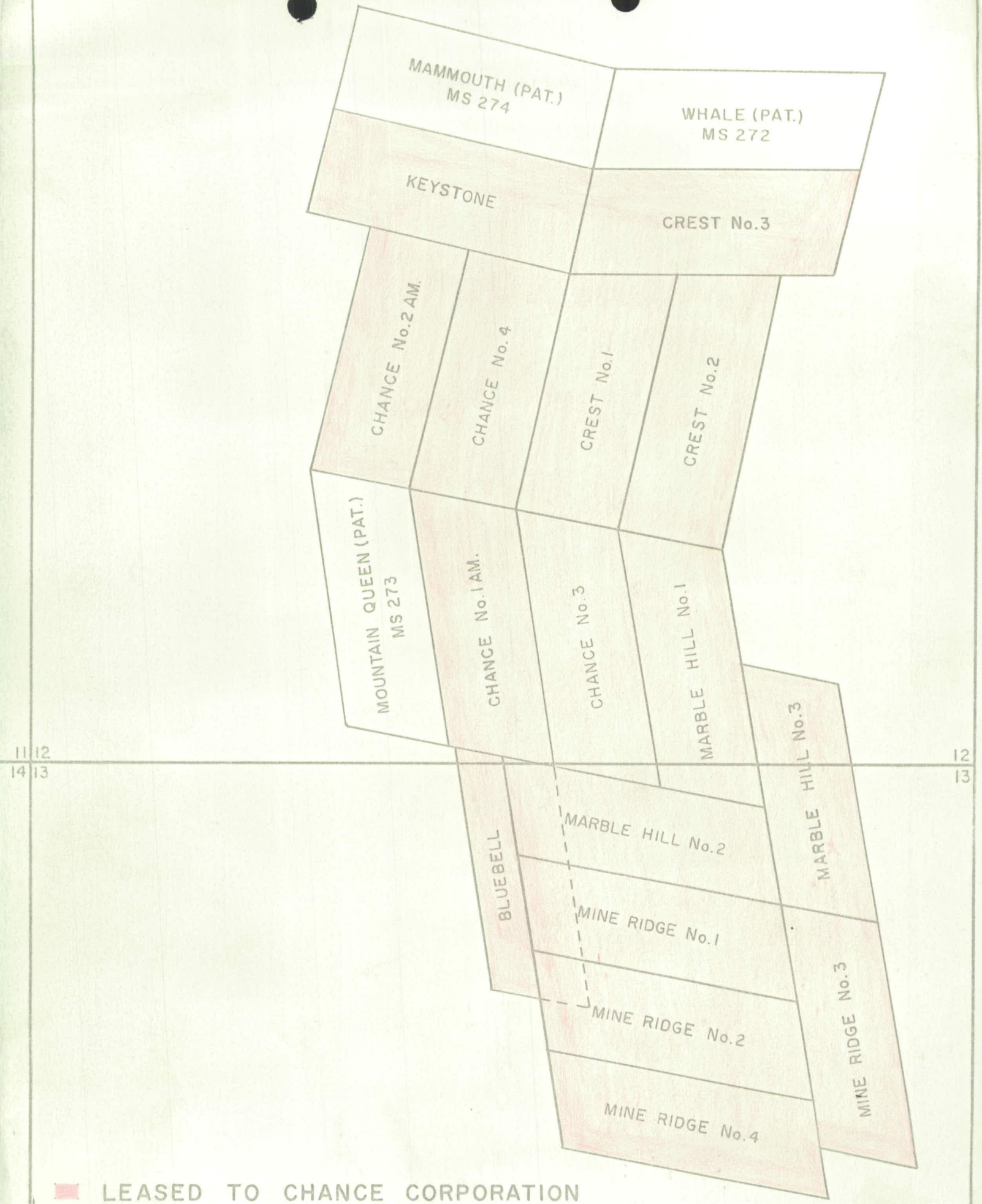
MAMMOUTH (PAT.)
MS 274
WHALE (PAT.)
MS 272
KEYSTONE
CREST No.3
CHANCE No.2 AM.
CHANCE No.4
CREST No.1
CREST No.2
MOUNTAIN QUEEN (PAT.)
MS 273
CHANCE No.1 AM.
CHANCE No.3
MARBLE HILL No.1
MARBLE HILL No.3
11 12
14 13
12
13
BLUEBELL
MARBLE HILL No.2
MINE RIDGE No.1
MINE RIDGE No.2
MINE RIDGE No.4
MINE RIDGE No.3
LEASED TO CHANCE CORPORATION

Figure 2

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Box 8765
Albuquerque, New Mexico 87108

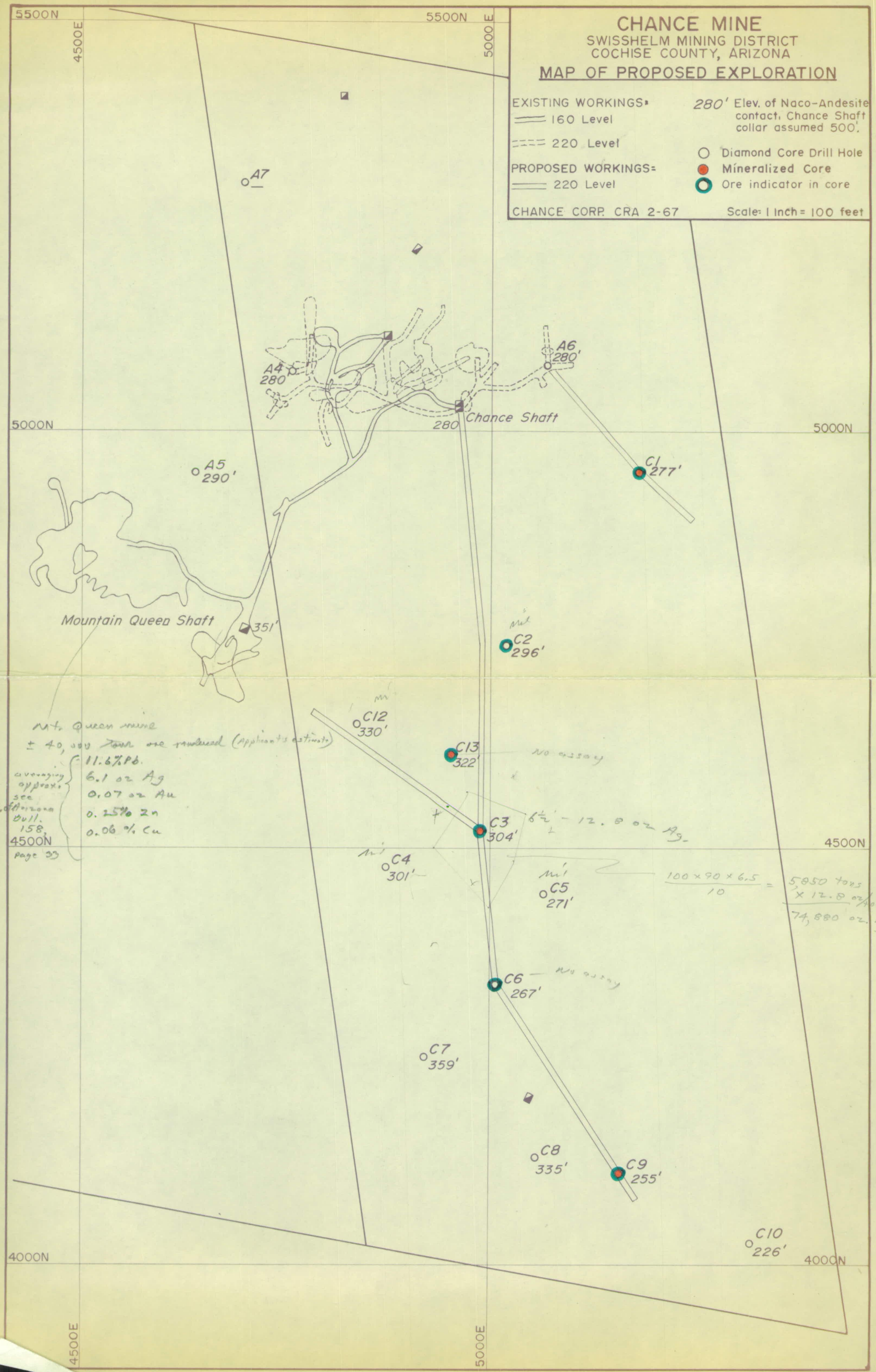
CHANCE MINE
SWISSHELM MINING DISTRICT
COCHISE COUNTY, ARIZONA
MAP OF PROPOSED EXPLORATION
EXISTING WORKINGS:
160 Level
220 Level
PROPOSED WORKINGS:
220 Level
280' Elev. of Naco-Andesite contact. Chance Shaft collar assumed 500'.
Diamond Core Drill Hole
Mineralized Core
Ore indicator in core
CHANCE CORP. CRA 2-67
Scale: 1 Inch = 100 feet
5500N
5000N
4500N
4000N
4500E
5000E
A7
A4 280
A6 280'
Chance Shaft
280
A5 290'
C1 277'
Mountain Queen Shaft
351'
C2 296'
C12 330'
C13 322'
No assay
C3 304'
6½' - 12.8 oz Ag
C4 301'
C5 271'
100 × 90 × 6.5 / 10 = 5,850 tons × 12.8 oz/ton = 74,880 oz. Ag
C6 — No assay 267'
C7 359'
C8 335'
C9 255'
C10 226'
Mt. Queen mine
± 40,000 tons ore produced (Applicant's estimate)
averaging approx. 11.6% Pb.
6.1 oz Ag
0.07 oz Au
0.25% Zn
0.06 % Cu
see U. of Arizona Bull. 158, page 33

Figure 4

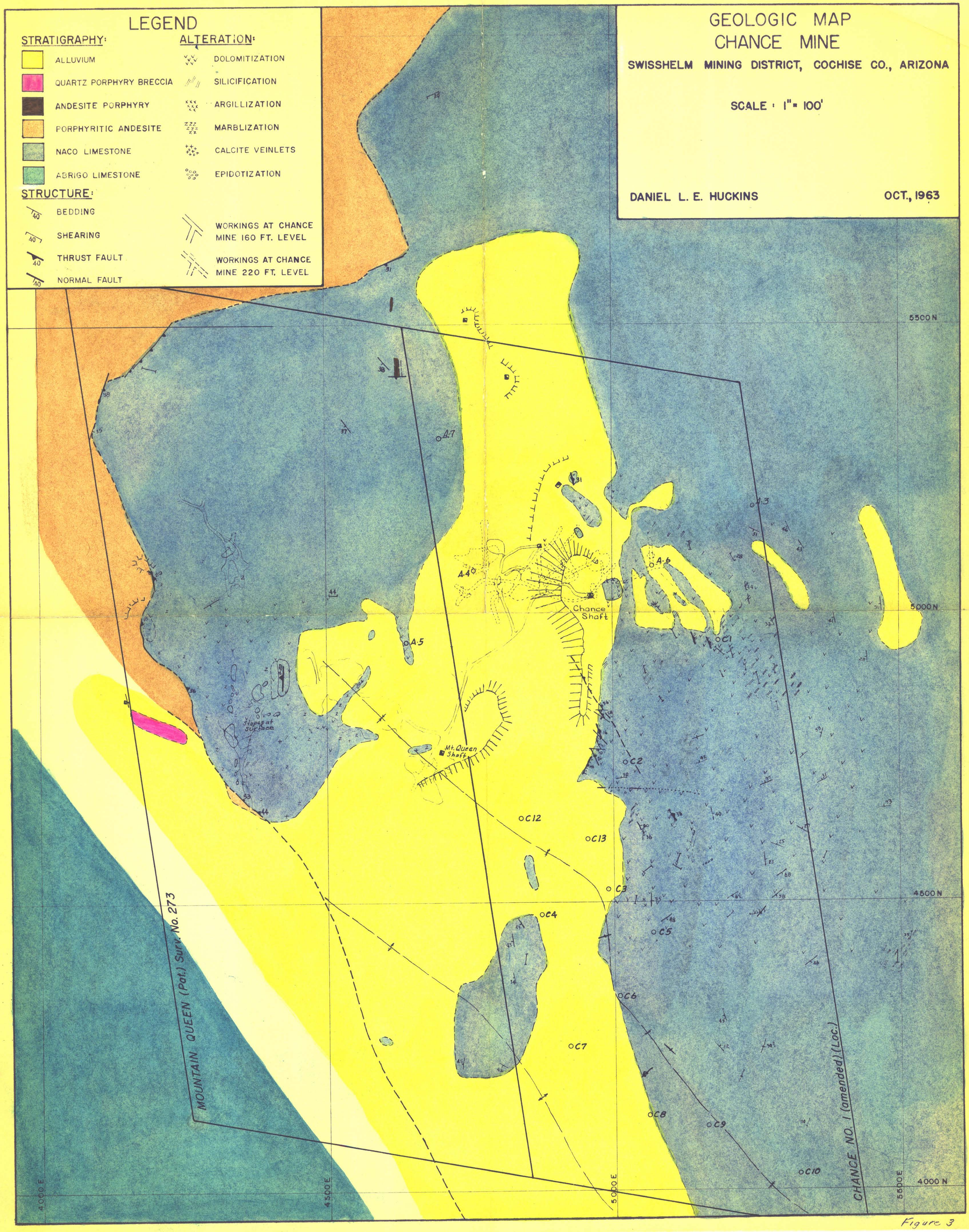
GEOLOGIC MAP
CHANCE MINE
SWISSHELM MINING DISTRICT, COCHISE CO., ARIZONA
SCALE : 1" = 100'
DANIEL L. E. HUCKINS
OCT., 1963
LEGEND
STRATIGRAPHY:
ALLUVIUM
QUARTZ PORPHYRY BRECCIA
ANDESITE PORPHYRY
PORPHYRITIC ANDESITE
NACO LIMESTONE
ABRIGO LIMESTONE
ALTERATION:
DOLOMITIZATION
SILICIFICATION
ARGILLIZATION
MARBLIZATION
CALCITE VEINLETS
EPIDOTIZATION
STRUCTURE:
BEDDING
SHEARING
THRUST FAULT
NORMAL FAULT
WORKINGS AT CHANCE MINE 160 FT. LEVEL
WORKINGS AT CHANCE MINE 220 FT. LEVEL
5500 N
5000 N
4500 N
4000 N
4000 E
4500 E
5000 E
5500 E
A-3
A-4
A-5
A-6
A-7
C1
C2
C3
C4
C5
C6
C7
C8
C9
C10
C12
C13
Chance Shaft
Mt. Queen Shaft
Stopes at surface
MOUNTAIN QUEEN (Pat.) Surv. No. 273
CHANCE NO. 1 (amended) (Loc.)

Figure 3