MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. 2290 Docket No. 6736

Application
- [ ] Denied
- [ ] Withdrawn

Contract
- [ ] Terminated - Not Certified
- [ ] Terminated - Certified
- [x] 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
- [x] Assignment of Contract
- [ ] Contract Amendments
- [x] Contract with all exhibits and annexes dtd. 7/24/70
- [x] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments 6/3/68
  Revised Application dtd. 5/9/69

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
- [x] On-site Exam. Report (Tab) 7/69
- [ ] 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

Gov[illegible]ment's copy

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6736	Silver-Gold	229[illegible]	Greenlee	Arizona

It is agreed JUL 24 1970 (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

E. E. Lewis, Inc., a Colorado corporation

,

whose mailing address is P. O. Box 1481, Grand Junction, Colorado 81501, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before December 1, '70 (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 7 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $112,810.00. The Government will contribute ~~50~~ *Stage I 25% - Stage II 75% percent of the total fixed unit costs of the work performed, not in excess of $ 59,630.00 in accordance with the provisions of Articles 4 and 5.

(c) Interest computation.--Simple interest at the rate of 9¾ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a)The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

SEE ANNEX I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

SEE ANNEX I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

Executed in quintuplicate the day and year first above written.

E. E. LEWIS, INC.
(Operator)

By Elbert E. Lewis

Title President

THE UNITED STATES OF AMERICA

By Will P. McCovach

Assistant Director, U. S. Geological Survey
for Administration

Long
App'd. Sol. Off.
Emerick
Jordan
7/2

I, Darleen E. Gsell (Name), certify that I am the Assistant- secretary of the corporation named as Operator herein; that Elbert E. Lewis (Name), who signed this contract on behalf of the Operator, was then President (Title) of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Darleen E. Gsell

CORPORATE SEAL

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of five (5) patented lode mining claims, two (2) millsite claims, and twenty-nine (29) unpatented lode mining claims situated in Secs. 2, 3, 10 and 11, T. 8 S., R. 30 E., Gila and Salt River Meridian, Ash Peak Mining District, Greenlee County, Arizona.

These claims (except millsites) are shown on Figure 1, entitled "Claim map of the Ash Peak Mines Property, Greenlee County, Arizona," which is attached and made part hereof.

The patented claims and millsites are recorded in the Office of the County Recorder, Greenlee County, Arizona, as follows:

Name	Patent Number
Great Eastern	783751
Commerce	783751
Fraction	783751
Summit	783751
Homestead	783751
Commerce (millsite)	783751

The unpatented claims are recorded in the Office of the County Recorder, Greenlee County, Arizona, as follows:

Claim Name	Book No.	Page No.
Last Chance No. 1	24	620
Last Chance No. 2	24	645
Last Chance No. 20	24	640
Last Chance No. 30	24	621
Last Chance No. 40	24	622
Last Chance No. 50	24	623
Last Chance No. 60	24	624
Last Chance No. 70	28	1026
Last Chance No. 80	24	691
Last Chance No. 90	24	692
Homestead No. 2	24	625
Homestead No. 3	24	626
Homestead No. 4	24	627
Summit No. 2	24	628
Summit No. 3	24	629

Claim Name	Book No.	Page No.
Summit No. 4	24	630
Fraction No. 2	24	631
Fraction No. 3	24	632
Fraction No. 4	24	633
Commerce No. 2	24	634
Commerce No. 3	24	635
Commerce No. 4	24	636
Great Eastern No. 2	24	637
Great Eastern No. 3	24	638
Great Eastern No. 4	24	639
Great Eastern No. 7	24	642
Great Eastern No. 8	24	643
Great Eastern No. 9	24	641
Great Eastern No. 10	24	644

The Operator is in possession of the patented claims and millsites under terms of an Exploration Agreement, Mining Sublease and Option dated January 29, 1968, from Robert H. Sayre, Jr., A. George Setter, and George E. Morehouse, lessees under an Exploration Agreement, Mining Lease and Option dated May 2, 1966 from Arizona Title Insurance and Trust Company, Trustee and owner.

Lien and Subordination Agreements executed by George E. Morehouse, A. George Setter, and Robert H. Sayre, Jr., on November 3, 1969, and by Arizona Title Insurance and Trust Company, as Trustee on November 3, 1969, are attached and made part hereof. These agreements state that the Exploration Agreement, Mining Sublease and Option, dated January 29, 1968, is in full force and effect.

The Operator is the owner of the unpatented claims.

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

GOVERNMENT USE ONLY	
Operator	
Docket No. OME –	
Contract No. 14-23-090–	2291
Contract Date	JUL 24 1970

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Greenlee, State of Arizona,

described as follows:[2] Great Eastern, Commerce, Fraction, Summit, Homestead, all patented mining lode claims, Mineral Survey 3076A, United States Patent No. 783751, recorded office County Recorder, Greenlee County, Book 1 pages 277 to 281.

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

S. E. Lewis, Inc., a Colorado 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.)

and operator's lease is in full force and effect.

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 3rd day of November, 1969.

	(Seal)	(Street) (City & State)
George E Morehouse	(Seal)	121 N 8th (Street) Grand Junction, Colo. (City & State)
A George Sutter	(Seal)	1128 Gunnison Ave (Street) Grand Junction Colo (City & State)
Robert H. Sayre Jr.	(Seal)	230-27 Road (Street) GRAND JUNCTION, COLO. (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (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	
Docket No. OME –	
Contract No. 14-23-090–	2291
Contract Date	JUL 24 1970

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Greenlee, State of Arizona, described as follows:[2] Great Eastern, Commerce, Fraction, Summit, Homestead, all patented mining lode claims, Mineral Survey 3076A. United States Patent No. 783751, recorded office of County recorder, Greenlee County, Book 1, pages 277 to 281.

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

E. E. Lewis, Inc., a Colorado 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.)

and operator's lease is in full force and effect.

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 3rd day of November, 19 69.

ARIZONA TITLE INSURANCE AND TRUST COMPANY, as Trustee (Seal)

By: Stanley Mathisen
Assistant Vice President

111 West Monroe (Street)
Phoenix, Arizona 85003 (City & State)

(Seal) (Street) (City & State)

(Seal) (Street) (City & State)

(Seal) (Street) (City & State)

(Seal) (Street) (City & State)

(Seal) (Street) (City & State)

I, EARL BRIGGS (Name), certify that I am the Vice President (Title—Secretary, etc.) of the corporation named herein; that STANLEY MATHISEN (Name), who signed this agreement was then Assistant Vice 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.

Earl Briggs
(Corporate Seal)

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

EXHIBIT A

The purpose of this project is to explore for silver and gold ore bodies by sinking, drifting, and underground diamond core drilling on the Ash Peak and associated quartz veins in andesite rock of probable Tertiary age.

General Provisions

The two compartment inclined shaft shall be not less than 10' x 6' in cross section in the clear of timber, and shall be timbered as necessary using standard 8- by 8-inch cut or equivalent round timber. Shaft air lines, water lines, and ventilation tubing shall be not less than 2-inch, 2-inch, and 12-inch diameter, respectively. Rails shall be installed and shall be not less than 20-pound size. Ladders throughout and landings at intervals of 20 feet shall be installed in the manway compartment.

Drifts shall be not less than 5' x 7' in cross section in the clear of timber and shall be timbered as necessary using standard 8-inch by 8-inch cut or equivalent round timber.

Mine rails in the drifts shall be not less than 12-pound size, air lines not less than 2-inch diameter, water lines not less than 1-inch diameter, and ventilation tubing not less than 12-inch diameter.

The Operator shall provide such equipment, materials, supervision, labor, and technical services, including sampling, as may be required to complete the work in a satisfactory manner.

No drilling or underground work shall be done within 100 feet of the exterior boundaries of the land outlined on Figure 1.

The location, direction, and extent of each work item shall be subject to prior Government approval. The Government will not participate in the costs incurred for incomplete drill holes or for casing left in holes at the request of the Operator.

All diamond drill holes drilled from underground locations shall be completed with standard AX (nominal diameter 1-1/8") core size or equivalent wire line size equipment.

Significantly mineralized core shall be split and one split assayed for silver and gold. No sample shall represent a core length greater than 5 feet. The remaining core shall be stored in proper sequence with the unmineralized core.

Facilities shall be provided for recovering drill sludges. Sludge samples shall be retained when drilling in significantly mineralized rock.

Diamond drill core shall be stored in boxes identified as to hole number with markers in the core sections indicating the depth represented. Sludge samples shall be stored in suitable containers properly identified as to source and location. The stored core and sludge samples shall be retained for Government inspection and possible use. With prior Government approval, the Operator may dispose of the core and sludge samples.

All significantly mineralized areas intersected by underground workings shall be sampled by cutting channels normal to the trend of mineralization at intervals of not more than 5 feet and in addition a representative bulk sample shall be taken of each round broken in such areas. Each sample shall be split and one split assayed for silver and gold. The remainder of each sample shall be stored and identified in a suitable container for Government inspection and possible use. With prior Government approval the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall include also a map, sketch, or cross section showing the work completed during the reporting period and the locations of all samples taken from drill core and underground workings.

Mine installation and operating practices shall conform to mine safety regulations of the State of Arizona.

The work shall be divided into two stages with Stage I consisting of shaft sinking and Stage II consisting of drifting and diamond core drilling.

Contract funds not expended to complete work in Stage I may be applied to work on items in Stage II with the prior written approval of the Government.

Description of the Work

The two-stage work program shall consist of extending the Commerce inclined shaft an additional 300 feet from the 500-foot level, drifting 375 feet east and 375 feet west from the shaft on the newly established 800-foot level, diamond drilling northeasterly from the Ash Peak vein at approximately 200-foot intervals from the east and west drifts on the 800-foot level, and sampling mineralized areas encountered in the shaft, drifts, and drill holes.

The proposed exploration is shown on Figure 2, entitled "Section showing proposed exploration, Commerce shaft, Ash Peak Mines, Greenlee County, Arizona," attached and made part hereof.

Stage I

Extend the two-compartment Commerce shaft an additional 300 feet from the 500-foot level to provide access to underground workings to be driven on the Ash Peak vein at the 800-foot level.

A shaft station, loading pocket, and sump shall be excavated to service workings on the 800-foot level.

Stage II

Drift on the vein 375 feet east and 375 feet west from the shaft on the 800-foot level.

Diamond drill northeastward from the Ash Peak vein on the 800-foot level at intervals of approximately 200 feet. The sites are to be selected by the Operator with the approval of the Government confirmed in writing.

Estimated Costs of the Work

Stage I

Fixed Unit Costs 1/ 2/		
Shaft sinking, including timbering and excavating for station, loading pocket, and sump, 300 feet @ $166.53/ft., rounded	$49,960.00	
Total Estimated Fixed Unit Costs, Stage I		$49,960.00
Government Participation @ 25%		$12,490.00

Stage II

Fixed Unit Costs 1/ 2/

Drifting, including timbering and preparing drill sites 750 feet @ $76.57/ft., rounded	$57,430.00
Diamond core drilling (AX size), including mobilization and demobilization 375 feet @ $9.31/ft., rounded	3,495.00
Assaying for silver and gold 400 samples @ $3.50/sample	1,400.00
Accounting, 7 months @ $75.00/month	525.00

Total Estimated Fixed Unit Costs, Stage II . . . . . $ 62,850.00

Government participation @ 75% (Rounded) . . . . . $ 47,140.00

S U M M A R Y

Total Estimated Cost of Stage I	$ 49,960.00
Government participation @ 25%.	$ 12,490.00
Total Estimated Cost of Stage II	$ 62,850.00
Government participation @ 75% (rounded).	$ 47,140.00
Total Estimated Cost of Project	$112,810.00
Government participation	$ 59,630.00

1/ Cover all costs whatsoever, including equipment, materials, labor, technical services, taxes, and insurance.

2/ The Government retains no equity in any of the equipment or materials used.

EXHIBIT B

NONDISCRIMINATION IN EMPLOYMENT

(Section 202, Executive Order 11246, September 24, 1965)

"During the performance of this contract, the contractor agrees as follows:

'(1) The contractor will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

'(2) The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, creed, color, or national origin.

'(3) The contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

'(4) The contractor will comply with all provisions of Executive Order No. 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

'(5) The contractor will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the contractingagency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

'(6) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated, or suspended in whole or in part and the contractor may be declared ineligible for further Government contracts in accordance with procedures authorized in Executive Order No. 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

'(7) The contractor will include the provisions of Paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The contractor will take such action with respect to any subcontract or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance: Provided, however, That in the event the contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the contractor may request the United States to enter into such litigation to protect the interests of the United States.'"

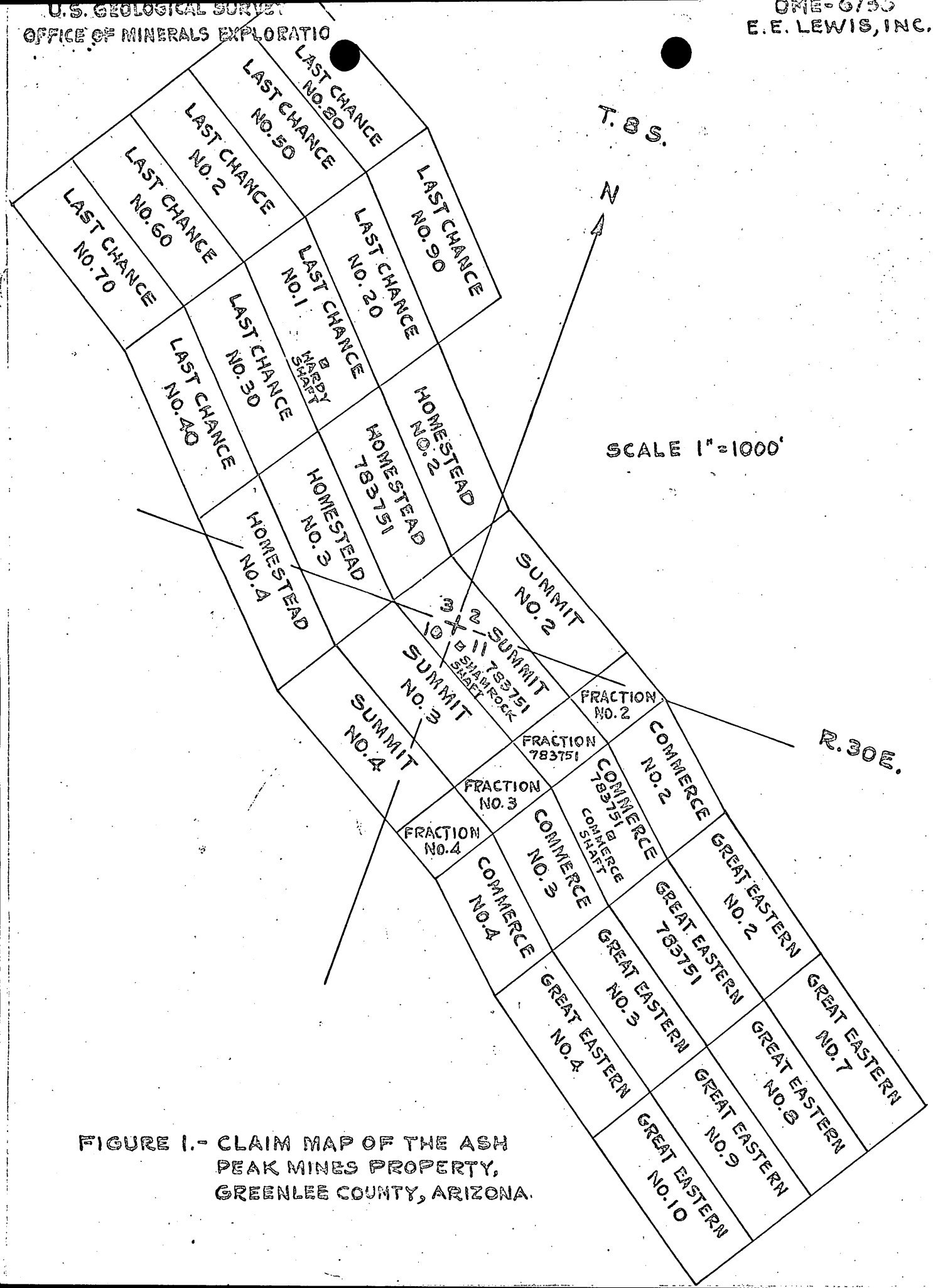


FIGURE 1.- CLAIM MAP OF THE ASH PEAK MINES PROPERTY, GREENLEE COUNTY, ARIZONA.

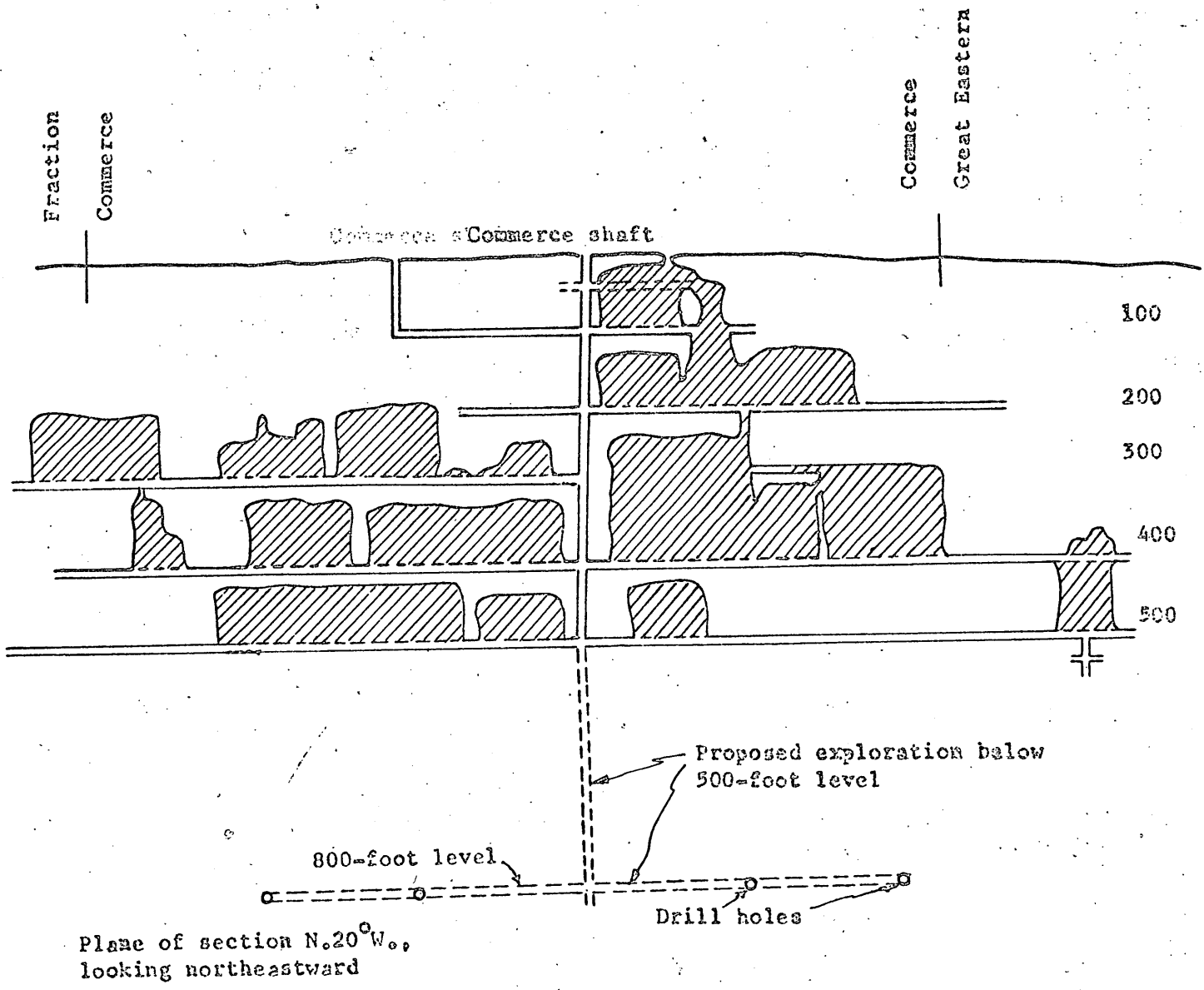


Figure 2.- SECTION SHOWING PROPOSED EXPLORATION, COMMERCE SHAFT, ASH PEAK MINES, GREENLEE COUNTY, ARIZONA

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 203

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 25 1968
INITIALS | CODE

June 20, 1968

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: Application for financial assistance in minerals exploration by E. E. Lewis, Inc. Grand Junction, Colorado on their Ash Peak Property, Greenlee County, Arizona

Transmitted herewith is an application for financial assistance in minerals exploration by the subject applicant to explore for silver-gold on the Ash Peak Property, Greenlee County, Arizona. One copy is being retained in the Region III field office files.

J. William Hasler
mc.

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

Enclosure

MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1481
GRAND JUNCTION, COLORADO
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

OME Region III
RECEIVED
JUN 4 - 1968
Denver, Colorado

June 3, 1968

Certified Mail:

Office of Minerals Exploration
U. S. Geological Survey
Building 53, Room 203
Denver Federal Center
Denver, Colorado 80225

Gentlemen:

Enclosed herewith are two copies of Application for Financial Assistance in Minerals Exploration for the Ash Peak Mine, Greenlee County, Arizona, together with supporting documents including:

Two sets of five (5) each Form MME52
Two true copies of the lease and option

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, Pres.

EEL/dg
Encl.

MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1481
GRAND JUNCTION, COLORADO
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

May 9, 1969

OFFICIAL COPY
O. M. E.
RECEIVED
MAY 12 1969

INITIALS	CODE
gla	120
Bol	120
HK	120
	120

Mr. William Hasler
Office of Minerals Exploration
Room 203, Building 53
Denver Federal Center
Denver, Colorado 80225

6936

Dear Bill:

Enclosed are one copy of Amended Application to the Ash Peak Mine, Docket #6376, with accompanying maps. I have submitted one copy direct to Washington, D.C.

Best regards,

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, Pres.

EEL/dg
Encl.
cc: O.M.E., Washington D.C.

COPY

MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1421
GRAND JUNCTION COLORADO
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

MAY 12 1959
INITIALS | CODE

MME Form 40
Jan. 65

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

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.)*

E. E. LEWIS, INC.
P.O. Box 1481
Grand Junction, Colorado 81501

Amendment to Docket #6736

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER

DATE RECEIVED

REGION

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED Colo.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Elbert E. Lewis,	2063 S. Broadway, Grand Jct.,	Pres.
John F. Peeso,	1823 N. 20th, Grand Jct.,	Vice-pres.
Alan M. Simpson,	730 Tulip Dr., Grand Jct.,	Director

Amended Application

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
silver-gold

ESTIMATED COST OF PROJECT
$ 117,756.65

PROPERTY NAME	LOCATION COUNTY	STATE
Ash Peak	Greenlee,	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 25, 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.

May 9, 1969
DATED

Elbert E. Lewis
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 explor[illegible]k giving individual footages and sizes of openings [illegible] *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 [illegible]pplicant or other property used in the work).]

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

UNITED STATES BANK OF GRAND JUNCTION

HERBERT L. BACON
EXECUTIVE VICE PRESIDENT
AND CASHIER

GRAND JUNCTION, COLORADO
81501

May 6, 1969

Mr. E. E. Lewis, President
E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Re: Ash Peak Mine Exploration

Dear Mr. Lewis:

Thank you for your kind letter of May 5, 1969.

Your request for a loan of approximately $88,000.00 for the purpose of exploring the Ash Peak Mine located in Greenlee County, Arizona, has been reviewed by our Discount Committee. It is our decision that the proposed loan is of a highly speculative nature and the repayment program would make the loan of too long a duration. Consequently, I am sorry but your request has been declined.

Thank you for your inquiry and please feel free to call on us at any time.

Sincerely yours,

Herbert L. Bacon

Herbert L. Bacon
Executive Vice President & Cashier

HLB:mmw

MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1481
GRAND JUNCTION, COLORADO
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

May 5, 1969

United States Bank
4th and Main Streets
Grand Junction, Colorado

Attention Mr. Herb Bacon

Dear Mr. Bacon:

Reference our letter of May 28, 1968, and our recent conversations concerning exploring the Ash Peak mine, located in Greenlee County, Arizona, on which we hold a lease and option.

Since our letter of May 28, 1968, we have done considerable surface exploration on the vein outcrop, we have rehabilitated the existing Commerce shaft to the 500-foot level, and have erected the necessary surface plant to conduct an exploration program at the Commerce shaft. We now desire to sink the Commerce shaft 300 feet, drive 800 feet of exploratory drift, and do the necessary sampling to further explore the Ash Peak vein. This work will cost approximately $117,756.25. We will need a loan of approximately $88,000 to accomplish this exploration work. We are prepared to repay such loan from the anticipated production from the property, and to secure the loan by assignment of our lease and option.

We will be glad to supply you with any further information that will assist you in giving favorable consideration to our request for a loan. Please advise us as soon as possible.

Very truly yours,

Elbert E. Lewis, Pres.

EEL/dg

COPY

FIRST NATIONAL BANK in Grand Junction . . . .

TIM S. CAMPBELL
Vice President

GRAND JUNCTION, COLORADO

May 6, 1969

E. E. Lewis, Incorporated
P.O. Box 1481
Grand Junction, Colorado 81501

Attention: Mr. E. E. Lewis

Dear Mr. Lewis:

I have your letter of May 5, 1969 requesting a loan of $88,000.00 for exploratory work on the Ash Peak mine in Greenlee County, Arizona.

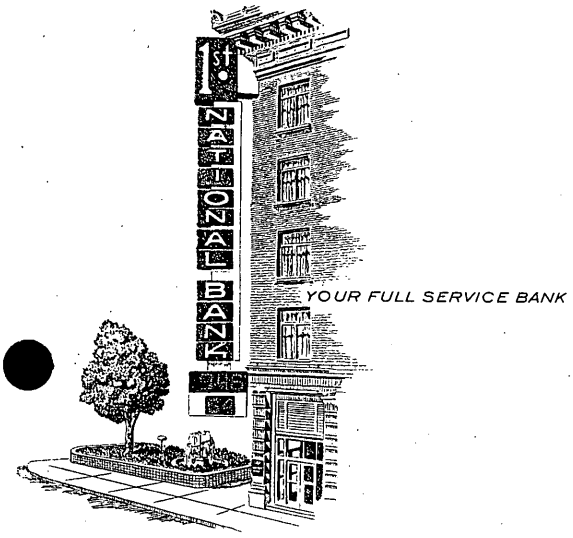
Due to the tight money conditions that exist at this time, I regret to inform you the First National Bank in Grand Junction is not making this type of loans.

Thanks for the opportunity of being of service to you.

Very truly yours,

Tim S. Campbell
Vice President

TSC/sh



MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1481
GRAND JUNCTION, COLORADO
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

May 5, 1969

First National Bank
5th and Main Streets
Grand Junction, Colorado

Attention: Mr. T. S. Campbell

Dear Mr. Campbell:

Reference our letter of May 28, 1968, and our recent conversations concerning exploring the Ash Peak mine, located in Greenlee County, Arizona, on which we hold a lease and option.

Since our letter of May 28, 1968, we have done considerable surface exploration on the vein outcrop, we have rehabilitated the existing Commerce shaft to the 500-foot level, and have erected the necessary surface plant to conduct an exploration program at the Commerce shaft. We now desire to sink the Commerce shaft 300 feet, drive 800 feet of exploratory drift, and do the necessary sampling to further explore the Ash Peak vein. This work will cost approximately $117,756.25. We will need a loan of approximately $88,000 to accomplish this exploration work. We are prepared to repay such loan from the anticipated production from the property, and to secure the loan by assignment of our lease and option.

We will be glad to supply you with any further information that will assist you in giving favorable consideration to our request for a loan. Please advise us as soon as possible.

Very truly yours,

Elbert E. Lewis, Pres.

COPY

EEL/dg

AMENDED APPLICATION, O.M.E. 6736

ASH PEAK MINE
Greenlee County, Arizona

1. (a) New letters attached from bank.

   (b) See original application.

   (c) See original application.

2. (a) See original application.

   (b) See original application. The work proposed under this amendment will be confined to the Fraction, the Commerce, and the Great Eastern claims.

   (c) See original application.

3. (a) Original application plus addendum report by Elbert E. Lewis.

   (b) Original application plus addendum report by Elbert E. Lewis.

   (c) Original application plus attached settlement sheets.

   (d) Original application plus addendum report by Elbert E. Lewis.

   (e) Original application.

   (f) Original data indicates a probable mineral rake extending westerly and dipping at approximately 15° from the Commerce Shaft through the workings in the Shamrock Shaft. The possibility of this rake was borne out by mining in the latter stages of the Commerce Shaft. It is believed that since silver values have been found in the surface pit, and in the Hardy shaft, that mineable ore will extend in depth at the Commerce Shaft. No exploration has been performed below the 550-foot level in the Commerce Shaft, and no evidence or report is available concerning evidence of silver values below the 500-foot level of the Commerce workings. Scattered workings on the 500-foot level of the Commerce Shaft indicate values may be less continuous below the 500-foot level than at higher levels. See assays addendum maps, 1 & 2 revised.

   (g) Original application.

4. (a) Original application.

   (b) Original application.

5. (a) As was agreed in correspondence on the original application, diamond drilling from the surface is impractical because of the cost and the unreliability of the information in this type vein.

The operator, E. E. Lewis, Inc., has cleaned, retimbered, and equipped the Commerce Shaft in preparation to explore the vein below the 500-foot level. The operator has expended approximately $86,000 in the work to date. It is proposed that the Ash Peak vein be explored at depth in two phases.

Phase 1 would involve sinking the 4'6" x 9'6" two-compartment shaft 300 feet, then drift 400 feet east and west from the bottom of the shaft, drill one diamond drill hole each 200 feet from the exploratory drift, into the hangingwall, cut samples each ten feet in the shaft and each ten feet in the drifts. If this phase of the work proves that the vein extends to the 800 level at this west end of the property, and that the theory of the mineralization raking from east to west through the vein is not valid, then proceed with a phase two exploration program, Map 4 revised.

Phase 2 would involve sinking an additional 800 feet, drifting 400 feet each side of the shaft at the added 400 feet (1200-foot level) and at the 800 feet additional depth (1600-foot level) cut channel samples on 10-foot centers in the shaft on the drifts, and drill diamond drill holes on 100-foot centers into the Hangingwall. The Phase 2 portion of the program should not be fixed at this time, but left elastic depending upon the results of Phase 1, since if mineralization is encountered in Phase 1, for example only in the westerly drift, Phase 2 might be changed to extend the drifting westerly on the 800-foot level. Further, if mineralization is encountered in the Hangingwall Vein, crosscutting and exploring the Hangingwall Vein might be warranted.

Since the planning of Phase 2 is entirely dependent upon the results obtained in Phase 1, no cost estimates are being prepared at this time for Phase 2 work.

(b) All access roads have been constructed.

(c) Work can be commenced within 15 days after execution of the contract if such contract is awarded while the present crews are still available to the operator. If contract is delayed, work would commence approximately 45 days after execution of the contract, since new crews would have to be recruited.

Time Schedule: Phase 1

Sink shaft 300 feet, 3 ft. per shift, 6 ft. per day, 50 days =	2.5 calendar months
Drift 800 feet, 6 ft. per shift, 12 ft. per day, 66 days =	3.0 " "
Diamond drill 375 feet, drilling @ 50 ft. per day, 8 days (including moves) =	.4 " "
Channel Samples (110), 11 days =	.5 " " (1)
	6.4 calendar months

(1): Will proceed during other work

Actual time estimated for completion, 6 months.

7. (a) None

(b) Recap (See details each job)

Shaft sinking	$ 21,435.00
Drifting	36,640.00
Diamond drilling	1,068.75
	$ 59,143.75

(c) Recap (See details each job)

Shaft sinking	$ 24,375.00
Drifting	16,680.00
Diamond drilling	1,335.00
	$ 42,390.00

(d) Recap (See details each job)

Shaft sinking	$ 4,149.00
Drifting	7,936.00
Diamond drilling	1,087.50
	$ 13,172.50

Workman's Fringes on Payroll

Base hourly pay plus:

Unemployment insurance state & federal	3.1%
Social Security - federal	4.4%
Workmen's compensation - state	14.4%
Liability insurance	1.5%
Vacation, 2 weeks per year	3.8%
Employees health and accident insurance	10.2%
	37.4%

JOB DETAILS:

Shaft Sinking: 7x12 rock section 300 feet

7. (b) Labor:

	Each Per Shift	Total Per Shift
Per shift - 2 miners @ $3.25 plus fringes	$ 35.72	$ 71.44
1 helper @ $3.00 plus fringes	32.98	32.98
1 hoistman @ $3.25 plus fringes	35.72	35.72
1 topman @ $2.75 plus fringes	30.23	30.23
1 foreman @ $4.00 plus fringes	43.97	43.97
		$214.34

Advance 3 feet - $ 71.45 per ft.

7. (c) Supplies:

Timber 200 BF per ft. @ $200 per M	$40.00	per ft.
Powder 100# per 3 ft. @ $21	21.00	" "
Electric Primers 45 per 3 ft. @ $.35 ea.	5.25	" "
Bits & steel - 2 bits per round per 3 ft. @ $3.00 steel $.50 per ft.	2.50	" "
Electric power $37 per day (hoist, air, etc.)	6.17	" "
Oil and grease, repairs $7 per day	1.16	" "
Drill & shower water $10 per day	1.67	" "
Hand tools	.25	" "
4" air pipe @ $.90 per ft., 16" vent @ $2, 1" water @ $.35	3.25	" "
	$81.25	per ft.

7. (d) Equipment:

	Monthly Rental	Per ft.
Compressor 600 CF	$ 800.00	
Hoist & Headframe	350.00	
5 Lamps & chargers	50.00	
3 Drills	240.00	
2 Chipper	60.00	
Power saw	75.00	
Sinking Bucket	15.00	
Transformers	75.00	
1 Pickup	160.00	$1,825.00
3x22x2 = 132 ft. advance		$ 13.83 per ft.
Sinking cost per foot:		166.53 // ok
Cost to sink 300 ft.:		$49,959.00

JOB DETAILS: (continued)

Drift: 800 ft. - 400 ft. easterly, 4-- ft. westerly 6' x 8'
Advance 6 ft. per shift

7. (b) Labor:	Each Per Shift	Total Per Shift
2 miners	$ 35.72	$ 71.44
1 helper	32.98	32.98
1 hoistman	35.72	35.72
1 topman	30.23	30.23
1 trammer @ $2.75 plus fringes	30.23	30.23
1 foreman	43.97	43.97
1 skip tender @ $2.75 plus fringes	30.23	30.23
		$274.80

Advance 6 ft. shift, labor per ft.: $45.80

(c) Supplies:	Per foot
Powder 100# per 6 ft. @ $21.00	$ 3.50
Electric Primers 30 per 6' round @ $.35	1.75
Electric Power $37 per day (hoist, air)	1.54
Bits & steel 2 per 6' round + $.50 steel	2.00
Oil, grease & repairs $7 per day	.29
Drill & Shower water $15 per day	.62
Hand Tools	.25
Rail & Accessories $225 per ton, 30#	3.25
4" airline @ $.90 per ft., 16" airline @ $2, 1" water line @ $.35	3.25
Ties @ $1.20 each	.40
Estimate 1/3 timbered @ 60 BF per ft. @ $200 per M = $\frac{7.50}{3}$	4.00
	$ 20.85 per ft.

(d) Equipment:

As per shaft sinking monthly rental (Skip in lieu of bucket)	$1,825.00
1 Mucking Machine	285.00
1 Electric trammer	350.00
8 2-ton mine cars @ $20 each	160.00
	$2,620.00

12 ft. per day x 22 = 264 ft. per month 9.92 per ft.

Total per ft. drift: 76.57 // High

Total 800 ft. drift: $ 61,256.00

JOB DETAILS: (continued)

Diamond Drilling - 375 ft. ax core

		Per shift	Total Per Shift
7. (b)	Labor:		
	1 operator @ $3.50 plus fringes		$ 38147
	1 helper @ $3.00 plus fringes		32.98
	(hoistman, topman, foreman charged other work)		
			$ 71.45
	Drill 25 ft. per shift		$ 2.85 per ft.
(c)	Supplies:		Per foot
	Power (air & electric hoist)		$ .25
	Oil, grease, misc. breakage $9 per day		.13
	Bits estimate 1 k per ft. @ $18 per k including setting		1.80
	Couplings 1 per 25 ft. aver. @ $3.75		.15
	Pump packings 3 per 50 ft. @ $1		.06
	Springs & core locks 1 per 200 ft. @ $37.50		.19
	1 reaming shell per 300 ft. @ $72		.24
	4 bits spare for job in addition to wear @ $149		.14
	Water $20 per day		.29
	Core boxes $3.50 per 30 ft.		.31
			$ 3.56 per ft.
(d)	Equipment:		
	1 Longyear Model 24 diamond core drill		$477.50
	1 double column mounting		35.80
	1 Oil pump drive assembly & Power unit		83.00
	1 Pump unit water		176.00
	50 5-ft. wedlok rods		298.00
	1 Skid mounted hoist with cable		150.60
	1 Lot hose, water swivels, & fittings		105.00
	1 Core barrel & inner tube		86.00
	1 Core splitter		35.00
			$1,446.90
	22 x 2 x 25 x 80% = 880 ft. per month		$ 2.90
	Use 2 weeks rental, 75% of monthly =	1085.17	$ 9.31 per ft.
	Total 375 ft.:		$3,491.25

ok if includes mobil & demob.

7. (e) Based on advice from the O.M.E. that no funds were available for rehabilitation, the operator has completed all rehabilitation and repairs required.

(f) In accomplishing item 7.(e), operator has installed all necessary buildings, fixtures and other installations.

(g) All operating equipment listed in 7 (d) will be rented or if furnished by the operator will be in good operating condition.

All analytical work will be done by commercial laboratories; the rates are standard in this area for this work, $5 each for a gold and silver assay.

Assaying 400 assays @ $5 $2,000.00

(325 channel samples, 375 ft. core, 5 ft. sections)

Accounting (part time) $150 per month, 7 months = $1,050.00

Payroll taxes included in direct costs (see details and workman's fringes)

Supplemental Report - Ash Peak Mine

March 21, 1969

The recommendation to drill and sample the outcrop of the Ash Peak Vein between the Shamrock Shaft and the Commerce Shaft was accomplished during the latter summer and fall of 1968. This sampling was carried to a point approximately 600 feet east of the Commerce Shaft. Holes were drilled through the quartz outcrop to the footwall and dust samples collected and assayed. Samples were taken on approximately 25-foot centers. This 2,260 feet of sampling indicated one zone lying east of the Commerce Shaft for a distance of approximately 600 feet that was sufficiently well mineralized that further surface exploration was warranted. The Hangingwall side of the vein was stripped to a depth of 50 feet for 600 feet in length and samples taken at approximately each 15 feet of depth. The average grade of the exposed vein was 4.15 oz. of silver. No appreciable enrichment was indicated between the surface and bottom of the stripping. Some enrichment was indicated from the east end towards the west end of the stripped area.

During the stripping operation two 6-12 inch quartz veins were encountered approximately 30 feet south of the main vein, that is, in the Hangingwall. At this time it is assumed that these quartz veins are extensions of the Hangingwall vein referred to in the old literature and the original report by the writer.

Since the report of April 1968, the writer has researched further literature and reports on the Ash Peak Mine. It is indicated from some of these reports that a rake in the mineralization that extends from the 500-foot level, the lowest level open at the Commerce Mine, westerly dipping at approximately 15° through the Shamrock Shaft, may exist. Attention was invited to the fact that the workings were more scattered at the 500-foot level of the Commerce and mineralization was decreasing. It is inferred from these reports that the mineralization would not extend at depth in the Commerce or Shamrock Shafts. This material is somewhat in conflict with the reported hole drilled by Mr. Murphy from the bottom of the Shamrock Shaft which was reported to have cut mineral at 1400 foot depth at the Shamrock. Examination of map #4 showing the Commerce and Shamrock Shafts lends some credence to this rake theory. The ore or stronger mineralization encountered through surface sampling and stripping work accomplished to date does not yet belie this theory. The surface outcrop that has been stripped would lie in the extension of such a rake. It is the writer's opinion that if silver mineralization is found below the 500-foot level of the Commerce, then the rake theory will be without merit or at least parallel rakes will be indicated.

The writer has examined numerous geologic maps and examined the surface area around the Ash Peak Mine for some dis-

tance and finds no surface evidence of the anticipated limestone beds referred to in the old reports. Some limestone outcrops near Duncan, Arizona, but this limestone appears to be of a much younger (tertiary?) age and if projected to the Ash Peak Mine would have been cut in the workings. The only other limestone shown on maps appears approximately 35 miles northwesterly of the Ash Peak Mine. There appears to be no current literature or maps that indicate any limestone in the vicinity of the Ash Peak Mine. The writer cannot at this time explain the conclusions reached by the authors of the earlier reports.

RECOMMENDATIONS:

It is recommended that the shaft be deepened at the Commerce Mine and Drifts driven east and west from the bottom to ascertain if the rake theory is valid, to ascertain if silver mineralization is present in the vein below the 500-foot level.

Submitted by,

Elbert E. Lewis

Elbert E. Lewis, P.E.

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Maps - Aerial Application

65-107

MME Form 40
Jan. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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

OFFICIAL COPY
O. M. E.
RECEIVED
JUN 25 1968
INITIALS CODE

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.)*

E. E. LEWIS, INC.
P.O. Box 1481
Grand Junction, Colorado 81501

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6736

DATE RECEIVED 6/25/68

REGION III

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL
- CORPORATION XX
- PARTNERSHIP
- OTHER *(Specify)*

STATE IN WHICH FIRM IS ORGANIZED Colo.

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Elbert E. Lewis	2063 S. Broadway, Grand Jct.	Pres.
John F. Peeso	1823 N. 20th, Grand Jct.	Vice-pres.
Alan M. Simpson	730 Tulip Dr., Grand Jct.	Director

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
silver-gold

ESTIMATED COST OF PROJECT
$ 339,141.30

PROPERTY NAME	LOCATION COUNTY	STATE
Ash Peak	Greenlee,	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 25, 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.

June 3rd 1968
DATED

Elbert E. Lewis
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 [illegible]ation work giving individual footages and sizes of o[illegible] *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 per[illegible] or property (other than authorized repair to or replace[illegible] equipment or other property used in the work).]

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

APPLICATION FOR O. M. E. ASSISTANCE

ASH PEAK MINE
Greenlee County, Arizona

1. (a) See letters attached from banks

(b) Parent Company - Beaver Mesa Uranium, Inc.
P.O. Box 567
Grand Junction, Colorado

Holding Co.
Financial Strength $1,000,000 + est.
Credit = "Good"

owns 100% of the stock of E. E. Lewis, Inc. See also OME 6662

(c) Equipment and cash

2. (a) Lessee with option to purchase (lease and option agreement attached)

(b) Property is located Sec. 2, 3, 10, 11, T 8 S, R 30 E Gila and Salt River Meridian. Five patented mining claims: Great Eastern, Commerce, Fraction, Summit, Homestead and two patented mill sites, Mineral Survey #3076-A and -B, which are under the lease and option. 29 unpatented mining claims located by E. E. Lewis, Inc., that surround the patented claims (list attached).

The work proposed would be confined to the Summit, Fraction, and Commerce patented claims

(c) Attached

3. (a) Attached report by Elbert E. Lewis.
Maps, #1 Shamrock Shaft, #2 Commerce Shaft, #3 975 Level.

(b) E. E. Lewis, Inc., had no interest in the work performed prior to the acquisition of the property 29 January, 1968.

(c) Past Production shown in attached report and Exhibit A from Inspiration Copper Co. Records also available from U.S.B.M. reports.

(d) No known ore reserves that are available for mining from Shamrock Shaft, Approximately 14,950 tons reserves in Commerce Shaft reported by Inspiration Copper Co. These reserves are shown on Map #2. Reserves were determined from 1946 to 1953 by their personnel by channel sampling. E. E. Lewis, Inc., cannot confirm these reserves.

LIST OF UNPATENTED MINING CLAIMS

OWNED BY E. E. LEWIS, INC., GREENLEE COUNTY, ARIZONA

Name		Book	& Page
Last Chance	#1	24	620
" "	#2		645
" "	#20		640
" "	#30		621
" "	#40		622
" "	#50		623
" "	#60		624
" "	#80		691
" "	#90 #70		692 Book 28 p. 1026
Homestead	#2		625
"	#3		626
"	#4		627
Summit	#2		628
"	#3		629
"	#4		630
Fraction	#2		631
"	#3		632
"	#4		633
Commerce	#2		634
"	#3		635
"	#4		636
Great Eastern	#2		637
" "	#3		638
" "	#4		639
" "	#7		642
" "	#8		643
" "	#9		641
" "	#10		644

Possible reserves in the Shamrock Shaft are not available because the workings are caved. 975 Level Map (Map #3) shows areas that would indicate reserves.

(e) Report Elbert E. Lewis. Maps: Geology Maps A,B,C, & D.

(f) The 975 Level map shows good silver values over its entire length. Mr. Arthur Murphy (deceased), a recognized mining engineer in Arizona, was the owner of this property. He did considerable sampling, and exploration of the property, and according to the former operators, Inspiration Copper Co., his work was found to be good and his verbal reports to be trustworthy. Mr. Murphy reportedly drilled a hole from the 975 level to the 1400 level and cut the vein which showed a width of 18 feet and value of 18 ounces of silver. ?

Further, the vein is very strong, being over 3,000 feet in length and mineralized its full length (Exhibit B). The vein has a reported width of 12 feet on the 975-foot level (not including the reported 25 feet width of the hanging wall vein on the 600 level).

We conclude that the vein persists to 1500, is mineralized, and will be ore over the distance proposed to be explored.

9.3 X 2.40 = $22.32

Since the property is located within 40 miles of Morenci and within 125 miles of several other smelters, a much lower silver content than the 9.3 ounces mined will constitute ore with present silver prices and because the quartz is a very desirable flux. Conversation with Phelps Dodge, Inspiration Copper, and A.S. & R. have resulted in expressions by them of a willingness to pay a premium for this material. No milling will be required. ?

$???
80% - 50% = 30%
$0.10 per u
assume $ 3,00 credit

(g) Data and maps attached.

4. (a) Mr. John F. Peeso or Mr. Elbert E. Lewis, of 803 Winters, Grand Junction, Colorado, will be available to accompany the representative. The property is situate 10 miles north of Duncan, Ari-

zona, on Highway 70, a paved highway, thence 1/4 mile west on an improved mine road.

The mine workings are caved and the shafts in need of retimbering. The ladders in the Commerce working have been repaired and the workings not caved can be inspected to the bottom of this shaft (500 feet). The ladders in the Shamrock have been strengthened to the 300 level, below this point they are in poor condition, but with use of safety ropes the shaft can be inspected to the 600-foot level. Below the 600 level the timber is out of the shaft and the shaft has been filled with "gob" from the 975 level to the 700 level.

(b) The nearest rail point is Duncan, Arizona, 10 miles south on Highway 70. Tucson, Arizona, 155 miles by highway southwesterly from the mine, and Phoenix, Arizona, 191 miles northwesterly, are large centers and have all needed mine supplies. Smaller supply items can be secured at Safford, Arizona, 30 miles northwesterly.

5. (a) Diamond drilling from the surface to the 1500-foot level is considered impractical because of the cost involved and the unreliability of the information. For example, 10 holes along 2800 feet proposed to be explored would cost $14.00 per foot. Since the vein dips 80° it would have to be intersected at no more than 35° angle to insure that the bit will cut the vein and not follow it down the hanging wall. This would require angle holes approximately 1750 feet deep and each hole would have to be surveyed for its entire depth to ascertain the point the vein is cut. The 10 holes would cost approximately $238,000.00 plus roads, assaying, surveying, etc. This exploration would still be unreliable and would have to be confirmed by sinking and drifting because of the lean and rich areas within the vein (see 975 level map). It is therefore proposed to explore by sinking and drifting. (See Map #4)

The operator, E. E. Lewis, Inc., will at their own expense without government participation retimber and clean the Shamrock Shaft to the 975 level. At this point it is proposed to continue (sink) the 4'6" x 9'6" two-compartment shaft to the 1500-foot level with a 25-foot sump. Install

landings at the 1200- and 1400-foot levels with short drifts, 25 each direction (easterly and westerly) from the shaft. On the 1500 level drift 1765 feet easterly and 900 feet westerly below the ore zone of the upper levels. At the east end raise 1105 feet to the bottom of the Commerce workings installing landings and short (25-foot east and west) drifts at the 1400, 1200, 1000, and 800 levels. Raise from the westerly end 520 feet and cut stations and short drifts on 1400- and 1200-foot levels. Channel sample the shaft, raises, and drifts (including short drifts) on 15 centers. From end of each short drift and on 100 foot centers on the 1500 level drill diamond drill holes into the hangingwall 100 feet to explore the hangingwall vein. (See Map #4, proposed exploration) All work will be in the vein.

Preparation for mining

Prep. for mng.

no evidence for HW vein except along 900 ft of the 500 Lev. Shamrock

(b) No additional road required.

(c) Work can be commenced within 90 days after execution (Immediately after retimbering estimated at 90 days)

Time Schedule:

Sink shaft 545 feet, 3 ft. per shift, 6 ft. per day, 91 days	=	4.2 calendar months	X
Landings & short drifts from shaft, 2 landings, 100 ft. drift, 7 days	=	.3 "	X
Drift 2665 feet, 12 ft. per shift, 24 ft. per day, 111 days	=	5.1 "	
Raise 1625 feet, 12 ft. per shift, 24 ft. per day, 68 days	=	3.1 " (1)	X
Landings and drifts from raise 6 landings, 300-ft. drift, 21 days	=	1.0 " (1)	
Diamond drill 4400 feet drilling @ 70 ft. per day, 63 days	=	3.0 " (2)	
Channel Samples 354, 30 days	=	1.5 " (2)	
		18.2 calendar months	

(1) Will start west raise before easterly drift completed
(2) Will proceed during other work.

Actual time estimated for completion, 14 months.

6. Summary of Key Personnel attached. E. E. Lewis, Inc., have been successful mine contractors and mine operators for the past fifteen years.

7. (a) None.

(b) Recap (See details each job)

Shaft Sinking	$38,940.25
Drifting	61,028.50
Landings & Short Drifts	12,003.04
Raising	35,570.00
Diamond Drilling	8,976.00
	$156,517.79

(c) Recap (See details each job)

Shaft Sinking	$35,970.00
Drifting	48,449.70
Landings	5,918.00
Raising	28,518.75
Diamond Drilling	15,664.00
	$134,520.45

(d) Recap (See details each job)

Shaft Sinking	$10,262.00
Drifting	13,218.40
Landings	3,032.16
Raising	7,182.50
Diamond Drilling	5,148.00
	$ 38,843.06

Workmans Fringes on Payroll

Base hourly pay plus:

Unemployment insurance state & federal	3.1%
Social Security - federal	4.4%
Workmen's Compensation - state	14.4%
Liability Insurance	1.5%
Vacation, 2 weeks per year	3.8%
Employees health and accident insurance	10.2%
	37.4%

JOB DETAILS:

Shaft Sinking: 7x12 rock section 545 feet

7(b) Labor:

	Each Per shift	Total Per shift
Per shift - 2 miners @$3.25 plus fringes	$ 35.72	$ 71.44
1 helper @ $3.00 plus fringes	32.98	32.98
1 hoistman @$3.25 plus fringes	35.72	35.72
1 topman @ $2.75 plus fringes	30.23	30.23
1 foreman @ $4.00 plus fringes	43.97	43.97
		$214.34

Advance 3 feet $ 71.45 per ft.

7(c) Supplies:

Timber 200 bf per ft. @ $125.00 per M	$ 25.00 per ft.
Powder 100# per 3 ft. @ $21.00	21.00 per ft.
Electric Primers 45 per 3 ft. @ $.35ea.	5.25 per ft.
Bits & steel- 2 bits per round per 3 ft. @ $3.00 steel $.50 per ft.	2.50 per ft.
Electric power $37.00 per day (hoist, air, etc.)	6.17 per ft.
Oil and grease, repairs $7.00 per day	1.16 per ft.
Drill & shower water $10.00 per day	1.67 per ft.
Hand tools	.25 per ft.
4" air pipe @ $.90 per ft., 16" vent @ $1.75, 1" water $.35	3.00 per ft.
	$66.00 per ft.

7(d) *Equipment:

	Monthly Rental	Per Ft.
Compressor 600 CF	$ 800.00	
Hoist & Headframe	350.00	
5 Lamps & Chargers	50.00	
3 Drills	240.00	
2 Chipper	60.00	
Power Saw	75.00	
Sinking Bucket	15.00	
Transformers	75.00	
1 Pickup	160.00	$1825.00
3x22x2 = 132 ft. advance		$ 13.83
Sinking cost per foot:		$ 151.28

3, 388.00/1W

JOB DETAILS (continued):

Sink 545-foot shaft -- $ 82,477.60

Landings & short (25' E & W) drifts 5x7

7(b) Labor:	One day (2 shifts) Landing (Same as shaft)	$ 428.68
	50' drift (25' E & W) 10 ft. per shift 5 shifts (5x$214.35)	1071.70
	Labor per Landing:	$1500.38
	7 shifts = 3½ days	

7(c) Supplies:	Per Level
Timber estimate 40% timbered, 20' @ 60 bf per ft. @ $125.00	$ 150.00
Powder 100# per 5 ft. + 200 ft. enlargement=1200# @ $21.00	252.00
Electric Primers 30 per 5 ft. + 60 enlarging = 360 @ $.35	126.00
Electric Power $37.00 per day, 3½ days	129.50
Hand Tools $1.50 per day	5.25
Oil & Grease $7.00 per day	24.50
Drill & Shower Water $10.00 per day	35.00
Bits & Steel, 2 bits per 5 ft. @ $3.00, + steel @ $.50 per 5 ft.	17.50
Each:	$ 739.75

7(d) Equipment: (1) During sinking	Monthly Rental
Same as sinking shaft	$1825.00
One shlusher & bucket	175.00
	$2000.00
$90.90 per day, 3½ days per level	$ 318.15
Total per landing & drifts:	$2558.28
Total 2 landings in sinking:	$5116.56

7(d) Equipment: (2) During Raising	Monthly Rental
Same as Raises	$2335.00
1 shlusher & bucket	175.00
	$2510.00
$114.09 per day, 3½ days per level	$ 399.31

7,

JOB DETAILS: (continued)

Total per landings & drifts:	$2639.44
Total 6 landings in Raises:	$15836.64
Total 8 landings & drifts:	$20953.20

Drift: 2665 ft. - 1765 ft. easterly, 905 ft. westerly 6'x8'
Advance 12 ft. per shift

7(b) Labor:

	Each Per Shift	Total Per Shift
2 miners	$35.72	$71.44
1 helper	32.98	32.98
1 hoistman	35.72	35.72
1 topman	30.23	30.23
1 trammer @ $2.75 plus fringe	30.23	30.23
1 foreman	43.97	43.97
1 skip tender @ $2.75 plus "	30.23	30.23
		$274.80

Advance 12 ft. shift, labor per ft.: $22.90

7(c) Supplies:

	Per Foot
Powder 100# per 6 ft. @ $21.00	$ 3.50
Electric Primers 30 per 6' round @ $.35	1.75
Electric Power $37.00 per day (hoist, air, etc.)	1.54
Bits & steel 2 per 6' round + $.50 steel	1.08
Oil, grease, & repairs $7.00 per day	.29
Drill & Shower water $15.00 per day	.62
Hand Tools	.25
Rail & Accessories $225 per ton, 30#	3.25
4" airline @ $.90 per ft., 16" airline @$1.75, 1" water line @ $.35	3.00
Ties @ $1.20 each	.40
Estimate 1/3 timbered @ 60 bf per ft. @$125 per M = $\frac{7.50}{3}$	2.50
	$18.18

7(d) Equipment:

As per shaft sinking Monthly Rental (Skip in lieu of bucket)	$1825.00
1 Mucking Machine	285.00
1 Electric Trammer	350.00
8 2-ton mine cars @ $20.00 each	160.00
	$2620.00
24 ft. per day x 22 = 528 ft. per month	4.96
Total per ft. drift:	$ 46.04
Total 2665 ft. drift:	$122,696.60

87.10 | 4

JOB DETAILS: (continued)

Raising - 1625 ft. - 520 ft. westerly end, 1105 ft, easterly
Rock Section 6' x 8'

7(b) Labor:	Each Per Shift	Total Per Shift
2 miners	$ 35.72	$ 71.44
2 helpers	32.98	65.96
1 hoistman		35.72
1 topman		30.23
1 trammer		30.23
1 foreman		43.97
		$277.55

Advance 12 ft. per shift $23.12

That ought to strip the timber out very nicely -

7(c) Supplies:	Per Foot
Powder 100# per 6 ft. @ $21.00 (40% Geletin?)	$ 3.50
Electric Primers 35 per 6 ft. round @$.35	2.04
Timber 250 bf per 6 ft. @ $125.00 per M	5.20
Bits & steel, 2 bits per 6 ft. @ $3.00, + steel @ $.50	1.50
Oil, grease & repairs $7.00 per day	.29
Drill & Shower water @ $10.00 per day	.42
Hand tools $1.50 per day	.06
Power (hoist, air, etc.) $37.00 per day	1.54
4" airline, 1" waterline, 16" vent	3.00
	$17.55 per ft.

7(d) Equipment:	Monthly Rental
As per sinking	$ 1825.00
Electric Trammer	350.00
8 2-ton mine cars @ $20.00 each	160.00
	$ 2335.00

24 ft. per day x 22 days = 528 ft. per month:
$ 4.42 per ft.

Per foot total: $45.09

Raise: 1625 ft. $73,271.25

JOB DETAILS: (continued)

Diamond Drilling - 4400 ft. Ax core

7(b) Labor: Per shift

	Total per shift
1 operator @ $3.50 plus fringes	$ 38.47
1 helper @ $3.00 plus fringes	32.98
(hoistman, topman, foreman charged other work)	
	$ 71.45

Drill 35 ft. per shift, $2.04 per ft.

7(c) Supplies:

	Per Foot
Power (air & electric hoist)	$ .25
Oil, grease, misc. breakage $9.00 per day	.13
Bits estimate 1 k per ft. @ $18.00 per k incl. setting	1.80
Couplings 1 per 25 ft. ave. @ $3.75	.15
Pump packings 3 per 50 ft. @ $1.00	.06
Springs & core locks 1 per 200 ft. @ $37.50	.19
1 reaming shell per 300 ft. @ $72.00	.24
4 bits spare for job in addition to wear @ $149.00	.14
Water $20.00 per day	.29
Core boxes $3.50 per 30 ft.	.31
	$ 3.56 per ft.

7(d) Equipment:

	Monthly Rental
1 Longyear Model 24 diamond core drill	$ 477.50
1 double column mounting	35.80
1 Oil pump drive assembly & Power unit	83.00
1 Pump unit water	176.00
50 5-ft. wedlok rods	298.00
1 Skid mounted hoist with cable	150.60
1 Lot hose, water swivels, & fittings	105.00
1 Core barrel & inner tube	86.00
1 Core splitter	35.00
	$1446.90
22 x 2 x 35 x 80% = 1232 ft. per month	$1.17 per ft.
Total per ft.:	$6.77 per ft.
Total 4400 ft.:	$29,788.00

Equipment Cost vs. Rental Comparison

Item	Rent per month	Months	Total Rent	Purchase Cost
Compressor	$800.00	14	$11,200.00	$21,000.00
Hoist & Headframe	350.00	14	4,900.00	16,500.00
Lamps	50.00	14	700.00	750.00
3 Sinkers	240.00	5	1,200.00	2,625.00
2 Chippers	60.00	14	840.00	600.00
Power Saws	75.00	14	1,050.00	530.00
Transformers	75.00	14	1,050.00	4,800.00
Pickup	160.00	14	2,240.00	3,100.00
Slusher & Bucket	175.00	1.5	262.50	1,875.00
Mine cars, 8 used	160.00	9.5	1,520.00	*1,600.00
Mucking machine	285.00	5.3	1,510.50	*2,450.00
Electric Trammer	350.00	9.5	3,325.00	*4,100.00

* Used Price

Items Underlined should be purchased because of savings or equity value.

7. (e & f) The operator will install headframe and hoist and retimber the shaft from the surface to the 975 level. The operator will also erect necessary change room, office and hoist house. Electric power is available on the property and will be connected by the operator. The estimated cost of this work is:

Headframe	$6500.00
Hoist	10,000.00
Change room	1,000.00
Hoist House & Office	1,500.00
Electric Installation	3,500.00
Retimber 975 ft.shaft, 700 ft. @ $40 per ft.	28,000.00
275 ft. @ $100 per ft.	27,500.00
	$78,000.00

This rehabilitation and new installations will be borne solely by the operator.

7. (g) All operating equipment listed in 7(d) will be rented or if furnished by the operator will be in good operating condition.

All analytical work will be done by commercial laboratories; the rates are standard in this area for this work, $5.00 each for a gold and silver assay.

Assaying 1432 assays @ $5.00	$7,160.00
(354 channel samples, 4400 ft. core, 5 ft. sections)	
Accounting (part time) $150.00 per month	2,100.00

Payroll taxes included in direct costs (see details and workmans fringes)

MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1481
GRAND JUNCTION, COLORADO
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

May 28, 1968

United States Bank
4th and Main Streets
Grand Junction, Colorado

Attention: Mr. Herb Bacon

Dear Mr. Bacon:

With reference to our conversations concerning exploring the Ash Peak Mine, located in Greenlee County, Arizona, on which we hold a lease and option.

The mine has been worked in the past by Veta Mines, Inc., and Inspiration Copper Co. as a source of silver-bearing fluxing ore. From the maps we have secured from Inspiration Copper Co. and from conversations we have had with the former superintendent of the Ash Peak operation for Inspiration, we are convinced there is a potential of one and one-half to two million tons of 9.5-ounce silver in the Ash Peak property.

We desire to explore the vein at depth to determine if this potential can be realized. This exploration will cost approximately $340,000. In addition, we will have to rehabilitate the existing shaft to the 975-foot level to do this exploration. The total cost of exploring and rehabilitating this property will be approximately $415,000. We are prepared to expend $165,000 of our own resources at this time on the project. We will need a loan of $250,000 for the project. We are prepared to repay such a loan from anticipated production from the property and to secure the loan by assignment of our lease and option.

We will be glad to supply you with any further information that will assist you in considering our loan. Please advise us as soon as possible as to the availability of this loan.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis, Pres.

EEL/dg

COPY

UNITED STATES BANK OF GRAND JUNCTION

GRAND JUNCTION, COLORADO
81501

HERBERT L. BACON
EXECUTIVE VICE PRESIDENT
AND CASHIER

May 29, 1968

Mr. E. E. Lewis, President
E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Re: Ash Peak Mine Exploration

Dear Mr. Lewis:

Thank you for your kind letter of May 28, 1968.

Your request for a loan of approximately $250,000.00 for the purpose of exploring the Ash Peak Mine located in Greenlee County, Arizona, has been reviewed by our Discount Committee. It is our decision that the proposed loan is of a highly speculative nature and the repayment program would make the loan of too long a duration. Consequently, I am sorry but your request has been declined.

Thank you for your inquiry and please feel free to call on us at any time.

Sincerely yours,

Herbert L. Bacon

Herbert L. Bacon
Executive Vice President & Cashier

HLB:ma

MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1481
GRAND JUNCTION, COLORADO
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

May 28, 1968

First National Bank of Grand Junction
5th and Main Streets
Grand Junction, Colorado

Attention: Mr. Frank Wagner

Dear Mr. Wagner:

With reference to our conversations concerning exploring the Ash Peak Mine, located in Greenlee County, Arizona, on which we hold a lease and option.

The mine has been worked in the past by Veta Mines, Inc., and Inspiration Copper Co. as a source of silver-bearing fluxing ore. From the maps we have secured from Inspiration Copper Co. and from conversations we have had with the former superintendent of the Ash Peak operation for Inspiration, we are convinced there is a potential of one and one-half to two million tons of 9.5-ounce silver in the Ash Peak property.

We desire to explore the vein at depth to determine if this potential can be realized. This exploration will cost approximately $340,000. In addition, we will have to rehabilitate the existing shaft to the 975-foot level to do this exploration. The total cost of exploring and rehabilitating this property will be approximately $415,000. We are prepared to expend $165,000 of our own resources at this time on the project. We will need a loan of $250,000 for the project. We are prepared to repay such a loan from anticipated production from the property and to secure the loan by assignment of our lease and option.

We will be glad to supply you with any further information that will assist you in considering our loan. Please advise us as soon as possible as to the availability of this loan.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis, Pres.

EEL/dg

FIRST NATIONAL BANK in Grand Junction . . . .

GRAND JUNCTION, COLORADO
May 28, 1968

E. E. Lewis, Inc.
P.O. Box 1481
Grand Junction, Colorado 81501

Attention: Elbert E. Lewis

Dear Mr. Lewis:

This letter is in reference to our telephone conversation and your letter of May 28, 1968, concerning the exploration project that you have in mind on the Ash Pete Mine located in Greenlee County, Arizona, on which you hold a lease and option.

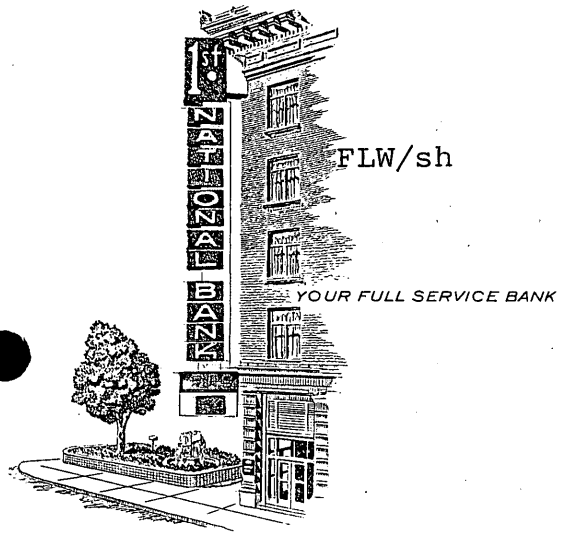
Your letter indicates that in order to complete the exploration and rehabilitate the property that you would need a loan of $250,000.00, and that the repayment plan is based on anticipated production from the property.

We appreciate your giving us an opportunity to consider the loan, however, after reviewing the matter with our loan committee, we regret that we will be unable to comply with your request.

Yours very truly,

Frank L. Wagner
Senior Vice President

FLW/sh



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UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

SUMMARY OF KEY PERSONNEL

Elbert E. Lewis - President and General Manager. Age 49, married, 5 children. Graduate of Colorado School of Mines, Engineer of Mining, 1942; Engineer of Metallurgy, 1947. Extension course St. Louis University, "Industrial Psychology and Employee Relations," 1949. Registered Professional Engineer. 26 years experience, construction engineering, mill operator, mining, managing small medium sized mining and milling operations in the United States and South America. Specialized experience tin, tungsten, copper, lead, zinc, and uranium.

John F. Peeso - Vice-president and Mine Manager. Age 48, married, 3 children. Graduate Colorado School of Mines, Engineer of Mining, 1948. 21 years experience, mine operator, engineer, mine management of mining operations. Specialized experience copper, molybdenum, chrome, and uranium.

Dudley L. Davis - Associate Geologist. Age 53, married, 3 children. Graduate University of Nevada, B.S. in Mining Engineering, 1941; Engineer of Mining, 1955. Extension course "Management Training," Colorado University. Registered Professional Engineer. Author of numerous papers on mining operations and geology of western United States. 26 years experience, mining engineer and operator, chief of exploration, geological engineering and consulting. Specialized experience copper, lead, zinc, silver, uranium, and placer gold.

Frank Perry - Chief Mechanic and Machinist. Age 58. 29 years experience, specializing air, diesel and mining equipment.

Clifford Lenard - Engineer and Mine Foreman. Age 33, married, 4 children. 11 years experience, surveyor of mines and mine foreman.

Practically all types of mining equipment are owned by the organization and are used in its operations; company maintains a shop and is capable of rebuilding and manufacturing its own equipment. In addition to the technical and key personnel enumerated, employs an average 15 miners and maintains an active file of experienced miners for use in all types of operations. Active personal contact and technical association is maintained with organizations and individuals that can lend technical assistance to the company when needed on short notice.

A S H P E A K M I N E

Ash Peak Mining District

Greenlee County, Arizona

April, 1968

E. E. Lewis, Inc.

Box 1481

Grand Junction, Colo.

Ash Peak Mine, Ash Peak Mining District
Greenlee County, Arizona

SUMMARY:

The Ash Peak Mine, located 10 miles west of Duncan, Arizona, comprises five patented mining claims, two patented millsites, and twenty-nine unpatented mining claims. Approximately 430,000 tons of silver-gold bearing quartz has been mined from the patented claims and approximately 50,000 tons from the unpatented claims. Three shafts provide access to the property; two shafts, the Shamrock and the Commerce, are open but in need of retimbering; the third, the Hardy shaft, is caved at the collar and its condition unknown.

The quartz vein is evident over 6,000 feet in length and is ore bearing to a known depth of 1,400 feet. The vein is 20 to 60 feet wide with the pay streak 6 to 18 feet wide. The ore is argentite in quartz. The vein (fissure) is well defined and of sufficient magnitude that it probably cuts the underlying limestone beds. A large reserve is probable at the depth of the limestone bedding, rather than in the andesite nearer the surface.

The ore is sought after by the numberous smelters in the area as a flux. Marketing will be favorable and no milling will be required until the developed reserves exceeds the requirements of the mills for fluxing material. A potential in excess of 3,000,000 tons of 9-oz. silver ore is

estimated for the property.

INTRODUCTION:

The basic data for this report has been gathered from numberous sources, including: the Department of Mineral Resources, Phoenix, Arizona; operating reports-- Robert H. Sayer, Sr., (deceased) Mining Engineer and President of Veta Mines; records of Inspiration Copper Co. at Miami, Arizona; personal conversations with Clifton F. Smith, retired ore-buyer of Inspiration Copper Co., who was in charge of the operation when it was under lease to Inspiration Copper Co.; and from Information Cirdular #7119 of the U. S. Bureau of Mines.

LOCATION:

The Ash Peak property is located in Sections 2, 3, 10 and 11, Twp 8 S, R 30 E, Gila and Salt River Meridian, approximately 1,000 feet south of U.S. 70, 30 miles east of Safford, Arizona, 10 miles west of Duncan, Arizona.

The average daily temperature at Duncan over a period of 23 years was 65.9° with a low average daily temperature of 44.5° in December and a high average of 85.2° in July. The climactic conditions at the Ash Peak Mine are similar to those at Duncan, Arizona. The average annual precipitation in 8 years was 11.17 inches. The altitude of Duncan

is 3,645 feet and at the mine approximately 4,500 feet.

PROPERTY AND HISTORY:

The property consists of five patented mining claims straddling a quartz vein trending north 60 degrees west. These claims are from east to west: Great Eastern, Commerce, Fraction, Summit, Homestead, and two patented mill sites. E. E. Lewis, Inc., has located 29 unpatented mining claims that abut the present patented mining claims and cover the extension of the vein to the west on property commonly known as the Hardy Mine.

The Ash Peak Mines were discovered in 1899 and the five claims and millsites were patented October 14, 1913, Mineral Survey #3076-A and -B. Early development work on the Ash Peak Mine was done by George Wingfield of Nevada and his Goldfield Consolidated Co. Development by the Goldfield Co. in 1918 and -19 comprised a 900-foot shaft, The Shamrock; a 500-foot shaft, the Commerce; 110 feet of shallow shafts; a 600-foot shaft on the Hardy; and 6,167 feet of drifts and raises. From the records examined, it appears that the Goldfield Consolidated Co. did no mining other than this extensive development work. Early in 1920 the price of silver dropped substantially, and according to unconfirmed stories the Goldfield Co. offered a lesser amount for the mine than their option price. The offer was refused and

Goldfield dropped their option.

The property sat idle until 1936, when the Veta Mines, Inc., took over and commenced operations in March, 1937. There is no record of any silver concentrates being produced from the Ash Peak Mine until the Veta Mines took over in 1936. In 1936 Veta Mines rehabilitated the Commerce, Shamrock, and Hardy shafts. A mill was built and development work in the mine was started to drive the 600-foot level of the Shamrock toward the Commerce Mine and make a connection with the 500-foot level of the Commerce. These two levels were eventually connected by means of a raise, and ventilation established.

The mill went into production about September, 1936, and operated on a 200-ton per day basis until January, 1938, when the property was shut down due to a drop in the price of silver from $0.775 to $0.645. The mining and milling equipment was sold and the entire property was dismantled. Veta Mines removed during their tenure 173,282 tons of ore as shown on the U. S. Bureau of Mines records.

On June 24, 1941, the property was reopened as a silica-flux by Inspiration Consolidated Copper Co., under the direction of Clifton F. Smith, and a contract was given to Howard Mottier of Duncan, Arizona, to operate the property. 75,361 tons was mined by Inspiration from the Commerce workings, and 181,828 tons mined from the Shamrock workings. All ore mined from the Commerce workings was above the 500 level and above the 600 level of the Shamrock. In addition,

approximately 40,000 tons was shipped from the Hardy workings. Early in 1954 Inspiration Consolidated Copper Co. forfeited their lease and ceased operations at Ash Peak. This cessation of operations was occasioned by the discovery of silica flux near to the Miami Smelter that contained a small amount of copper. Further, the decision to close out Ash Peak was occasioned by a material increase in the price of copper. It should be noted that no major development work was done on the Ash Peak Mines during the time of its production. All development work had been done by the Nevada Consolidated Group several years previously. Some exploration work was done by the property owner Arthur Murphy, a recognized mining engineer in Arizona, during various periods when the mine was not under lease.

GEOLOGY:

There are no sedimentary rocks exposed in the immediate vicinity of the Ash Peak Mine except a little Gila conglomerate and recent wash. Rocks near the mines are tertiary lavas and consist of andesites, rhyolites, and rhyolite tuffs, which have a gentle southerly dip ranging up to 10°. There are also numberous dikes and volcanic plugs in the area.

The Ash Peak vein follows a fault fissure of about 100 feet vertical displacement and with a somewhat greater lateral displacement. This fault fissure is continuous for over

two miles, forming hogbacks in places. The vein strikes north 60° west and dips 80° north. Following the hangingwall of the fissure which in turn is the hangingwall of the vein, is a diabase dike of a few feet width, probably a feeder to the late andesite flow referred to below.

LATE ANDESITE:

A flow rock, basaltic in character, overlies a rhyolite tuff, a volcanic ash lying flat and separating the late andesite from an earlier andesite. The tuff is from 20-40 feet thick, and is very prominent. It is exposed for a mile along the south side of the Ash Peak fissure. The earlier andesite is of unknown thickness but probably about 1,000 feet at the site of the vein and presumably overlies the upper sedimentary limestone members. This earlier andesite varies in texture from porphyritic to aphanitic and as this material forms the original breccia, in the fault fissure, the porphyritic phase has been more readily converted into ore than the aphanitic phase.

What is? Not shown on maps. Not explained in text

MINERALIZATION:

The vein follows the original fissuring with better values generally on the hangingwall. The fissure is from 20-60 feet wide, the pay streak from 6-18 feet wide. Following the original faulting where was first a quartz min-

eralization, which altered and connected the fault breccia. Further faulting, both laterally and vertically was followed by further mineralization, cementing and altering of the breccia and quartz, and ore deposition from the mineral-bearing solutions pulsating through the fissured area, resulting in the present vein and orebodies. It is probable that the fissuring has extended to the underlying limestone and that ascending solutions, in passing through the limestone, lost much of their mineral content before reaching the upper tertiary zone. Practically no copper, zinc, or lead are found in the vein, the commercial ore being principally argentite (Ag_2S), carrying very low gold values. Little oxidation has taken place within the vein. The ore is essentially a primary sulfide.

what is the evidence for any is at all?

The original fault fissure was nearly vertical, the displacement about 100 feet. Later and lateral faulting along the original zig-zag fissure has resulted in elongated diamond-shaped areas along the plane of the fault, and the result is a series of recurrent lenses of enormous size in which are the orebodies in the vein. The vein outcrops well above the ground, and from end to end of the patented lode claims the quartz is generally banded, evidencing a pulsating deposition. The best values are found in the banded quartz in the highly altered breccia of originally porphyritic texture.

Numerous vein stringers are known to exist to the south

of the main vein, some of which are exposed at the surface, others do not manifest themselves on the surface. One such stringer was discovered by Inspiration Copper during their tenure approximately 50 feet south of the main fissure. This vein produced a considerable tonnage of ore.

Typical Ash Peak ore is made up of abundant dense banded chalcedony quartz and a silicified andesite showing some flow structure, varying amounts of calcite ($CaCO_3$), rhodochrosite ($MnCO_3$), and pyrite (FeS_2), and small amounts of silver, occurring as clouds of fine argentite or as streaks associated with the quartz, evidenced by their unusual hardness. The calcite occurs in various sizes of crystals, in colors ranging from grayish-white to deep black.

A test hole drilled by Arthur Murphy confirms the presence of the Ash Peak vein at a depth of 1,400 feet. The vein was reported to be at this point 18 feet wide, carrying 18 ounces of silver. It is probable that the vein extends to considerable depth, and may show increased width and increased values at the point it intersects the limestone.

THE HANGINGWALL VEIN:

The fissure that was mined by Inspiration Copper Co., referred to above, in some of the literature is referred to as a "hangingwall vein." There is no expression of this hangingwall vein on the surface. It was first encountered in a cross-cut driven from the 50-foot level of the Shamrock shaft. At this level, it was approximately 10 inches

in width. An exploratory cross-cut was driven on the 400-foot level to determine if this "hangingwall vein" persisted in depth. On the 400 level the crosscut at 26 feet encountered the vein, and it proved to have a width of approximately 30 feet, and values equal to the Ash Peak vein developed by the Goldfield Consolidated. Subsequently, a cross-cut was driven on the 600-foot level to the vein, which at this point is 50 feet in width and averages 5.6 ounces of silver for its full width. The presence of the vein was verified by test drilling for a distance of 1,100 feet west of the shaft on the 600-foot level. The Hangingwall Vein was mined by Inspiration from the 500-foot level to the 350 level. The extent and depth of the Hangingwall Vein is unknown at this time, as there has been no exploration or development of this vein other than the work done by Inspiration shortly before their closing of the property.

DEVELOPMENT AND PAST PRODUCTION:

The development of the Ash Peak mines is confined to that done by Nevada Consolidated, as covered in the history above. The only exception to this statement is a connection between the Shamrock and the Commerce on the 500- and 600-foot levels. Production from the Ash Peak properties is approximately 480,000 tons, 50,000 tons of which came from the Hardy shaft. The production from the Hardy shaft is not as exact as the production from the Commerce and Sham-

rock shafts, as this production was from unpatented claims made by various lessees over the entire life of the property. The 430,471 tons produced from the Ash Peak properties has averaged .035 ounces per ton of gold and 9,3 ounces per ton of silver. At current values of $35 per ounce for gold, and $2.00 per ounce for silver, this ore would gross a value at the mine of $19.82 per ton. Past production from the Hardy mine appears to have averaged approximately .10 ounces of gold, and 25 ounces of silver per ton. This higher apparent ore grade at the Hardy is explained by the fact that the Hardy property has always been operated by leasers who sustained themselves on small high-grade production. Considerable lower-grade tonnage is reported to have been left in the Hardy workings.

+ Si credit $3.00 ±

POTENTIAL RESERVES:

At the present time there are no true reserves on the Ash Peak property. Some proven and probable ore is shown on the maps of the Inspiration Copper Co. This ore remains intact, but is inaccessible because of the condition of the mine workings.

Various estimates appear to have been made by engineers and geologists of the possible reserves or potential reserves of the property. Some of these estimates have been rather detailed, but are based on nothing more exact than

geological inference. The writer prefers to make an overall estimate of the possible reserves, based upon the following:

A. Exclude the Hardy Mine, because the information on this area is lacking, or at the best, very inexact.

B. Assume the mineralized area to be only within the limits of mining and exploration conducted to date (4,000 feet in length).

C. Assume the same rate of ore occurrence within the probable mineralized area (B) as demonstrated in the Shamrock and Commerce workings. (60%)

E. Assume the ore width to be 6 feet in the main vein. This is actually two feet less than the average mined to date.

F. Assume the Hangingwall Vein to exist only in the immediate area of the Shamrock workings and to be 1,100 feet long as indicated by the reported drilling, and extending from the 500 level to the 1,000-foot level and averaging 10 feet thick.

G. Assume the vein material averages12 cubic feet per ton.

Using these assumptions, the main vein: 4,000 foot length, 1,400 foot depth, 6 foot width, and 60% mineralized; divided by 12 cubic feet per ton, or 1,800,000 tons. From this deduct the ore mined to date, or 450,000 tons, leaving 1,350,000 tons; plus possible ore in the Hangingwall Vein 1,100 feet in length, times 500 feet in depth,

times 10 feet wide, divided by 12 cubic feet per ton; or 458,300 tons, giving a possible total ore reserve of 1,808,300 tons. This type of estimate has no basis in fact, and is inferred only from the geological occurrence and the rate of mining in the old workings. It must be recognized that to this potential can be added a potential for the Hardy Mine and for a greater depth than 1,400 feet at the Shamrock and Commerce shafts, since it is reported that the vein at 1,400 feet was 18 feet thick and contained 18 ounces per ton. Further, one might assume, by geologic inference, the greatest potential reserve at the limestone contact.

RECOMMENDATIONS:

Reports from the Minerals Resources Division of Arizona indicates that the workings are dry to their present maximum depth, that is, 975 feet. Further reports indicate that no water was encountered in drilling below the 975 level. Examination of the Commerce and Shamrock shafts show them to be open, but in need of retimbering. All of the old stopes appear to be caved and the workings of the Shamrock are inaccessible. The drifts and workings in the Shamrock below the limits worked by Inspiration Copper may be in good condition and open. Credence must be given to the maps of Inspiration Copper Co., and from these maps it appears that there is substantial ore to be mined on the

975-foot level of the Shamrock shaft. It also appears there is ore to be mined from the 600-, 700-, and 800-foot levels of the Shamrock shaft. A small reserve is indicated in the Commerce workings.

The following work should be instituted:

1. The vein outcrop should be sampled and short diamond drill holes cored to determine if any ore can be developed and mined by open pit methods to a depth of approximately fifty feet along the vein.

2. Retimber the Shamrock and Commerce shafts.
   a. Sample all open workings for an immediate reserve.
   b. Sink Shamrock 500 feet to 1,400-foot level, drift easterly to Commerce claim.
   c. Raise to connect Commerce shaft to 1,400 level of Shamrock.

3. Explore Last Chance Claims (Hardy Mine) by trenching and surface diamond drill holes.

Submitted by,

Elbert E. Lewis, P.E.

EXHIBIT A

Production by Inspiration Copper Co.

Report by Clifton F. Smith

FORM 12 A K. P. S.

INSPIRATION CONSOLIDATED COPPER COMPANY

SMELTING DEPARTMENT

ASSAY CERTIFICATE

Inspiration, Arizona

Name A.P. Shipments from Commerce, Annual Average.

MINE

Class ..... Lot ..... Date ..... 19.....

Yr. Smelter Lot TON Dry	Per Ton of 2000 Lbs. Oz. Silver	Oz. Gold	Per Cent Copper	Per Cent Insoluble	Per Cent Si O_2	Per Cent Al_2 O_3	Per Cent Fe	Per Cent CaO	Per Cent S	Per Cent
1941-6491	9.54	0.030			85.0	2.1	2.2	3.7		
1942-19040	7.83	0.035			83.5	2.2	2.5	3.8		
1943-18320	7.34	0.035			84.3	2.0	2.2	4.1		
1944-8053	6.43	0.029			82.5	1.9	2.3	5.2		
1945-6573	8.97	0.036			84.3	1.9	2.1	4.8		
1946-8571	5.75	0.026			81.0	1.5	2.1	6.8		
1947-7120	8.18	0.037			84.3	1.7	2.3	4.5		
1948-1193 75,361	6.18	0.030	7.57 oz/T		82.7	1.8	2.7	5.1		

Chief Chemist

FORM 12 A K. P. S.

INSPIRATION CONSOLIDATED COPPER COMPANY

SMELTING DEPARTMENT

ASSAY CERTIFICATE

Inspiration, Arizona

Name A.P. Shipments from Shamrock - Annual Average.
MINE

Class ..... Lot ..... Date ..... 19.....

Smelter Lot Yr. Tons Dry	Per Ton of 2000 Lbs. Oz. Silver	Per Ton of 2000 Lbs. Oz. Gold	Per Cent Copper	Per Cent Insoluble	Per Cent SiO_2	Per Cent Al_2O_3	Per Cent Fe	Per Cent CaO	Per Cent S	Per Cent
1947- 1185	10.98	0.036			84.1	1.5	2.1	4.9		
1948- 9615	11.60	0.042			80.4	1.8	2.3	6.6		
1948- 443	3.20	0.024	Dump.		72.8	4.1	3.5	5.6	Dump.	
1949-17624	8.96	0.037			81.4	2.4	2.5	5.2		
1950-19,899	9.42	0.036			82.2	0.9	2.2	6.7		
1951-19,320	10.02	0.036			83.0	0.7	2.1	6.6		

Chief Chemist

FORM 12 A K. P. S.

INSPIRATION CONSOLIDATED COPPER COMPANY

SMELTING DEPARTMENT

ASSAY CERTIFICATE

Inspiration, Arizona

Name A.P. Shipments from Shamrock - Annual Average Cont.
MINE

Class ..... Lot ..... Date ..... 19.....

Smelter Lot Yr. Tons Dry	Per Ton of 2000 Lbs. Oz. Silver	Per Ton of 2000 Lbs. Oz. Gold	Per Cent Copper	Per Cent Insoluble	Per Cent SiO_2	Per Cent Al_2O_3	Per Cent Fe	Per Cent CaO	Per Cent S	Per Cent
1952-13539	10.05	0.037			81.1	1.6	2.6	4.4		
1953- 17084	9.79	0.037			75.5	3.8	3.0	4.8		
" - 275	3.23	0.010	Mill Tailings		85.0	1.0	1.2	4.6		
1954-6556	7.64	0.029			73.8	2.9	2.9	6.4		
Tot.										

Tot. 181,828 Dry 99822T 6.88 m/T

180,901

Chief Chemist

EXHIBIT B

Assays Surface Samples

Station 0+00 Commerce Shaft

Station 19+75 Shamrock Shaft

[illegible]IE [illegible]OWN LABORATO[illegible]

2263 Broadway
GRAND JUNCTION, COLORADO · 81501

ANALYTICAL DEPARTMENT

Phone 242-4589

CERTIFICATE OF ANALYSIS

TO

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado

Date 4-12-68
Order No. 18970-S

Material: Ore Samples
Received: 4-11-68
For: Gold & Silver Assays

Lab. No.	Your No.	Description	Ounces Per Ton Gold	Ounces Per Ton Silver	%Cu	%Pb	%Zn
18970-1	12-00	0.5 - 8.5	0.005	2.04			
18970-2	12-25	0.0--8.5	Trace	0.68			
18970-3	12-50	0.0 - 8.4	Nil	0.24			
18970-4	12-75	0.0 - 8.2	Nil	0.12			
18970-5	13-00	0.0 -8.3	Trace	0.28			
18970-6	13-25	5.9 - 8.3	Trace	0.18			
18970-7	13-50	0.0-- 8.3	Trace	0.72			
18970-8	13-75	0.0 - 3.0	Trace	1.32			
18970-9	14-00	0.0 - 8.3	Trace	0.50			
18970-10	14-25	0.0 - 8.3	Trace	0.50			
18970-11	14-50	0.0 - 5.5	Trace	0.22			
18970-12	14-75	0.0 - 8.5	Nil	0.44			
18970-13	15-00$_1$	0.0 - 3.0	Trace	0.54			
18970-14	15-00$_2$	3.0 - 7.4 Deep	Trace	0.42			
18970-15	15-25	8.4 Deep	Trace	0.42			
18970-16	15-50	7.7 "	Trace	0.58			
18970-17	15-75	8.4 "	Nil	0.28			
18970-18	16-00	6.5 "	Trace	1.34			
18970-19	16-31	10.0 " -5°	Trace	0.58			
18970-20	16-25	3.5 "	Trace	0.68			
18970-21	16-50$_1$	4.8 " -4°	Nil	0.96			
18970-22	16-50$_2$	10.0 " +8°	-0.005	0.88			
18970-23	16-75	8.5 "	-0.005	1.56			
18970-24	17-05	8.5 "	0.005	1.84			
18970-25	17-25	6.0 "	Trace	0.68			
18970-26	17-50	7.0 "	-0.005	0.44			
18970-27	17-75	3.0 - 8.2	Trace	0.50			

Composite SiO_2 = 78.8%

H. D. Brown
Analyst

THE BROWN LABORATORY
2263 Broadway
GRAND JUNCTION, COLORADO 81501

ANALYTICAL DEPARTMENT

Phone 242-4589

CERTIFICATE OF ANALYSIS

TO

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Date 4-27-68
Order No. 18983-S

Material: Ore Samples
Received: 4-25-68
For: Analysis

Lab. No.	Your No.	Description	Ounces Per Ton Gold	Ounces Per Ton Silver	%Cu	%Pb	%Zn
18983-1	4-25	0'-9' -4' OG	-0.005	1.58			
18983-2	4-50₁	0'-3' -2' OG	-0.005	2.64	2.44 oz		
18983-3	4-50₂	0'-9' -2' OG	-0.005	2.46			
18983-4	4-70	0'-3' -2' OG	-0.005	3.08			
18983-5	5-00	0'-8' XXXXXX	Trace	0.84			
18983-6	5-25	0'-8.3' -6' OG Vein	-0.005	1.12			
18983-7	5-50	0'-8' -6' OG Vein	-0.005	2.22			
18983-8	5-75	0'-9.4' -8' OG Vein	-0.005	1.58			
18983-9	6-00	0'-10.3 -8' OG	-0.005	2.08			
18983-10	6-25	0'-4.5' Hng. Wall Vein	-0.005	0.10			
18983-11	6-25	2.3'-12.3' -8' OG	-0.005	0.98			
18983-12	6-50	0.5'-12.3' -8' OG	-0.005	1.32			
18983-13	6-75	0'-8.3' -9' OG	-0.005	1.68			
18983-14	6-75	8.3'-12.3' Thin Qtz Lens	Trace	0.30			
18983-15	6-85	0'-8.9' -8' OG	Trace	2.72			
18983-16	7-30	0.5'-12.3' -5' OG	-0.005	2.76	2.52 oz		
18983-17	7-50	1.0-12.3' -5' OG	-0.005	2.68			
18983-18	7-75	0.5'-12.3' -7' OG	0.005	5.40			
18983-19	8-00	0'-12.3' -8' OG	-0.005	1.88			
18983-20	8-25	0'-12.3' -12' OG	-0.005	2.20			
18983-21	8-50	0'-12.3' -10' OG	-0.005	2.08			
18983-22	8-75	0'-12.3' -10' OG	Trace	1.26			
18983-23	9-00	0'-12.3' -7' OG	Trace	1.32			
18983-24	9-25	0'-12.3' -8' OG	Trace	0.42			
18983-25	9-50	0'-12.3' -8' OG	Trace	0.42			
18983-26	9-75	0'-12.3' -8' OG	Trace	0.26			

Analyst

THE BROWN LABORATORY
2263 Broadway
GRAND JUNCTION, COLORADO 81501

ANALYTICAL DEPARTMENT

Phone 242-4589

CERTIFICATE OF ANALYSIS

TO

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colo. 81501

Date 4-27-68
Order No. 18983-S

Material: Ore Samples
Received: 4-25-68
For: Analysis

Lab. No.	Your No.	Description		Ounces Per Ton Gold	Ounces Per Ton Silver	%Cu	%Pb	%Zn
18983-27	10-00	0'-12.3'	-10 OG	-Nil05	0.46			
18983-28	10-25	0'-12.4	-7' OG	Nil	0.28			
18983-29	10-50	0'-12.3'	-9' OG	Nil	0.20			
18983-30	10-75	0'-7'	-10 OG	Trace	0.44			
18983-31	10-75	7'-12.3'	Not Bottomed	Nil	Trace			
18983-32	11-00	0'-7.2'	-6' OG	Trace	1.32	thru 12+00 1.68oz		
18983-33	11-25	0'-5.5'	-6' OG	-0.005	1.48			
18983-34	11-50	0'-9.5'	-8' OG	-0.005	2.04			
18983-35	11-75	0'-11.5'	-6' OG	-0.005	1.50			
18983-36	E2+12 ~~E2-25~~	0'-6.8'	OG - 4'	-0.005	9.38 ✓			
18983-37	E2-50	0'-5.2'	OG - 3'	-0.005	3.62			
18983-38	E2-75	0'-6.3'	OG - 3'	-0.005	4.08			
18983-39	E3-00	0'-4.2'	OG - 3.5'	-0.005	2.68	4.15oz		
18983-40	E_3-25	0'-8.6'	OG - 5'	-0.005	3.24			
18983-41	E3-50	0'-8.8'	OG - 5'	-0.005	3.30			
18983-42	E3-75	0'-8.2'	OG - 5'	-0.005	4.78			
18983-43	E4-00	0'-10'	OG - 5'	-0.005	3.80			
18983-44	E_4-25	0'-11.3'	OG - 4'	-0.005	2.47			
18983-45	E4-50	3.0'-11.3'	OG - 5'(8.3)	-0.005	2.30			
18983-46	E4-75	0'-9'	OG - 4.5'	~~Trace~~ 5	1.00			
18983-47	E5-00	0'-11.3'	OG - 2.5'	Trace	1.30			

H. D. Bro
Analyst

E BROWN LABORATO
2263 Broadway
GRAND JUNCTION, COLORADO 81501

ANALYTICAL DEPARTMENT

Phone 242-4589

CERTIFICATE OF ANALYSIS

TO

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Date 5-6-68
Order No. 18997-S

Material: Ore Samples
Received: 5-6-68
For: Gold And Silver Assays

Lab. No.	Your No.	Description	Ounces Per Ton Gold	Ounces Per Ton Silver	%Cu	%Pb	%Zn
18997-1	1-80E	0' - 8.6'	-0.005	4.41			
18997-2	4-80E	0' - 6.2'	Trace	1.26			
18997-3	5-07E	0' - 8'	-0.005	6.36	✓		
18997-4	5-25E	0' - 9'	-0.005	3.08			
18997-5	5-50E	0' - 9.5'	-0.005	2.20			
18997-6	5-75E	0' - 8.4'	-0.005	3.08			

Analyst

EXPLORATION AGREEMENT, MINING SUBLEASE AND OPTION

THIS AGREEMENT Made and entered into as of the 29th day of Jan, 1968, by and between ROBERT H. SAYRE, JR., A. GEORGE SETTER and GEORGE E. MOREHOUSE, hereinafter called "Sublessors", and E. E. LEWIS, INC., a Colorado corporation, hereinafter called "Lewis";

WITNESSETH:

Sublessors, by that certain Exploration Agreement, Mining Lease and Option entered into on the 2nd day of May, 1966, and amendment thereto dated May 22, 1967, copies ~~a copy of~~ which ~~is~~ are attached hereto as Exhibit "A" and hereinafter referred to as the "Basic Agreement", leased (with the right to explore and option to purchase) from Arizona Title Insurance and Trust Company (Arizona Title), an Arizona corporation, as trustee, the following described patented lode mining claims and patented millsite claims (hereinafter sometimes called the "mining property") situate in Greenlee County, Arizona, more particularly described as follows:

Great Eastern (lode claim)
Commerce (lode claim)
Fraction (lode claim)
Summit (lode claim)
Homestead (lode claim)
Commerce (mill-site)
Summit (mill-site)

United States Patent No. 783751, which is recorded in the Office of the County Recorder of Greenlee County, Arizona, in Book 1 of Patents at pages 277 to 281.

It is the desire of Lewis to enter into an agreement whereby Lewis will be given the right to explore said patented lode mining claims, to sub-lease from the Sub-lessors said mining properties and to obtain an option to purchase said mining properties, and Sublessors are willing to enter into such an agreement upon the following terms and conditions:

ACCORDINGLY, FOR AND IN CONSIDERATION of Ten Dollars and other valuable consideration paid by Lewis to Sublessors and in consideration of these premises and the mutual covenants and agreements to be kept and performed by the parties hereto, it is agreed:

1. That this agreement is specifically conditioned upon and subject to obtaining the consent and approval of Arizona Title.

2. The term of this agreement shall be the same as provided in the Basic Agreement and includes both the initial mining lease term and option to extend mining lease term as set forth in Paragraphs 3(b) and (c) thereof. Sublessors hereby appoint Lewis as their agent and attorney in fact for the purpose of giving notice to Arizona Title for the purpose of extending the term of the Basic Agreement as contemplated by Paragraph 3(c) thereof should Lewis desire to extend the initial mining lease term. Lewis agrees to furnish Sublessors with a copy of any such notice.

3. Sublessors and Arizona Title represent and warrant that said Basic Agreement is in full force and effect and that all payments, conditions, covenants and agreements to be made and performed by Sublessors with respect thereto have been made and performed or waived and that no notice, either written or oral, has been received from Arizona Title or from any of its agents or representatives setting forth any alleged default or failure to perform any of the covenants, conditions or requirements of said Basic Agreement.

4. Lewis, except as otherwise provided in or modified by this agreement, in Paragraphs 7 c, d and e, 8, 10, 11, 13, 15, 16, 18, 19 and 21, hereby agrees to observe and comply with each and all

of the covenants and agreements required to be kept and performed by Sublessors as provided in the Basic Agreement, subject to Lewis' right to terminate and surrender this agreement as hereinafter provided in Paragraph 15.

5. Lewis shall have the right to immediately enter upon said mining properties and shall have the right until and including May 1, 1968, to examine the mining properties by sampling, drilling, drifting or otherwise for the purpose of determining whether or not Lewis desires to retain possession of the properties thereafter under the terms of this agreement. If Lewis does not desire to continue this agreement after May 1, 1968, it will advise Sublessors and Arizona Title in writing on or before said date and will furnish Sublessors the information required by Paragraph 2 of the Basic Agreement, in which event this agreement and the obligations of both parties will terminate.

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6. Lewis agrees to expend not less than Five Thousand Dollars ($5,000.00) on or before May 1, 1968 for exploration and development on the mining properties. In addition but subject to the proviso set forth immediately below, Lewis agrees to expend not less than Thirty Thousand Dollars ($30,000.00), including said Five Thousand Dollars ($5,000.00) for exploration and development on or before May 1, 1969.

> PROVISO: In the event Lewis continues this agreement after May 1, 1968, it shall have the right, after expending said Five Thousand Dollars ($5,000.00) on or before May 1, 1968, to surrender this agreement at anytime by giving written notice thereof to Sublessors with a copy of said notice to Arizona Title. In the event Lewis so elects to terminate said agreement it is understood that Lewis shall nevertheless be obligated to have spent an average of at least Two Thousand Five Hundred Dollars ($2,500.00) per month commencing March 1, 1968, to the date of termination

in exploration and development upon said property. In the event Lewis shall not have expended such amount to the date of termination it agrees to pay the difference to Sublessors in cash. For example: Lewis gives notice on September 1 of its intention to terminate the agreement. Up to the time of giving notice Lewis has spent Eight Thousand Dollars ($8,000.00) in exploration and development upon the property. Lewis would be obligated to pay Sublessors Seven Thousand Dollars ($7,000.00) upon surrender of the property on September 1 computed as follows: 6 (number of months -- March through August) times $2500.00 equals $15,000.00. $15,000.00 minus $8,000.00 equals $7,000.00.

7. Royalties.

a. Minimum advance royalties. Lewis paid Sublessors One Thousand Dollars ($1,000.00) as an advance royalty payment upon the execution of this agreement, the receipt whereof is hereby acknowledged by Sublessors. Lewis agrees to pay Sublessors on or before the first day of each month commencing with the month of May, 1968, a minimum advance royalty as follows:

Amount per month	During the period
$500.00	May, 1968 through and including April, 1971
1,500.00	May, 1971 through and including April, 1976
2,000.00	May, 1976 through and including April, 1981
2,500.00	May, 1981 through and including April, 1986

provided that Lewis shall not be required to pay such minimum advance royalty so long as the cumulative total royalty payments (production and minimum) from the mining properties received by Sublessors (for the purposes hereof all production royalty payments paid

directly to Arizona Title shall be deemed to be production royalty payments to Sublessors) equals or exceeds the total cumulative amount of minimum advance royalties payable under the terms of this agreement to the date of making any such computation. In any month that the total cumulative royalties (minimum and production) is less than the total cumulative amount of minimum advance royalties payable under the terms of this agreement to such month, then Lewis shall pay Sublessors the difference between the amount of royalties which have been paid and the total cumulative amount of minimum advance royalties called for by this agreement. Notwithstanding the above it is understood that in the event Lewis stops or suspends production that any accumulated credit against future monthly minimum advance royalty payments shall not exceed a total of thirty six (36) months (with respect to each period that production is suspended) following the date production is suspended.

b. It is understood and agreed that Lewis ~~Sublessors~~ shall pay directly to Arizona Title the minimum annual royalties required to be paid under Paragraph 4(b)(2) of the Basic Agreement, and to deduct such amount from minimum royalties due Sub-lessors under this agreement. ~~It is agreed that Lewis, at Its option, shall have the right to pay for Sublessors such minimum royalties in the event of default of payment by Sublessors. In case of any such payment Lewis shall have the right to retain any royalties (minimum~~

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~~advance or production) which become due Sublessors hereunder and to repay itself therefrom, and the retention by Lewis shall have the same effect as if paid Sublessors.~~

c. Production royalties. Lewis shall pay or cause to be paid to Arizona Title an amount equal to 5% (after deducting any applicable credit on account of previously paid minimum royalties as contemplated by Paragraph 4(b)(2) of the Basic Agreement, the amount of which credit shall be remitted to Sublessors and Lewis is hereby authorized to deduct and remit such credit in accordance herewith) and to Sublessors an amount equal to 5% of the net returns received by Lewis (from all minerals or ores mined and sold from the mining properties by Lewis). "Net returns" is defined as all moneys received from any smelter, mint, treatment agency or other purchaser of such minerals or ores after all deductions, if any, made by the purchaser for sampling, assaying, penalties and otherwise and less the actual transportation costs incurred by Lewis from the mine to such smelter, mint, treatment agency or other purchaser.

d. Production royalties payable hereunder shall be payable on or before the 15th day of the month next succeeding the calendar month during which Lewis receives payment for ores or minerals previously shipped and sold. Reports showing the basis for such payments shall be mailed with the payments. Royalties payable to Arizona Title shall be mailed to its address as set forth in the Basic

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Agreement. Sublessors hereby direct that all royalties payable to Sublessors shall be paid to the following persons at the addresses set forth:

Name and address	Percent of total royalty payable to Sublessors as a whole
Robert H. Sayre, Jr. 230 27 Road Grand Junction, Colorado 81501	10%
A. George Setter 1128 Gunnison Avenue Grand Junction, Colorado 81501	45%
Chapman & Morehouse Mining Co. 121 N. 8th Street Grand Junction, Colorado 81501	45%

e. Payment or tender by Lewis to Arizona Title of its royalty and to Sublessors of any royalty payable to them shall constitute and shall be payment in full to Arizona Title and Sublessors and to holders of any interest therein of each such amount. Lewis shall not have any obligation whatsoever of distribution of any amounts paid to Arizona Title or to Sublessors or to persons, if any, entitled thereto.

8. If Arizona Title or Sublessors own an interest in the above described mining properties, less than the entire and undivided interest therein, then, whether or not such lesser interest is referred to or described herein Lewis may pay to Arizona Title or to Sublessors only that part due and payable hereunder which Arizona Title's interest or Sublessors' interest, as the case may be, bears to the entire and undivided interest in the mining properties or lease involved. Upon such payment Lewis shall not have any further obligation to Arizona Title or to Sublessors or to any person or persons claiming by, through or against Arizona Title or the Sub-

lessors.

9. In the event Lewis stakes any mining claims contiguous to the above described mining claims and produces therefrom it is agreed that Lewis will pay Sublessors a royalty with respect to minerals or ores produced therefrom of 5% of the net returns as hereinabove provided.

10. Option to purchase. Subject to Lewis' compliance with the terms and conditions of this agreement, Sublessors hereby give and grant Lewis the exclusive right and option during the initial or extended term of this agreement, but not thereafter, to purchase said mining properties for a total purchase price of Three Hundred Thousand Dollars ($300,000.00); less the following credits against said amount: (a) Total sum paid by Lewis and Sublessors to Arizona Title under all royalty provisions of this agreement or the Basic Agreement; and (b) any other cash money paid as consideration for the Basic Agreement, but excluding any amounts paid by Lewis or Sublessors for taxes as hereinafter provided.

11. Exercise of option to purchase. Lewis may exercise its option to purchase the aforesaid mining properties by giving Sublessors and Arizona Title written notice of its intention so to do and by tendering to Arizona Title the difference between said Three Hundred Thousand Dollars ($300,000.00) and any amounts theretofore credited against the purchase price and paid to Arizona Title as provided in Paragraph 10 above.

Upon exercise of the option by tender of the purchase price to Arizona Title, Sublessors hereby consent to Arizona Title's delivering to Lewis its good and sufficient warranty deed conveying

good merchantable title to the above described mining properties to Lewis free and clear of any liens, encumbrances or reservations against the same. It is understood by the parties hereto and by Arizona Title that the deed from Arizona Title to Lewis shall be for the entire interest in said mining properties, including both the surface and mineral rights and said Basic Agreement is hereby deemed to be amended in this respect upon Arizona Title's consenting to this agreement.

12. In the event Lewis exercises its option to purchase said mining properties it agrees that it will immediately after receipt of the deed thereto from Arizona Title convey to Sublessors by a recordable royalty deed a perpetual 5% royalty interest. Said royalty deed shall entitle Sublessors the right to receive 5% of the net returns, as hereinabove defined, with respect to minerals and ores produced and sold from the above described patented lode mining claims.

~~13.--In the event Lewis should desire to finance a portion of its exploratory activities by means of an OME or other government loan then Sublessors and Arizona Title agree to execute such consent to lien and other instruments as may be required of Arizona Title as the claim owner and by Sublessors because of their interest in the mining properties under the Basic Agreement, in order to obtain such loan; insofar as the same shall not obligate Arizona Title or Sublessors to the performance of any such OME or other contract which might be obtained.--It is understood and agreed that repayment of any such loan shall be made from Lewis' share of net returns as else-~~

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~~where herein set forth and shall not decrease or diminish the royalties payable to Arizona Title and Sublessors herein.~~

14. In the event that Lewis is unable in whole or in part by force majeure, as that term is hereinafter defined, to carry out its obligations under this agreement or to carry on mining operations upon said claims, other than to make production royalty payments due hereunder, or in the event ores from the claims cannot be profitably mined and marketed at the then market price, it is agreed that upon Lewis giving Sublessors full particulars with respect thereto in writing as soon as possible of the occurrence of the cause relied on, Lewis' obligations so far as they are affected by such force majeure or lack of a profitable market shall be suspended during the continuance of any such inability so caused but for no longer period, and such cause shall so far as possible be remedied with reasonable dispatch. It is agreed that during any period of force majeure that the minimum advance royalties to be paid to Sublessors as hereinabove provided in Paragraph 7 a. shall be reduced by one-half, but the minimum royalties to Arizona Title shall not be reduced.

The term "force majeure" as used hereinabove means acts of God or nature, accident, strike, lockout, operation of law, insurrection or mob violence, war or national emergency, governmental regulation or requirement, weather conditions or any other matter which cannot be overcome by means normally employed in performance, and so often as the same shall occur, or which would render performance abnormally expensive or difficult including the unavailability of labor or materials in the open market or any cause whether similar or dissimilar beyond Lewis' reasonable control, whether herein

enumerated or otherwise, provided that the term "force majeure" shall not include the financial inability of Lewis to perform its obligations hereunder.

15. Notwithstanding any other provision contained in this agreement, it is understood and agreed that Lewis shall have the right to terminate this agreement at any time and surrender and abandon its rights hereunder, by giving Sublessors, with a copy to Arizona Title, thirty (30) days written notice of its intention so to do and such surrender shall terminate all obligations except for the payment of minimum and production royalties which have accrued as of the effective date of such surrender and Sublessors and Arizona Title shall be entitled to retain all moneys theretofore paid to them. At the request of Sublessors or Arizona Title, Lewis agrees to quit claim to Sublessors all of its right, title and interest in and to the subject claim. Upon termination of this agreement for any reason, the basic agreement in its original, unamended form, shall govern as between Sub-lessors herein and Arizona Title. EEL ags

16. In the event this agreement is terminated for any reason Lewis shall have a six month period within which to remove all buildings, equipment, machinery, fixtures and personal property from said claims paid for and installed by it, provided that all payments referred to in Paragraph 15, above, have been paid. EEL ags

17. Upon violation of any of the covenants herein contained, and upon the part of Lewis to be kept, paid and performed, said Sublessors, may at their option and upon written notice to Lewis, specifying a specific violation or violations complained of, and giving notice of its intention so to do, cancel, and annul this agreement unless Lewis shall, within sixty (60) days after receipt of such

written notice, cease such violation and pay to said Sublessors all moneys then due under this agreement, and otherwise remedy the matter or matters in which Lewis is in default. If the default so specified be not remedied by Lewis within sixty (60) days, this agreement shall terminate absolutely. All moneys and royalties heretofore paid shall be kept by Sublessors and Arizona Title and Lewis shall have no claim thereto.

18. ~~It is understood and agreed that any notice alleging a default by the Sublessors to pay the minimum royalty required to be paid by the terms of the Basic Agreement shall be given as provided in Paragraphs 20 and 22 of the Basic Agreement, but in order to be effective a copy of Notice of Default shall also be given to Lewis as provided in Paragraph 19 below.~~ It is understood and agreed that if Arizona Title asserts any default including the ~~other than~~ failure of Lewis to pay minimum royalty, then termination for such default, and notice thereof, shall be subject to the provisions of, and shall be given as provided in, Paragraphs 17 and 19 of this agreement, with copies of such notice given to both Sublessors and Lewis.

EJL ags

19. Except as otherwise specifically provided elsewhere herein, any notice or payment contemplated herein shall have been timely given or paid if deposited in the United States Mail, postage prepaid, registered or certified, and addressed, if intended for Sublessors, to:

Robert H. Sayre, Jr.
230 27 Road
Grand Junction, Colorado 81501

A. George Setter
1128 Gunnison Avenue
Grand Junction, Colorado 81501

George E. Morehouse
121 N. 8th Street
Grand Junction, Colorado 81501

or, if intended for Lewis, to:

E. E. Lewis, Inc.
P.O. Box 1481
Grand Junction, Colorado 81501

or, if intended for Arizona Title, to:

Arizona Title Insurance & Trust Company
111 West Monroe
Phoenix, Arizona

Service of notice or payment by mail shall be determined effective and complete upon the date of posting and mailing in accordance herewith. It is understood and agreed that personal service upon any party shall be deemed sufficient service of notice and no mailing of notice or tender in the case of personal service shall be necessary.

20. It is agreed that Lewis shall pay 90% and Sublessors 10% of all Federal, State and local taxes, including but not by way of limitation all occupation, production, real property taxes or ad valorem taxes based upon production by Lewis pertaining to said property not paid by Arizona Title. In this regard it is contemplated under the terms of Paragraph 14(b) of the Basic Agreement that Arizona Title will pay all real estate taxes and special assessments levied or assessed against the mining property up to the amount of such taxes and assessments as made for the tax year 1966 and that all increases with respect to such taxes will be paid by Lewis and Sublessors at the rate of 90% and 10% respectively. Notwithstanding the foregoing provision it is understood that in the event Lewis exercises

its option to purchase the mining properties Lewis will then pay 95% and Sublessors 5% of all Federal, State and local taxes including, but not by way of limitation, all occupation, production, real property taxes, except the portion thereof assessed against the surface of said property and the improvements thereon, or ad valorem taxes based upon production by Lewis pertaining to said property. Lewis agrees to pay all taxes levied against equipment, machinery, supplies, buildings and installations and any and all other personal property or fixtures placed upon and used in connection with the mining of the mining properties by Lewis.

21. Lewis, at its option, shall have the right to redeem for Arizona Title or Sublessors, by payment, any mortgage, taxes (including those payable under Paragraph 20 above) or other liens on the above described mining properties in the event of default in payment by Arizona Title or Sublessors, and be subrogated to the rights of the holder thereof. In case of payment of any such mortgage, taxes or other liens by Lewis, in addition to the right of subordination herein granted, Lewis shall have the right to retain any royalties (minimum advance or production) which become due to the person or entity who is in default in the payment of the obligation giving Lewis the right of redemption hereunder and to repay itself therefrom and the retention of such royalties by Lewis shall have the same effect as if paid to the person or entity in whose behalf the payment of any mortgage, taxes or other liens were made.

22. This lease contains the entire agreement express or implied of the parties hereto, and the parties agree that no promises or representations have been made by either of them as to the amount

of ore or the value thereof on the demised premises or any other promises or representations of any nature to the other which are not set forth herein and which shall be binding upon them.

23. It is understood and agreed that no change, alteration, or modification of this lease or any of the covenants and agreements herein contained shall be effective unless made in writing and signed by the parties hereto., and consent obtained in writing from Arizona Title.

24. Lewis agrees to indemnify and save Sublessors and Arizona Title harmless of and from all claims and demands of whatsoever nature arising from Lewis' operations hereunder, or with respect to the Sub-lessors, from all such claims arising on account of Lewis' failure to perform in accordance with the terms and provisions of the Basic Agreement, as herein amended. Lewis agrees to secure and maintain a blanket public liability and property damage insurance policy with limits of liability acceptable to Sublessors., but not less than required by the Basic Agreement.

25. Each of the covenants herein contained shall inure to and be binding upon the successors, assigns and legal representatives of the parties hereto.

WITNESS their signatures.

Robert H. Sayre, Jr.

Robert H. Sayre, Jr.

A. George Setter

A. George Setter

George E. Morehouse

George E. Morehouse

E. E. LEWIS, INC.

By Albert E. Lewis
President

ATTEST:

Alan M. Simpson
Secretary

STATE OF COLORADO,)
) ss.
COUNTY OF M E S A.)

On this the 29th day of January, 1968, before me, the undersigned officer, personally appeared Robert H. Sayre, Jr., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

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

Virginia Hansen
Notary Public

My commission expires: May 24, 1971.

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this the 31 day of January, 1968, before me, the undersigned officer, personally appeared A. George Setter, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

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

Janice Tompkins
Notary Public

My commission expires:
August 24, 1968.

STATE OF COLORADO,)
) ss.
COUNTY OF M E S A.)

On this the 29th day of January, 1968, before me, the undersigned officer, personally appeared George E. Morehouse, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

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

Virginia Hansen
Notary Public

My commission expires: May 24, 1971.

STATE OF COLORADO,)
) ss.
COUNTY OF M E S A.)

On this the 29th day of January, 1968, before me, the undersigned officer, personally appeared Elbert E. Lewis, who acknowledged himself to be the President of E. E. LEWIS, INC., a corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation, by himself as such officer.

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

Virginia Hansen
Notary Public

My commission expires: May 24, 1971.

LRC:jt 2/1/68 1+1+5x

TRUSTEE'S CONSENT AND APPROVAL

The undersigned has read the above and foregoing Exploration Agreement, Mining Sublease, and Option (herein referred to as the "Agreement,") and hereby specifically approves and consents to and agrees to be bound by the terms thereof, insofar as the same affect the rights or interests of the undersigned in the mining properties therein described, or any rents or royalties to be derived therefrom. The undersigned agrees to be bound by any provisions of the Agreement, during the term thereof, which have the effect of modifying or amending any of the provisions of Exhibit "A" thereto, and specifically those paragraphs referred to in Paragraph 4 of the Agreement, it being the intention of the undersigned, as well as the parties to the Agreement, that the Agreement shall control in the event of a conflict with Exhibit "A" thereto.

So long as the Agreement remains in effect, the undersigned shall look to Lewis for the performance of the covenants running to the undersigned by the Agreement and also for the performance of all other of the Sub-lessor's covenants and agreements as set forth in Exhibit "A" as modified. Upon termination of the Agreement for any cause whatever, the same shall become null and void, except for any unliquidated claims that the undersigned may have against Lewis. At the time of any such termination, Exhibit "A," unmodified and in its entirety, shall again be the governing document between the undersigned and the original lessees as named in that document.

DATED this 1st day of FEBRUARY, 1968.

ARIZONA TITLE INSURANCE & TRUST CO.
as Trustee under Trust #3182

By Stanley D. Atkinson
thereunto duly authorized

ATTEST:

_____

STATE OF ARIZONA,)
) ss.
COUNTY OF MARICOPA.)

On this the 1st day of February, 1968, before me, the undersigned officer, personally appeared STANLEY MATHISEN, who acknowledged himself to be the Assistant Secretary of Arizona Title Insurance & Trust Co., a corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation, as Trustee, by himself as such officer.

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

Barbara Clayton
Notary Public

My commission expires:
7/30/71

LAW OFFICES
COOK, PRESTON & SARGEANT
SUITE 1963 - THE TOWNEHOUSE - 100 WEST CLARENDON
PHOENIX, ARIZONA 85013.

EXPLORATION AGREEMENT, MINING LEASE AND OPTION

DATED: May 2, 1966

BETWEEN

ARIZONA TITLE INSURANCE & TRUST COMPANY - LESSOR

AND

ROBERT H. SAYRE, JR., A. GEORGE SETTER

and GEORGE E. MOREHOUSE - LESSEES

EXHIBIT "A"

LAW OFFICES
COOK, PRESTON & SARGEANT
SUITE 1003 - THE TOWNEHOUSE - 100 WEST CLARENDON
PHOENIX, ARIZONA 85013

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LAW OFFICES
COOK, PRESTON & SARGEANT
SUITE 1963 - THE TOWNEHOUSE - 100 WEST CLARENDON
PHOENIX, ARIZONA 85013

EXPLORATION AGREEMENT, MINING LEASE AND OPTION

THIS AGREEMENT, made and entered into on the 2nd day of May, 1966, by and between ARIZONA TITLE INSURANCE & TRUST COMPANY, an Arizona corporation, as Trustee, hereinafter called "Lessor," and ROBERT H. SAYRE, JR., A. GEORGE SETTER, and GEORGE E. MOREHOUSE, hereinafter called "Lessees."

W I T N E S S E T H:

THAT for and in consideration of the mutual covenants and agreements hereinafter contained and other valuable consideration as hereinafter set forth, the parties hereto do promise and agree as follows:

1. Mining Property: The property subject to this Lease hereinafter called the "mining property," consists of certain patented lode mining claims and patented mill-site claims situate in Greenlee County, Arizona, more particularly described as follows:

Great Eastern (lode claim)
Commerce (lode claim)
Fraction (lode claim)
Summit (lode claim)
Homestead (lode claim)
Commerce (mill-site)
Summit (mill-site)

United States Patent No. 783751, which is recorded in the Office of the County Recorder of Greenlee County, Arizona, in Book 1 of Patents at pages 277 to 281.

2. Exploration by Lessees: Lessor agrees that Lessees shall have the right to enter upon the mining property of Lessor for the purpose of inspection, surveying, and conducting exploratory mining operations thereon to determine the mineral qualities and potentialities of the rocks, minerals and ores lying on or beneath the surface of said mining property, including the right to drill core holes upon said property, to obtain assay reports and geophysical data with respect to such minerals. During the exploratory period, as set forth below, Lessees shall provide to

Lessor, upon Lessor's written request, copies of all engineering, assay, or geological reports.

3. Term:

(a) Exploratory Operations. The term of this Agreement with respect to Lessees' exploratory operations shall be for a period of two (2) years from the date hereof. Lessees covenant to expend for exploratory operations on the mining property not less than $3,000 during the first year and not less than $5,000 during the second year.

(b) Initial Mining Lease Term. The initial term of this agreement with respect to the mining and sale of minerals or ore shall be five (5) years from the date hereof.

(c) Option to Extend Mining Lease Term. After the initial mining lease term, as set forth above, the Lessees shall have the option to extend this Lease on all the terms and conditions as herein set forth for three (3) successive terms of five (5) years each by giving written notice to the Lessor at least sixty (60) days prior to the expiration of the initial term and sixty (60) days prior to the expiration of each extended term, PROVIDED, HOWEVER, that the total lease term shall not exceed twenty (20) years from the date hereof.

4. Monetary Consideration:

(a) For the right to enter upon the mining property to conduct exploratory operations, Lessees agree to pay Lessor the sum of $2,000, of which $500 shall be paid on the signing hereof by Lessees and $1,500 one year from the date hereof.

(b) Lessees further agree to pay royalties to Lessor as follows:

(1) Actual Royalties:

Lessees shall pay Lessor an actual royalty on all minerals shipped or removed by Lessees from the mining property of five percent (5%) of the net returns received by Lessees from any smelter, mint, treatment agency or other

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purchaser to which such minerals or ores are sold by Lessees;

(2) Minimum Annual Royalties:

Lessees shall pay to Lessor a minimum annual royalty of $1,000 per year during the time this Lease remains in effect. The first such payment shall be made on the second anniversary of this Agreement, and subsequent payments shall be due and payable on the same day of each succeeding year during the initial or extended terms hereof. Any minimum royalties so paid by Lessees under this Lease shall apply toward and be a credit against the payment of any actual royalties due and payable for the following year.

5. Option to Purchase: If Lessees shall comply with all the terms and conditions of this Agreement, Lessor agrees that Lessees shall have the exclusive right and option during the initial or extended terms of this Agreement, but not thereafter, to purchase all mineral rights in and to the mining property at the purchase price of THREE HUNDRED THOUSAND ($300,000) DOLLARS; less the following credits against said amount:

(a) The total sum paid to Lessor under all royalty provisions as hereinabove set forth; and

(b) Any other cash money paid as consideration for this Lease, but not including amounts paid by Lessees for taxes under Paragraph 14.

6. Exercise of Purchase Option: Lessees shall exercise their option to purchase the aforesaid mineral rights by giving Lessor written notice of their intention so to do, and shall deposit at such time the purchase price in cash with the Escrow Department of the Arizona Title Insurance & Trust Company at Phoenix, Arizona.

Upon tender of the purchase price, Lessor agrees to promptly execute and deliver to said Escrow Department a good and sufficient Warranty Deed conveying good, merchantable title to the above described mineral rights, free and clear of any liens, encumbrances, or reservations against the same. It is understood

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and agreed by the parties hereto that the conveyance by Lessor to Lessees shall be of all mineral rights without restriction or reservation.

7. Depletion: If either party elects "percentage" depletion under Sections 612(a), (b), and 611(b)(1) of the Internal Revenue Code of 1954 (as amended), any such depletion deduction shall be apportioned between Lessor and Lessees on the ratio that the gross income to each party from mining operations bears to the total gross income from such operations.

8. Surface Rights and Duties: Lessees shall have the right to use all of the surface necessary for mining, and shall have the right to ingress and egress to and from said mining property over any adjacent mining property owned by Lessor. Lessees shall not unduly disturb the grass or forage on the mining property beyond that necessary for mining purposes and at all times shall guard and maintain pits or excavations so as not to unreasonably endanger persons or livestock.

9. Mining Operations: Lessees shall perform all mining operations in a good and workmanlike manner for the safety of the workmen and the preservation of said premises as a mine in a manner commensurate with good and economical mining practice.

10. Title to Equipment: It is mutually understood and agreed that the title to all mining machinery, equipment, fixtures and structures placed or erected on the mining property by Lessees shall remain the personal property of Lessees and shall be subject to removal at their will and pleasure during the continuance of this Lease and one-hundred and twenty (120) days thereafter, PROVIDED, HOWEVER, that no machinery, equipment, fixtures or structures shall be removed from the mining property by Lessees if they are in any manner indebted to Lessor under any obligation incurred under this Lease. Any such property not so removed within the time allowed shall become the property of Lessor.

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PHOENIX, ARIZONA 85013

11. Liability and Non-Responsibility: Lessees shall promptly pay all bills and expenses incurred by Lessees or those in privity with Lessees, and by such prompt payment said Lessees shall prevent the filing of any and all liens of miners, mechanics or materialmen, against said mining property; further, said Lessees shall record in the County Recorder's Office of Greenlee County, State of Arizona, Notices of Non-Responsibility (i.e., No-Lien Notices) and shall post such notices upon the property for the protection of Lessor.

In the event that Lessees fail to pay any such bills or expenses and/or to file and post said Notice of Non-Responsibility and any lien or liens are filed against said mining property, the said Lessees shall become indebted to the Lessor for the repayment of all sums so advanced or paid to clear said mining property from liens which may be filed as aforesaid, and the said Lessor may also at its election declare a default of this Lease.

Further, Lessees shall defend at their own expense every suit, claim or action arising out of their operation and shall hold Lessor harmless from any liability arising out of said operations.

Lessees shall include all the provisions of this Paragraph 11 in any sub-contract they negotiate as a result of this Lease.

Lessees shall be obligated to use the care and diligence customarily exercised by prudent miners engaged in mining of a similar nature in the same area.

This Lease does not constitute a partnership or joint venture between the Lessor and Lessees but is limited to the undertaking set forth herein.

12. Compliance with Law: Lessees shall operate and conduct their business and affairs under this Lease in such a manner that they will in all ways conform to the laws of the United States; of the State of Arizona; and of Greenlee County.

LAW OFFICES
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SUITE 1903 - THE TOWNEHOUSE - 100 WEST CLARENDON
PHOENIX, ARIZONA 85013

If any provision of this Lease is or becomes inconsistent with any law or regulation or order of any governmental authority, the latter shall control and this contract shall be regarded as modified accordingly. Lessees may depart from the terms of this Lease at any time when necessary to comply with any law or regulation or order of any governmental authority, but shall notify Lessor in writing of any such departure.

13. Insurance: Lessees shall obtain and keep in force during the life of this Lease adequate insurance under the Workman's Compensation Law or other acts of the State of Arizona, relating to the protection of employees against injury or death from accidents or the operation of said mining property. If the Lessees operate or cause to be operated any trucks or other motor vehicles, or other equipment in connection with said mining property and operation, Lessees shall, at their expense, during the term herein specified, procure and maintain in full force and effect a policy or policies of insurance in the amounts of not less than $300,000/500,000 insuring Lessor against loss or damage, or any claim thereof, resulting from injury or death to any person or persons whomsoever, as the result or by reason of the ownership of the mining property or the use thereof by Lessees. Said insurance to be provided by the Lessees hereunder need not be in the form of an individual policy, it being understood that the same may be covered by Lessees' blanket policy covering this and other property, PROVIDED, HOWEVER, that Lessees shall furnish Lessor with evidence of such insurance in the form of a certificate reflecting the coverage herein provided for.

14. Taxes:

(a) Personalty. Lessees shall pay when due all State and County tax assessments upon any and all structures and other improvements, machinery, equipment, tools, supplies and personal property whatsoever placed upon the mining property by Lessees.

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COOK, PRESTON & SARGEANT
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PHOENIX, ARIZONA 85013

Further, said Lessees shall pay all excise or sales taxes, if any, on all ore or minerals shipped under this Lease.

(b) Real Property. Lessees agree to pay 100% of any and all increases in real estate taxes and/or special assessments levied or assessed against the mining property, over and above the amount of such taxes or assessments as made for the year 1966. Lessees, upon demand, shall pay such amounts to Lessor with the next succeeding minimum royalty payment.

15. Records and Reports: Lessees shall keep a full, true and accurate account showing the amount and value of all ore or minerals produced from said mining property, which records may be inspected by Lessor at any reasonable time.

Upon termination of this Lease, the originals or copies thereof of all maps and records which are required to be kept by Lessees under this Paragraph 15 shall be forthwith turned over by Lessees to Lessor.

16. Waiver: Waiver by Lessor of any failure to comply with any of the payment schedules, or other terms, obligations or conditions set forth herein shall not constitute waiver of any other succeeding failures or breaches by Lessees.

17. Changes in this Instrument: None of the covenants, terms or conditions of this Lease shall in any manner be altered, waived, changed, or abandoned, except by a written instrument signed by the parties hereto.

18. Assignment: Lessees shall not assign their rights hereunder nor sublet any of the said mining property without the written consent of Lessor but Lessor shall not unreasonably withhold such consent, nor require additional consideration therefor.

Any assignment or sub-lease made by Lessees shall include all of the terms and conditions of this Lease Agreement and Lessees shall send a copy of said assignment or sub-lease to Lessor for the latter's approval before entering into any such assignment

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PHOENIX, ARIZONA 85013

or sub-lease.

Any assignment of rights under this Lease, or sub-leasing of any of said mining property by Lessees without the written consent of Lessor as hereinabove set forth, shall, at the option of Lessor, render this Lease null and void.

19. Successors-in-Interest: This Lease shall inure to the benefit of, and be binding upon the heirs, executors, assigns and administrators, personal representatives and successors-in-interest of all the parties hereto.

20. Default: If Lessees fail, neglect or refuse to pay the Lessor as herein provided, or fail or neglect to perform any other term, covenant or condition, or any part thereof, as herein provided, and such default continues for thirty (30) days after notice to Lessees in writing to rectify such default, Lessor or its agents may re-enter and take possession of said mining property and premises and may remove all persons therefrom and thereupon this Lease shall be forthwith terminated, and all payments of every kind theretofore made to Lessor shall be retained as rental for the use and occupation of said premises by Lessees. In the event of any such default by Lessees, they shall not remove any machinery, equipment, fixtures or structures from the mining property without the written consent of Lessor.

21. Force Majeure: In the event Lessees are prevented from carrying out any of the provisions of this Lease by reason of labor strikes, fires, floods, explosions, riots, any unusual mining casualties, acts of God, wars or insurrection, shortage of cars or any other traffic interruption, government demands, regulations or requirement, restraint or injunction or other legal process from which Lessees cannot reasonably relieve themselves by giving security or other procedure, or by reason of any other cause whatsoever which is beyond the reasonable control of Lessees and which shall prevent said Lessees from carrying out their

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SUITE 1963 – THE TOWNEHOUSE – 100 WEST CLARENDON
PHOENIX, ARIZONA 85013

duties under this Lease, then in such event, the time of performance of this Lease shall be suspended during the continuance of any such prevention of performance, PROVIDED, HOWEVER, that Lessees shall use diligence and good faith to remove such impediment and resume compliance with this Lease as soon as possible.

22. Notices: All notices and reports of any kind which are required to be made by any party to this Lease shall be in writing and shall be sufficiently given if mailed in the United States Post Office, postage prepaid if to Lessor, addressed to Arizona Title Insurance & Trust Company, 111 West Monroe, Phoenix, Arizona, or such other address as Lessor may from time to time in writing designate; and if to Lessees addressed to Robert H. Sayre, Jr., or A. George Setter, P. O. Box 2224, Grand Junction, Colorado, or George E. Morehouse, 2276 Broadway, Grand Junction, Colorado, or such other address as Lessees may from time to time in writing designate. Time of mailing shall be deemed the time of giving notice.

23. Approval and Acceptance: We, the undersigned, hereby accept and approve and agree to be bound by all of the covenants, conditions, provisions and stipulations of this Lease Agreement as the total agreement between us.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

LESSOR: ARIZONA TITLE INSURANCE & TRUST CO., as Trustee Trust No 3182

By Stanley D. Robinson
Assistant Secretary

ATTEST:

LESSEES:

Robert H. Sayre, Jr.

LAW OFFICES
COOK, PRESTON & SARGEANT
SUITE 1963 - THE TOWNEHOUSE - 100 WEST CLARENDON
PHOENIX, ARIZONA 85013

LESSEES:

A. George Setter

A. George Setter

George E. Morehouse

George E. Morehouse

STATE OF ARIZONA }
County of Maricopa } ss.

On this the 2ND day of MAY, 1966, before me, the undersigned officer, personally appeared STANLEY MATHISEN, who acknowledged himself to be the ASSISTANT SECRETARY of ARIZONA TITLE INSURANCE & TRUST CO., a corporation, and that he, as such OFFICER, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation, as Trustee, by himself as SUCH OFFICER.

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

Mary Ann Lopipano
Notary Public

My Commission Expires:

3-31-70

STATE OF _____ }
County of _____ } ss.

On this the _____ day of _____, 1966, before me, the undersigned officer, personally appeared ROBERT H. SAYRE, JR., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

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

_____
Notary Public

My Commission Expires:

_____

LAW OFFICES
COOK, PRESTON & SARGEANT
SUITE 1963 - THE TOWNEHOUSE - 100 WEST CLARENDON
PHOENIX, ARIZONA 85013

AMENDMENT TO
EXPLORATION AGREEMENT, MINING LEASE AND OPTION
Dated May 2, 1966
Between
ARIZONA TITLE INSURANCE & TRUST COMPANY, LESSOR
and
ROBERT H. SAYRE, JR., A. GEORGE SETTER
and GEORGE E. MOREHOUSE, LESSEES

This Amendment to the Exploration Agreement, Mining Lease and Option made this 22nd day of May, 1967, by and between Arizona Title Insurance & Trust Company, Lessor and Robert H. Sayre, Jr., A. George Setter, and George E. Morehouse, Lessees;

WITNESSETH:

WHEREAS, the parties hereto executed an Exploration Agreement, Mining Lease and Option dated May 2, 1966, concerning 5 patented lode claims and 2 patented mill sites, collectively known as the Ash Peak property located in Greenlee County, Arizona, and,

WHEREAS, the parties hereto desire to amend said Exploration Agreement, Mining Lease and Option concerning the annual payment and the annual work requirement for the year beginning May 2, 1967.

Now, therefore, in consideration of the premises herein contained, it is hereby agreed by and between the parties hereto that the monetary consideration for the year beginning May 2, 1967 shall be $500.00, which payment is enclosed with this Amendment, and that the Lessees will be relieved of the obligation of spending for exploratory purposes the $5,000.00 as referred to in Paragraph 3a of the above mentioned Exploration Agreement.

All other terms of the above mention Exploration Agreement, Mining Lease and Option will remain in full force and effect for a period of one year from May 2, 1967.

WITNESS the hands of the parties hereto on the day and year first above written.

LESSOR: ARIZONA TITLE INSURANCE & TRUST CO., as Trustee under Trust NO. 3182

EXHIBIT "A"

By [signature]

LESSEES:

[signature]
Robert H. Sayre, Jr.

[signature]
A. George Setter

[signature]
George E. Morehouse

STATE OF ARIZONA)
ss.
COUNTY OF Maricopa)

On this the 7th day of June 1967, before me, the undersigned officer, personally appeared STANLEY MATHISEN, who acknowledged himself to be the Assistant Secretary of ARIZONA TITLE INSURANCE & TRUST CO., a corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation, as Trustee, by himself as such officer.

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

Carol E. Lovings
Notary Public

My Commission Expires:
11-8-68

STATE OF Colorado)
ss.
COUNTY OF Mesa)

On this the 29 day of May, 1967, before me, the undersigned officer, personally appeared ROBERT H. SAYRE, JR., known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

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

Orpha C. Wheeler
Notary Public

My Commission Expires:
September 14, 1968

STATE OF Colorado)
ss.
County of Mesa)

On this the 22 day of May, 1967, before me, the undersigned officer, personally appeared A. George Setter, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein containe.

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

Orpha C. Wheeler
Notary Public

My Commission Expires:
My Commission expires Sept. 14, 1968

STATE OF Colorado)
ss:
COUNTY OF Mesa)

On this the 22nd day of May, 1967, before me, the undersigned officer, personally appeared George E. Morehouse, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

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

My Commission Expires:

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 Greenlee, State of Arizona, described as follows:[2] Great Eastern, Commerce, Fraction, Summit, Homestead all patented mining lode claims Mineral Survey 3076A. United States Patent No. 783751, recorded office of County Recorder, Greenlee County Book 1, pages 277 to 281

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

E. E. Lewis, Inc., a Colorado 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.)

None

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 16th day of May, 19 67.

ARIZONA TITLE INSURANCE AND TRUST COMPANY, as Trustee (Seal) 111 West Monroe (Street) Phoenix, Arizona (City & State)

By: Stanley J. Mathisen
Assistant Secretary

(Seal) (Street) (City & State)

(Seal) (Street) (City & State)

(Seal) (Street) (City & State)

(Seal) (Street) (City & State)

(Seal) (Street) (City & State)

I, EARL BRIGGS (Name), certify that I am the Assistant Vice President (Title—Secretary, etc.) of the corporation named herein; that STANLEY MATHISEN (Name), who signed this agreement was then Assistant Secretary (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.

Earl Briggs
(Corporate Seal)

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]

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described as follows:[2] Great Eastern, Commerce, Fraction, Summit, Homestead all patented mining lode claims Mineral Survey 3076A. United States Patent No. 783751, recorded office of County Recorder, Greenlee County Book 1, pages 277 to 281

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E. E. Lewis, Inc., a Colorado 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.)

None

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 16th day of May, 19 67.

ARIZONA TITLE INSURANCE AND TRUST COMPANY, as Trustee	(Seal)	111 West Monroe (Street) Phoenix, Arizona (City & State)
By: Stanley Mathisen Assistant Secretary		(Street) (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)

I, EARL BRIGGS (Name), certify that I am the Assistant Vice President (Title—Secretary, etc.) of the corporation named herein; that STANLEY MATHISEN (Name), who signed this agreement was then Assistant Secretary (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.

Earl Briggs

(Corporate Seal)

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/

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E. E. Lewis, Inc., a Colorado 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.)

None

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

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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 16th day of May, 19 67.

ARIZONA TITLE INSURANCE AND TRUST COMPANY, as Trustee (Seal)	111 West Monroe (Street)	
	Phoenix, Arizona (City & State)	
By: Stanley Mathisen Assistant Secretary	(Street)	
(Seal)	(City & State)	
(Seal)	(Street)	
	(City & State)	
(Seal)	(Street)	
	(City & State)	
(Seal)	(Street)	
	(City & State)	
(Seal)	(Street)	
	(City & State)	

I, EARL BRIGGS (Name), certify that I am the Assistant Vice President (Title—Secretary, etc.) of the corporation named herein; that STANLEY MATHISEN (Name), who signed this agreement was then Assistant Secretary (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.

Earl Briggs

(Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
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LIEN AND SUBORDINATION AGREEMENTS 1/

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E. E. Lewis, Inc., a Colorado Corporation 3/

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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/

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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 16th day of May, 1967.

		111 West Monroe	(Street)
			(City & State)
ARIZONA TITLE INSURANCE AND TRUST COMPANY, as Trustee	(Seal)	Phoenix, Arizona	
By: Stanley S. Mathisen			(Street)
Assistant Secretary	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)

I, EARL BRIGGS (Name), certify that I am the Assistant Vice President (Title—Secretary, etc.) of the corporation named herein; that STANLEY MATHISEN (Name), who signed this agreement was then Assistant Secretary (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.

Earl Briggs

(Corporate Seal)

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 Greenlee, State of Arizona,

described as follows:[2] Great Eastern, Commerce, Fraction, Summit, Homestead all patented mining lode claims Mineral Survey 3076A. United States Patent No. 783751, recorded office of County Recorder, Greenlee County Book 1, pages 277 to 281

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

E. E. Lewis, Inc., a Colorado 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.)

None

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 16th day of May, 1967.

ARIZONA TITLE INSURANCE AND TRUST COMPANY, as Trustee	(Seal)	111 West Monroe	(Street)
		Phoenix, Arizona	(City & State)
By: Stanley S. Mathisen			(Street)
Assistant Secretary	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)
			(Street)
	(Seal)		(City & State)

I, EARL BRIGGS (Name), certify that I am the Assistant Vice President (Title—Secretary, etc.) of the corporation named herein; that STANLEY MATHISEN (Name), who signed this agreement was then Assistant Secretary (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.

Earl Briggs

(Corporate Seal)

INT.-DUP. SEC., WASH., D.C. 21103

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Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
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Operator
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6. Added provisions None (State "None" or "See Annex No.____".)

Dated this 18 day of April, 1967.

	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)
George E Monhouse	(Seal)	121 N 8th Grand Junction, Colo.
	(Seal)	(Street) (City & State)
A George Setter	(Seal)	1128 Gunnison Ave Grand Junction Colo
	(Seal)	(Street) (City & State)
Robert H. Sayre Jr.	(Seal)	230 - 27 ROAD GRAND JUNCTION, COLO.
	(Seal)	(Street) (City & State)
	(Seal)	(Street) (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (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)

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Dated this 18 day of April, 1967.

		(Street)
		(City & State)
(Seal)		
	121 N 8 St	(Street)
George E Morehouse (Seal)	Grand Junction, Colo.	(City & State)
	1128 Gunnison Ave	(Street)
A George Sutter (Seal)	Grand Junction Colo	(City & State)
	2230 - 27 Road	(Street)
Robert H. Sayre Jr. (Seal)	GRAND JUNCTION, COLO	(City & State)
		(Street)
		(City & State)
(Seal)		
		(Street)
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		(Street)
		(City & State)
(Seal)		
	121 N 8th	(Street)
George E Morehouse (Seal)	Grand Junction, Colo	(City & State)
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A George Sitter (Seal)	Grand Junction Colo	(City & State)
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		(City & State)
(Seal)		
	121 N 8th	(Street)
George E Morehouse (Seal)	Grand Junction, Colo.	(City & State)
	1128 Gunnison Ave	(Street)
A George Sutton (Seal)	Grand Junction Co	(City & State)
	230 - 27 Road	(Street)
Robert H. Sayre Jr. (Seal)	GRAND JUNCTION, COLO.	(City & State)
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Dated this 18 day of April, 1967.

this no good → precedes date of lease

		(Street)
		(City & State)
(Seal)		
	121 N B L	(Street)
George E Morehouse (Seal)	Grand Junction, Colo	(City & State)
	1128 Gunnison Ave	(Street)
A George Sutter (Seal)	Grand Junction Colo	(City & State)
	2320 - 21 Road	(Street)
Robert H. Sayre Jr. (Seal)	GRAND JUNCTION, COLO.	(City & State)
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_____
(Corporate Seal)

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
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☆ U. S. GOVERNMENT PRINTING OFFICE: 1966—O—238-318

MHPS

OME-6736

U.S. Government Messenger Envelope

Standard Form No. 65
November 1961
General Services Administration
FPMR (41 CFR) 101-11.6

INSTRUCTIONS FOR USE

1. Void Previously Used Block
2. Identify Agency of Addressee
3. Write Clearly
4. Send Surplus Envelopes to Supply Room for Reissue

NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM		NAME (OR TITLE) OF ADDRESSEE, AGENCY, ORGANIZATIONAL UNIT, ADDRESS, AND ROOM	
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~~K. B. Hughes Room 4529~~ ~~Mines~~ ~~Military Research~~ ~~Bldg. Washington DC~~	STOP		STOP
~~Central Records Office~~ ~~Rm 3615~~	STOP		STOP
~~Mr. Dallas~~ ~~Rm 4545~~	STOP		STOP
	STOP		STOP
~~Mr. Merrill~~ ~~Rm. 320~~ ~~Executive Bldg.~~	STOP		STOP
~~Arlington, Va.~~	STOP		STOP
Mr. Hamf. Ploty Rm 4358 Interior	STOP		STOP
Mr. Harold Kikuno Room 4457	STOP		STOP
	STOP		STOP

Use other side

Use STOP only when messenger service between Government buildings in Washington, D.C., is required or wherever a STOP system is used. Your mail room has STOP information.

65-107

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

December 1, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 4 1 1970

INITIALS	CODE
gla	30
gla	20
JHK	120
	120
	220

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona
Contract 2290

Transmitted herewith are the "Government's Copy" and the "Budget and Finance's Copy" of the Resicission of Exploration contract on the above-stated subject, signed for the Government and by the applicant. The "Operator's Copy" has been retained by the applicant, and the "Field Office Copy" and "Extra Copy for Field Use" have been retained by the Region III field office.

J. William Hasler

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

Enclosures

Government's copy

DEC 1 X 1970

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

RESCISSION OF EXPLORATION CONTRACT

The United States of America, acting through the Department of the Interior, U. S. Geological Survey, and E. E. Lewis, Inc., a Colorado corporation, parties to that certain Exploration Contract No. 2290 (Docket No. OME-6736), dated July 24, 1970, do mutually agree this 12th day of November 1970, that said contract is hereby rescinded, revoked, and cancelled without any obligation whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkham
Chief, Office of Minerals Exploration
U. S. Geological Survey

Martin Fitzel
Shoberon
Emerick
Kilsgood

E. E. LEWIS, INC.

By Elbert E. Lewis

Title President

I, Darleen Gsell, certify that I am the
(Name)
Assistant- secretary of the corporation named as Operator; that Elbert E. Lewis, who signed this rescission on
(Name)
behalf of the Operator, was then President of said
(Title)
corporation; that said rescission was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

Darleen E. Gsell Asst.- Sec'y

[CORPORATE]
[SEAL]

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 25 1970
INITIALS | CODE
~~1/20~~
~~1/20~~
~~1/20~~
~~1/20~~

Office of Minerals Exploration
Building 53 Room 200

November 20, 1970

220

Mr. E. E. Lewis
E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona
Contract 2290

Dear Mr. Lewis:

Enclosed are the original and three copies of a proposed Recission of Exploration Contract (one page) to the subject contract signed for the Government.

If the proposed agreement is satisfactory to you, all four copies should be signed by an authorized representative of the company. Retain the "Operator's Copy" and return the other three copies to this office.

If any part of the proposed agreement does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

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

Enclosure

cc: Chief, OME ✓ OME-6736 OME chron Mr. Hasler

ME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/4/70		120
		220

November 4, 1970

Memorandum

To: The File

From: Chief, Office of Minerals Exploration

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona
Contract 2290

Justification for Rescission of Contract

A contract to explore the subject property would have been executed in Fiscal Year 1970, but budgetary constraints on the OME program in FY '70 delayed execution* of the contract until August 18, 1970. The Operator's mining crews by then had been assigned to work on other projects and would not be available to commence work on the subject contract until December 1, 1970, the date inserted in Article I of the contract.

In a letter dated October 8, 1970, to the Field Officer, OME Region III, the Operator requested that the OME contract be cancelled because it had forfeited its lease on the property for various adverse economic conditions. The exploration project described in the contract was to be conducted mainly on the Commerce claim, one of the claims in the forfeited lease. Therefore, the Operator now does not have an interest in the land which would have been explored. No Government funds have been expended on this contract.

It is recommended that the contract be rescinded by mutual agreement.

Harold Kirkemo

*by the Operator

Harold Kirkemo

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo

HKirkemo/gla 11-4-70

OME Form
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
11/4/70	Kirkemo	120
11/12	Kilgoine	
11/12	Cole	220
		130
	Emerick	120
		120M
		220

NOV 12 1970

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona
Contract 2290

Enclosed are the original and three copies of a proposed Rescission of Exploration Contract (one page) to the subject contract, signed for the Government. An extra copy of the agreement is also enclosed for field use.

If the proposed agreement is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator, and distributed in the usual manner.

If any part of the proposed agreement does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Harold Kirkemo (GLA)

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
Mr. Kirkemo
130

GLAult/a 11-4-70

Cm
DT

EXLORATION CONTRACT

E.E. LEWIS, INC.

OME-6736

a Colorado corporation,

RESCISSION OF EXPLORATION CONTRACT

The United States of America, acting through the Department of the Interior, U.S. Geological Survey, and E.E. Lewis, Inc., parties to that certain Exploration Contract No. 2290 (Pilot No. OME-6736), dated July 24, 1970, do mutually agree this _____ day of November 1970, that said contract is hereby rescinded, revoked, and cancelled without any obligations whatever one party to the other, the same as if the contract had never been entered into.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Chief, Office of Minerals Exploration
U.S. Geological Survey

E.E. LEWIS, INC.
By _____
Title _____

[Corporate Cert'n
see Contract]

Government's copy

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

RESCISSION OF EXPLORATION CONTRACT

It is agreed this _____ day of November 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, and E. E. Lewis, Inc., parties to that certain Exploration Contract No. 2290 (Docket No. OME-6736), dated July 24, 1970, that said Contract is hereby rescinded, revoked, and cancelled as of the date thereof, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

Kirbano
Emerick

Operator's copy

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

RESCISSION OF EXPLORATION CONTRACT

It is agreed this _____ day of November 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, and E. E. Lewis, Inc., parties to that certain Exploration Contract No. 2290 (Docket No. OME-6736), dated July 24, 1970, that said Contract is hereby rescinded, revoked, and cancelled as of the date thereof, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

Field Office's copy

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

RESCISSION OF EXPLORATION CONTRACT

It is agreed this _____ day of November 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, and E. E. Lewis, Inc., parties to that certain Exploration Contract No. 2290 (Docket No. OME-6736), dated July 24, 1970, that said Contract is hereby rescinded, revoked, and cancelled as of the date thereof, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

Budget and Finance's copy

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

RESCISSION OF EXPLORATION CONTRACT

It is agreed this _____ day of November 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, and E. E. Lewis, Inc., parties to that certain Exploration Contract No. 2290 (Docket No. OME-6736), dated July 24, 1970, that said Contract is hereby rescinded, revoked, and cancelled as of the date thereof, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

Extra copy for field use

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

RESCISSION OF EXPLORATION CONTRACT

It is agreed this _____ day of November 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, and E. E. Lewis, Inc., parties to that certain Exploration Contract No. 2290 (Docket No. OME-6736), dated July 24, 1970, that said Contract is hereby rescinded, revoked, and cancelled as of the date thereof, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

Extra copy

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-5736

RESCISSION OF EXPLORATION CONTRACT

It is agreed this _____ day of November 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, and E. E. Lewis, Inc., parties to that certain Exploration Contract No. 2290 (Docket No. OME-5736), dated July 24, 1970, that said Contract is hereby rescinded, revoked, and cancelled as of the date thereof, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

Assoc. Sol.'s copy

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

RESCISSION OF EXPLORATION CONTRACT

It is agreed this _____ day of November 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, and E. E. Lewis, Inc., parties to that certain Exploration Contract No. 2290 (Docket No. OME-6736), dated July 24, 1970, that said Contract is hereby rescinded, revoked, and cancelled as of the date thereof, without any obligations whatever one party to the other, the same as if the Contract had never been entered into.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

October 30, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
NOV 3 1970

INITIALS	CODE
	130
	140
	120
	~~1200~~

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6736 (Ag-Au)
E. E. Lewis, Inc.
Ash Peak Property
Greenlee County, Arizona
Contract 2290

Enclosed is the original and four copies of proposed Amendment No. 1 (1 page) to the subject contract, signed for the government but not signed by the Operator. Accompanying the unsigned copies of the Amendment is a letter from the Operator informing the Government that the company had recently "elected to forfeit their lease on the Ash Peak Mine due to the present silver pricing situation and royalty structure, and other economic factors." They are therefore returning the proposed Amendment No. 1 unsigned and requesting that the subject contract be cancelled.

I have attempted to contact the Operator by telephone to obtain a more thorough explanation but he has been out of town, consequently I am forwarding the data on to you for your study and consideration. No work has been done under the contract to date, as the starting date for actual exploration work is December 1, 1970.

J. William Hasler

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

MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
A Subsidiary of Beaver Mesa Exploration Co.
P. O. Box 1481
GRAND JUNCTION, COLORADO 81501
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

O.M.E. Region III
RECEIVED
OCT 13 1970
Denver, Colorado

October 8, 1970

United States Department of the Interior
Office of Minerals Exploration
Building 53, Room 200
Federal Center, Denver, Colorado 80225

Attention: J. William Hasler,
Field Officer, Region III

Dear Mr.Hasler:

Due to the present silver pricing situation and the royalty structure, and other economic factors, we haveelected to forfeit our lease on the Ash Peak Mine, located in Greenlee County, Arizona.

We are, therefore, returning the proposed amendment to O.M.E. Contract #2290, and request that O.M.E. Contract #2290 be cancelled.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis, Pres.

EEL/dg
Encl.

Govt's Copy

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

AMENDMENT NO. 1

It is agreed this 23rd day of September, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and E. E. Lewis, Inc. that Exploration Contract 2290 (OME-6736), dated July 24, 1970, is amended effective as of the date of this amendment as follows:

> The time fixed by Article I(a) of the contract for completion of the work is extended from seven (7) months to twelve (12) months from the date of the contract, or from February 23, 1970 to July 23, 1971.

This amendment shall not be construed to increase the estimated cost of the contract, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

Martin 9/22
Jordan 9/22
Emerick 9/23
Kirkemo 9/23
Brew 9/23

E. E. LEWIS, INC.

By_____

Title_____

Operator's copy

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

AMENDMENT NO. 1

It is agreed this 23rd day of September, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and E. E. Lewis, Inc. that Exploration Contract 2290 (OME-6736), dated July 24, 1970, is amended effective as of the date of this amendment as follows:

> The time fixed by Article I(a) of the contract for completion of the work is extended from seven (7) months to twelve (12) months from the date of the contract, or from February 23, 1970 to July 23, 1971.

This amendment shall not be construed to increase the estimated cost of the contract, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

Fiscal Sec copy

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

AMENDMENT NO. 1

It is agreed this 23rd day of September, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and E. E. Lewis, Inc that Exploration Contract 2290 (OME-6736), dated July 24, 1970, is amended effective as of the date of this amendment as follows:

> The time fixed by Article I(a) of the contract for completion of the work is extended from seven (7) months to twelve (12) months from the date of the contract, or from February 23, 1970 to July 23, 1971.

This amendment shall not be construed to increase the estimated cost of the contract, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By _____

Title _____

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

AMENDMENT NO. 1

It is agreed this 23rd day of September, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and E. E. Lewis, Inc that Exploration Contract 2290 (OME-6736), dated July 24, 1970, is amended effective as of the date of this amendment as follows:

> The time fixed by Article I(a) of the contract for completion of the work is extended from seven (7) months to twelve (12) months from the date of the contract, or from February 23, 1970 to July 23, 1971.

This amendment shall not be construed to increase the estimated cost of the contract, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By _____

Title _____

Field Office (extra)

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

AMENDMENT NO. 1

It is agreed this 23rd day of September, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and E. E. Lewis, Inc. that Exploration Contract 2290 (OME-6736), dated July 24, 1970, is amended effective as of the date of this amendment as follows:

> The time fixed by Article I(a) of the contract for completion of the work is extended from seven (7) months to twelve (12) months from the date of the contract, or from February 23, 1970 to July 23, 1971.

This amendment shall not be construed to increase the estimated cost of the contract, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kirkemo
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

Extra

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

AMENDMENT NO. 1

It is agreed this 23rd day of September, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and E. E. Lewis, Inc that Exploration Contract 2290 (OME-6736), dated July 24, 1970, is amended effective as of the date of this amendment as follows:

> The time fixed by Article I(a) of the contract for completion of the work is extended from seven (7) months to twelve (12) months from the date of the contract, or from February 23, 1970 to July 23, 1971.

This amendment shall not be construed to increase the estimated cost of the contract, the aggregate amount which the Government may be required to contribute, or the fixed unit cost of any item of work.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By Harold Kisheno
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By _____

Title _____

Office of Minerals Exploration
Building 53 Room 200

October 5, 1970

ORIGINAL COPY
O. M. E.
RECEIVED
OCT 6 1970

INITIALS	CODE
bel	120
HK	120

Mr. Elbert E. Lewis, President
E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona
Contract 2290

Dear Mr. Lewis:

Enclosed are the original and three copies of proposed Amendment No. 1 (one page), to the subject contract, signed for the Government.

If the proposed amendment is satisfactory to you, all four copies should be signed by you or your authorized representative, retain the "Operator's Copy" and return the rest to this office for distribution.

If any part of the proposed amendment does not have your approval, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

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

Enclosures
cc: Chief, OME
OME-6736
OME chron
Mr. Hasler

ME Form 7
2/63)

9/23/70

OFFICIAL FILE COPY

Date	Surname	Code
	Kirkemo	120
	Emerick	120
	Brew	
9/23		220
		120M

AIRMAIL

SEP 23 1970

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona
Contract 2290

Enclosed are the original and three copies of proposed Amendment No. 1 (one page), to the subject contract, signed for the Government. An extra copy of the amendment is also enclosed for field use.

If the proposed amendment is satisfactory to you and the Operator, all four copies should be signed by an authorized representative of the Operator and distributed as usual.

If any part of the proposed amendment does not have your approval or that of the Operator, the original and all copies are to be returned to this office together with the proposed changes for consideration.

Harold Kirkemo (sel)
Harold Kirkemo

Enclosures

cc: Director's Reading File
Minerals Resources File
OME Docket
OME Reading File
Mr. Emerick
130

BSLong/1 9/23/70

MME Form 7
(2/63)

OFFICIAL FI

Date	Surname	
8/28/70	Emerick	
8/28/70	Kirkham	
		220
		120M

August 28, 1970

Memorandum

To: The File

From: William L. Emerick
Office of Minerals Exploration

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona
Contract 2290

Justification for Amendment No. 1

The Operator is a mining company active in other properties, and in communications with OME requested permission to insert a starting date that would allow time for its internal transfer of funds, as well as personnel, to the Ash Peak Mine project.

The Operator maintains a crew of trained personnel that presently are working at the company's mines in Colorado and Utah. These crews are to be transferred to the Ash Peak Mine before December 1, 1970.

Amendment No. 1 extends the time for completion of the work from 7 to 12 months from the date of the contract. It makes no changes in the total cost of the work or of the total cost of Government participation.

William L. Emerick

William L. Emerick

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick

WLEmerick/bsl 8/28/70

Not signed

120 Emerick

120 Kirkemo

120M

To Legal 8/31

DRAFT 8/28/70
WLEmerick/bsl

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

AMENDMENT No. 1

It is agreed this _____ day of _____, 1970, between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and E. E. Lewis, Inc., hereinafter called the "Operator," that Exploration Contract 2290 (OME-6736), dated July 24, 1970, is amended effective the date of the contract as follows:

1. Article I. Authority and scope, ~~Item~~ (a) is revised to read:

"This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; U.S.C. §§ 641-646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before December 1, 1970 (Date), and subject to the provisions of Article 7 and Exhibit A, shall complete the work within 12 months from the date of the contract."

This amendment shall not be construed to increase the estimated cost of the contract, the aggregate amount which the Government may be required to contribute, nor the amount of any item designated as maximum.

Executed in quadruplicate the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Chief, Office of Minerals Exploration
U. S. Geological Survey

E. E. LEWIS, INC.

By_____

Title_____

MINING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
A Subsidiary of Beavor Mesa Exploration Co.
P. O. Box 1481
GRAND JUNCTION, COLORADO 81501
Phone 243-1729

UNDERGROUND CONTRACTORS
Leasing
Mining
Tunnels & Shafts

OFFICIAL COPY
O. M. E.
AUG 27 1970
INITIAL CODE

August 18, 1970

OME Region III
RECEIVED
AUG 24 1970
Denver, Colorado

Mr. William Hasler
Field Officer, Region III
Office of Minerals Exploration
Department of the Interior
U. S. Geological Survey
Denver Federal Center
Denver, Colorado 80225

Dear Mr. Hasler: Re: OME 6776 ~~2290~~ Ash Peak

Enclosed are the original and two copies of the proposed contract, fully executed.

We have inserted the date to commence work December 1, 1970, as we have our crews presently working at the Star Mine above Gunnison and in Lark, Utah. When these crews complete their present jobs we expect to transfer them for work at the Ash Peak Mine.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis, Pres.

EEL/dg
Encl.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

August 25, 1970

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 27 1970
INITIAL CODE
gla / 30
Gal / 20
HK / 20
WEF 120

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona
Contract No. 2290

Contract No. 2290 on the above-stated application was hand-carried to the applicant, Mr. E. E. Lewis by Mr. J. William Hasler on August 14, 1970. The contract was signed by the applicant August 18 and picked up by the Field Officer, Region III on August 19th. Transmitted herewith are the "Government's Copy" and "Branch of Budget and Finance's Copy"; the Operator's Copy has been left with the Operator and the "Field Office Copy" and "Extra Copy for Field Use" have been retained for Region III files.

J. William Hasler

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

Enclosures

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 11 1970
INITIAL CODE
1 20
bal 1 20
1 20

Office of Minerals Exploration
Building 53 Room 200

August 7, 1970

Mr. E. E. Lewis
P. O. Box 1481
Grand Junction, Colorado 81501

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Dear Mr. Lewis:

Enclosed are the original and two copies of a proposed contract for the subject property. The contract consists of MME Form 51 (5 pages), Annex I (2 pages), two Lien and Subordination Agreements, Exhibit A (4 pages), Exhibit B (1 page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work.

If the proposed contract is satisfactory to you, all copies should be signed by you or your authorized representative and returned to this office. Upon receipt of the contract and copies, we will forward the "Operator's Copy" to you for your signature and retention.

Please be advised that the 9 3/4 percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval, the original and all copies should be returned to this office together with the proposed changes for consideration.

Sincerely yours,

J. William Hasler

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

Enclosures
cc: Chief, OME ✓ OME-6736 OME chron Mr. Hasler chron

OFFICIAL FILE COPY

Date	Surname	Code
12/8/69	Emerick	120
7/23	[illegible]	120
7/23	[illegible]	
7/24	Cal	220
		120M

JUL 24 1970

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Enclosed are the original and three copies of a proposed contract for the subject property. The contract consists of MME Form 51 (5 pages), Annex I (2 pages), two Lien and Subordination Agreements, Exhibit A (4 pages), Exhibit B (1 page), and two maps (Figures 1 and 2). All copies of the contract have been signed for the Government. You should insert the date for commencement of the work. Also enclosed is an extra copy of the contract for field use.

If the proposed contract is satisfactory to you and the Applicant, all four copies should be signed by an authorized representative of the Applicant. Thereafter, please distribute the copies as usual.

Please advise the Applicant that the 9 3/4 percent interest accrues from the dates on which individual payments are made by the Government and like the principal is repayable from royalty on production.

If any part of the proposed contract does not have your approval or that of the Applicant, the original and all copies should be returned to this office together with the proposed changes for consideration.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Mr. Emerick
130

BSLong/1 12/8/69

E. E. Lewis OME-6736

Stage I. Total Est. Costs $49,960.00
Govt. Partic @ 25% 12,490.00

Stage II Drafting & Executing
Core drilling
Assaying
Accounting

Total Est. Costs 62,850.00
Govt. Partic @ 75% (Rounded) 47,~~137.50~~ 149.00

(Govt Partic @ 50% $31,425)
(Diff. = $15,712.50)

Summary at 75%

Total Estimated Cost Stage I	$ 49,960.00
Govt. Partic @ 25%	$ 12,490.00
Total Estimated Cost Stage II	$ 62,850.00
Govt. Partic @ 75% (rounded)	$ 47,~~137.50~~ 149.00
Total Est. Cost Project	$ 112,810.00
Govt. Partic	$ 59,~~627.50~~ 630.00

Office of Minerals Exploration
Building 53 Room 200

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 14 1970

INITIALS	CODE
gla	120 M
HK	~~120~~
WE	~~120~~ E

July 14, 1970

Mr. E. E. Lewis
E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Dear Mr. Lewis:

This letter is written regarding our telephone conversation Thursday, July 9, 1970 concerning the subject docket. A proposed contract is being prepared to explore the quartz vein filled fault in the Ash Peak Mine, Greenlee County, Arizona, by sinking a 4'6" x 9'6" shaft an additional 300 feet from the 500-foot level, drift a total of 400 feet east and west from the 800 foot level, and diamond drill a total of 375 feet into the hangingwall from the east and west drifts, take a maximum of 400 samples and assay them for gold and silver. The exploration work is to be completed in two stages. Stage I will include the shaft sinking including timbering and station cutting. Government participation in Stage I is limited to 25 percent of the cost, and in drifting, drilling, assaying and accounting (Stage II) to 50 percent of the costs, as itemized below:

Cost Estimate

Stage I

Shaft sinking, including timbering and station cutting

300 feet @ $166.53/ft. $49,959.00

Total Estimated Cost of Stage I $49,959.00

Government participation @ 25% $12,490.00

Stage II

Cost Estimate (Cont'd

Drifting, including timbering

and preparation drill sites

750' @ $76.57/ft. $57,427.50

Diamond drilling (Ax)

375' @ $9.31/ft. 3,491.25

Assaying

400 samples @ $3.50/each 1,400.00

Accounting

$75.00/mo. for 7 months 525.00

Total Estimated Cost - Stage II $62,850.00

Government participation @ 50% $31,425.50

SUMMARY

Total Estimated Cost of Stage I	$49,959.00
Government participation @ 25%	$12,490.00
Total Estimated Cost of Stage II.	$62,850.00
Government participation @ 50%	$31,425.50
Total Estimated Cost of Project	$112,809.00
Total Government participation	$43,915.00

We trust this proposed exploration work will meet with your approval and the work can be done as soon as funds are available.

Sincerely yours,

J. William Hasler

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

cc: Chief, OME
OME-6736
OME chron
Mr. Hasler

OFFICIAL FILE COPY

Date	Surname	Code
1/28/70	Emerick	120
		220
1/28		120M

AIRMAIL

JAN 28 1970

Mr. E. E. Lewis
E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Dear Mr. Lewis:

This is to confirm my reply to you during our telephone discussion on January 27, 1970, regarding preparation of an OME contract to explore the Ash Peak mine. A proposed contract has been prepared but cannot be processed and executed until sufficient funds are available to cover the Government's share (about $44,000) of the estimated costs. At the present time available funds for the balance of the fiscal year ending June 30, 1970, are fully committed to current contracts and to a small contract in preparation.

Meanwhile, the outlook that additional funds can be made available to support the proposed contract with you is not favorable. The extent of funds for the next fiscal year beginning July 1, 1970, is unknown, but we expect the level of operations to be unchanged from the present year. We will process your contract as soon as the funding situation permits; if not in the current fiscal year, as soon as possible after July 1.

We regret that we cannot be of assistance to you at present.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Region III
OME Reading File
Mr. Kirkemo

HKirkemo/gla 1-28-70

RM 6 REFERENCE SLIP

59 OFFICE OF MINERALS EXP ATION

	DATE	INITIALS
Assoc. Sol. MR, RM. 6554 Interior (Through Rm. 6042)		
2. Mr. Emerick, Room 4460, Interior		
3. FROM SOLICITOR		
4. NOV 28 1969		
5. FOR SIGNATURE		
FROM: Chief, OME		

FOR: Check items for action desired

X Action	___ Reply for signature of ___	
X Approval	___ Investigate	___ Surname
___ Comment	___ Recommendations	___ Signature
___ Conference	X Rewrite	___ File
___ Instructions	Your information	

REMARKS:

OME-6736 E. E. Lewis, Inc.
(Proposed Contract)

INT.-DUP. SEC., WASH., D.C. M50943

In hope 11/19

In hope 10/29

120 Emerick

120 Kirkham

120M

MME Form 51
July 1965

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
U. S. Geological Survey

EXPLORATION CONTRACT
(Short Form)

Docket	Commodity	Contract No.	County	State
OME -6736	Silver-Gold		Greenlee	Arizona

It is agreed _____ (Date), between the United States of America, acting through the Department of the Interior, U. S. Geological Survey, hereinafter called the "Government," and

E. E. Lewis, Inc.

_____,

whose mailing address is P. O. Box 1481, Grand Junction, Colorado 81501, hereinafter called the "Operator," as follows:

ARTICLE I. Authority and scope.--(a) This contract, entered into under the authority of Public Law 701, 85th Cong., 2d sess. (72 Stat. 700; 30 U.S.C. § 641 - 646), consists of this form, the attached Annex I (land description), Exhibit A (work and costs), and the maps and documents listed. The work is a search for new or unexplored deposits of the commodity designated above. The Operator shall begin the work on or before _____ (Date), and, subject to the provisions of Article 7 and Exhibit A, shall complete the work within 7 months from the date of the contract.

(b) The description of the work and the fixed cost for each unit of work to be performed (per foot of drilling, per foot of drifting, per hour of operations, etc.) are hereby agreed upon as specified in Exhibit A. The estimated total cost of the work is $ ~~[illegible]~~ 112,810.00 bal The Government will contribute 50 percent of the total fixed unit costs of the work performed, not in excess of $ ~~45,827.00~~ 43,915.00 bal in accordance with the provisions of Articles 4 and 5.

*Stage I 25% - Stage II 50%

(c) Interest computation.--Simple interest at the rate of _____ percent shall accrue from the dates Federal funds are made available until the period specified for payment of royalty expires, or until the amount of Federal funds contributed is fully repaid with interest.

(d) The Operator shall not transfer or assign this contract or any right or obligation thereunder without the written consent of the Government.

ARTICLE 2. Operator's rights in land.--(a)The Operator represents and undertakes that Annex I correctly describes the land which is the subject of this contract and the nature of the Operator's right of property and possession therein (whether as owner, lessee, or otherwise), and that such right, title, or interest is subject only to the following claims, liens, or encumbrances:

SEE ANNEX I

(b) The Subordination Agreement of the holder of any claim, lien, or encumbrance listed above and (if the Operator does not hold the legal title) the Lien Agreement of any holder of the legal title of the land (lessor, seller, optionor, etc.) are attached as follows:

SEE ANNEX I

(c) The Operator shall preserve and maintain his right, title, or interest in the land and his right to the possession thereof for the purposes of this contract, and shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of this contract. The Operator shall neither transfer, convey, nor surrender the land nor any right, title, or interest therein, nor permit nor suffer any claim, lien, or encumbrance thereon, without expressly referring to and providing in the instrument of conveyance, lien, or encumbrance for the preservation of the Government's right to a royalty on production and liens for the payment thereof. Two true copies of such instrument shall be furnished to the Government. If the Government's rights to royalty as provided in Article 6 have been terminated, the provisions of this paragraph (c) shall become inapplicable.

ARTICLE 3. Performance of the work.--(a) Operator's responsibility.--The work shall be performed diligently, efficiently, in a workmanlike manner in accordance with good mining standards, and in compliance with State laws governing health, safety, and liability insurance covering employment. The Operator shall provide suitable and adequate equipment, facilities, materials, supplies, and labor to complete the work as specified in Article 1(a).

(b) Government may inspect.--The Operator shall consult with and inform the Government on all phases of the work as it progresses. The Government may enter at all reasonable times to inspect the work under the contract and production operations during the period that royalty is payable to the Government. The Operator shall provide the Government with all reasonable means of access for such inspections.

ARTICLE 4. Contribution by the Government.--The Government will make its contribution on the basis of the monthly vouchers referred to in Article 5(b), but all payments by the Government are provisional only, subject to audit. Until the account between the Operator and the Government is finally audited and settled and the Operator's final report has been received, the Government may withhold such sums as are necessary to protect its interests. To the extent that amounts in excess of fixed unit costs or in excess of the estimated total cost may be necessary for the performance of the work, the Operator shall incur and pay such amounts for his own account without contribution by the Government. The Government will not contribute to the cost of any work performed prior to the date of this contract. The Government may make payments for the account of the Operator directly to independent contractors and suppliers rather than to the Operator.

ARTICLE 5. Reports, accounts, audits.--(a) Operator's records.--The Operator shall keep suitable records and accounts of the units of work performed and of any production in which the Government may have an interest; and shall preserve those with respect to work performed for at least three years after final payment by the Government, and those with respect to production for at least three years after any obligation to pay royalties to the Government has terminated. The Government may inspect and audit said records and accounts at any time, either by itself or by a certified public accountant. The Comptroller General of the United States or his representative, until the expiration of said three-year periods, shall have access to and the right to examine all pertinent books, documents, papers, and records of the Operator.

(b) Monthly reports.--The Operator shall provide the Government with four copies of monthly reports in three sections as follows:

(1) Operator's Monthly Voucher claiming costs for work performed;

(2) Operator's Progress Report showing the number of units of the various types of work performed; and

(3) a narrative report of the work performed during the reporting period, including adequate engineering-geological maps or sketches, drill hole logs and locations, and assay reports on samples taken concurrently with advance in mineralized ground.

(Forms for reporting under (1) and (2) above will be provided by the Government.)

(c) Final report.--Upon completion of the work or termination of the Government's obligation to contribute to costs, the Operator shall furnish the Government with three copies of a final report (in addition to the final monthly report). This final report shall include a geological and engineering evaluation of the results of the work performed under the contract with an estimate of the ore reserves resulting from such work, complete assay data, adequate geological and engineering maps or sketches, and a summary of the work performed and the unit costs thereof.

(d) Report of sales.--The Operator shall provide the Government with suitable accounting and documentary evidence covering all production to which the Government's royalty relates, such as two copies of smelter or concentrator settlement sheets and certified accounts of production and sale or other disposition of production.

(e) Compliance with requirements.--If the Government determines that any of the Operator's reports, records, or accounts are insufficient or incomplete, or if the Operator fails to make them, the Government may procure the preparation or completion of same with suitable attachments as an expense of the work to which the Operator shall contribute. The Government may withhold approval and payment of any vouchers relating to insufficient or incomplete reports, records, or accounts.

ARTICLE 6. Repayment by Operator.--(a) Certification.--If the Government considers that mineral or metal production from the land covered by the contract may be possible as a result of the exploration work, it shall so certify in writing to the Operator at any time not later than six months after a sufficient final report and final accounting (see Article 5) have been furnished.

(b) Royalty on production.--The Operator, whether or not the producer (for example, if the Operator either transfers or does not retain his interest in the land), shall pay to the Government a royalty on all minerals and metals mined or produced from the land as follows:

(1) irrespective of any certification of possible production--from the date of the contract until the lapse of the time within which the Government may issue such certification or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first; or

(2) if the Government issues a certification of possible production--for a period of ten years from the date of the contract or until the total net amount contributed by the Government is fully repaid with interest, whichever occurs first.

(c) Payment of royalty.--(1) The Government's royalty shall be five percent of the gross proceeds (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent), at the point of delivery (the f.o.b. point); except, that charges of the buyer arising in the regular course of business and shown as deductions on the buyer's settlement sheets (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the Operator or producer)), shall be allowed as deductions in arriving at the "gross proceeds" as that term is used herein. No costs of the Operator or producer are deductible in arriving at the "gross proceeds" as that term is here used.

The term "treatment processes" means those processes (such as milling, concentrating, smelting, refining, or equivalent, but excluding fabricating or manufacturing) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form.

(2) The Government's royalty shall be computed and paid currently upon each lot sold, held, or used in integrated operations, as the case may be.

(d) Unsold production.--If any production (ore, concentrate, metal, or equivalent), after the lapse of six months from the date the ore was extracted from the ground, remains neither sold nor used in integrated manufacturing or fabricating operations (for instance if it is stockpiled), the Government, at its option, as long as it so remains, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in when the Government elects to require computation and payment. If any production is used in integrated manufacturing or fabricating operations before the Government makes its election, the Government's royalty on such production shall be computed on the value thereof in the form in which and at the time it is so used. "Value" as here used means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(e) Lien for payment.--To secure the payment of royalty (see Article 6(b)), the Operator hereby grants to the Government a lien upon his interest in the land and upon any production of minerals and metals therefrom until the royalty claim is extinguished by lapse of time or is fully paid.

(f) Notice to purchasers.--The Operator or producer shall give notice of the Government's claim for royalty to any purchaser of the production, and shall authorize and direct such purchaser to pay the royalty directly to the Government and to furnish the Government with copies of the settlement sheets. If the records of any production and sales or other disposition of production, whether the production is by the Operator or by others, are not made available to the Government, the amount of the royalty may be estimated by the Government, and this estimate shall be final and binding upon the Operator or producer.

(g) No obligation to produce.--Nothing in this contract shall be construed as imposing any obligation on the Operator or the Operator's successor in interest to engage in any production operations.

(h) Government not obligated to buy.--Nothing in this contract shall be construed as imposing any obligation on the Government to purchase any minerals and metals mined or produced from the land.

ARTICLE 7. Termination of the Government's Obligations.--(a) If the Government determines that operations at any time have failed to achieve anticipated results and further work is not justified, the Government may give the Operator written notice thereof, and thereupon:

(1) the Government shall be free of all obligation to pay on account of units of work not then performed; and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

(b) If the Government determines that the Operator is in default under the terms of the contract, the Government may give the Operator written notice of such default with a specification of reasonable time within which the default must be cured; and if the Operator fails to cure such default as required, thereupon:

(1) the Government shall be relieved of all obligation to pay on account of units of work not performed when the notice was given, and

(2) the Operator shall be free of all obligation to prosecute the work other than such as may be necessary and incidental to final accounting and reporting.

The Government may also avail itself of any other remedy the law may provide for breach of contract, including the right to rescind the contract and to demand repayment of all moneys contributed by the Government under the contract.

(c) The giving of any notice by the Government under the provisions of this Article 7 shall not affect the Government's rights as provided for in the contract with respect to royalty and liens to secure the payment thereof, and such rights shall be fully preserved.

(d) The determinations of the Government are subject to appeal under Article 11.

ARTICLE 8. Notices to be given by the Government may be delivered to the Operator or may be sent by certified mail addressed to the Operator at his mailing address stated in this contract. If mailed, notices are deemed to have been delivered five days after the date of mailing.

ARTICLE 9. Officials not to benefit.--No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

ARTICLE 10. Nondiscrimination in Employment.--The provisions respecting nondiscrimination in employment which are required by section 301 of Executive Order 10925, dated March 6, 1961, as amended and supplemented, are attached hereto as Exhibit B and are hereby incorporated in and made a part of this contract.

ARTICLE 11. Disputes.--Any dispute arising under this contract which is not disposed of by agreement shall be decided by the Director, U. S. Geological Survey, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Operator. The decision of the Director, U. S. Geological Survey, shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Operator mails or otherwise furnishes to the Director, U. S. Geological Survey, a written appeal addressed to the Secretary of the Interior. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence.

The term "Director, U. S. Geological Survey," as used herein includes his duly authorized representative.

ARTICLE 12. Work Hours Act of 1962 - Overtime Compensation.--This contract, to the extent that it is of a character specified in the Work Hours Act of 1962 (Public Law 87-581, 76 Stat. 357-360) and is not covered by the Walsh-Healey Public Contracts Act (41 U.S.C. 35-45), is subject to the following provisions and to all other provisions and exceptions of said Work Hours Act of 1962.

(a) Overtime requirements.--No Operator or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any laborer or mechanic to be employed on such work in excess of eight hours in any calendar day or in excess of forty hours in any workweek unless such laborer or mechanic receives compensation at a rate of not less than one and one-half times his basic rate of pay for all hours worked in excess of eight hours in any such calendar day or in excess of forty hours in any such workweek, as the case may be.

(b) Violations; liability for unpaid wages; liquidated damages.--In the event of any violation of the clause set forth in subparagraph (a) of this paragraph, the Operator and any subcontractor responsible therefor shall be liable to any affected employee for his unpaid wages. In addition, such Operator and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed, with respect to each individual laborer or mechanic employed in violation of the clause set forth in subparagraph (a) of this paragraph, in the sum of $10 for each calendar day on which such employee was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (a) of this paragraph.

(c) Withholding for unpaid wages and liquidated damages.--The U. S. Geological Survey may withhold or cause to be withheld, from any moneys payable on account of work performed by the Operator or subcontractor, such sums as may administratively be determined to be necessary to satisfy any liabilities of such Operator or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b) of this paragraph.

ARTICLE 13. Copeland (Anti-Kickback) Act--Nonrebate of wages.--The regulations of the Secretary of Labor applicable to contractors and subcontractors (29 CFR, Part 3), made pursuant to the Copeland Act, as amended (40 U. S. C. 276c) and to aid in the enforcement of the Anti-Kickback Act (18 U. S. C. 874) are made a part of this contract by reference. The Operator will comply with these regulations and any amendments or modifications thereof and will be responsible for the submission of affidavits required of independent contractors thereunder. The foregoing shall apply except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions.

ARTICLE 14. Changes and added provisions.--

_____

_____

_____

_____

Executed in quintuplicate the day and year first above written.

E. E. LEWIS, INC.

_____
(Operator)

By _____

Title _____

THE UNITED STATES OF AMERICA

By **Director, U. S. Geological Survey**

_____

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

_____

[CORPORATE SEAL]

WLEmerick/bsl
DRAFT 10/10/69

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

ANNEX I

The land, including all rights pertaining thereto, referred to in Article 2 of the contract consists of five (5) patented lode mining claims, two (2) millsite claims, and twenty-nine (29) unpatented lode mining claims situated in Secs. 2, 3, 10 and 11, T. 8 S., R. 30 E., Gila and Salt River Meridian, Ash Peak Mining District, Greenlee County, Arizona.

These claims (except millsites) are shown on Figure 1, entitled "Claim map of the Ash Peak Mines Property, Greenlee County, Arizona," which is attached and made part hereof.

The patented claims and millsites are recorded in the Office of the County Recorder, Greenlee County, Arizona, as follows:

Name	Patent Number
Great Eastern	783751
Commerce	783751
Fraction	783751
Summit	783751
Homestead	783751
Commerce (millsite)	78~~4~~3751

The unpatented claims are recorded in the Office of the County Recorder, Greenlee County, Arizona, as follows:

Claim Name	Book No.	Page No.
Last Chance No. 1	24	620
Last Chance No. 2	24	645
Last Chance No. 20	24	640
Last Chance No. 30	24	621
Last Chance No. 40	24	622
Last Chance No. 50	24	623
Last Chance No. 60	24	624
Last Chance No. 70	28	1026
Last Chance No. 80	24	691
Last Chance No. 90	24	692
Homestead No. 2	24	625
Homestead No. 3	24	626
Homestead No. 4	24	627
Summit No. 2	24	628
Summit No. 3	24	629
Summit No. 4	24	630
Fraction No. 2	24	631
Fraction No. 3	24	632
Fraction No. 4	24	633

Commerce No. 2	24	634
Commerce No. 3	24	635
Commerce No. 4	24	636
Great Eastern No. 2	24	637
Great Eastern No. 3	24	638
Great Eastern No. 4	24	639
Great Eastern No. 7	24	642
Great Eastern No. 8	24	643
Great Eastern No. 9	24	641
Great Eastern No. 10	24	644

The Operator is in possession of the patented claims and millsites under terms of an Exploration Agreement, Mining Sublease and Option dated January 29, 1968, from Robert H. Sayre, Jr., A. George Setter, and George E. Morehouse, lessees under an Exploration Agreement, Mining Lease and Option dated May 2, 1966 from Arizona Title Insurance and Trust Company, Trustee and owner.

Lien and Subordination Agreements executed by George E. Morehouse, A. George Setter, and Robert H. Sayre, Jr., on November 3, 1969, and by Arizona Title Insurance and Trust Company, as Trustee on November 3, 1969, are attached and made part hereof. These agreements state that the Exploration Agreement, Mining Sublease and Option, dated January 29, 1968, is in full force and effect.

The Operator is the owner of the unpatented claims.

EXPLORATION CONTRACT
E. E. LEWIS, INC.
OME-6736

EXHIBIT A

The purpose of this project is to explore for silver and gold ore bodies by sinking, drifting, and underground diamond core drilling on the Ash Peak and associated quartz veins in andesite rock of probable Tertiary age.

General Provisions

The two compartment inclined shaft shall be not less than 10' x 6' in cross section in the clear of timber, and shall be timbered as necessary using standard 8- by 8-inch cut or equivalent round timber. Shaft air lines, water lines, and ventilation tubing shall be not less than 2-inch, 2-inch, and 12-inch diameter, respectively. Rails shall be installed and shall be not less than 20-pound size. Ladders throughout and landings at intervals of 20 feet shall be installed in the manway compartment.

Drifts shall be not less than 5' x 7' in cross section in the clear of timber and shall be timbered as necessary using standard 8-inch by 8-inch cut or equivalent round timber.

Mine rails in the drifts shall not be less than 12-pound size, air lines not less than 2-inch diameter, water lines not less than 1-inch diameter, and ventilation tubing not less than 12-inch diameter.

The Operator shall provide such equipment, materials, supervision, labor, and technical services, including sampling, as may be required to complete the work in a satisfactory manner.

No drilling or underground work shall be done within 100 feet of the exterior boundaries of the land outlined on Figure 1.

The location, direction, and extent of each work item shall be subject to prior Government approval. The Government will not participate in the costs incurred for incomplete drill holes or for casing left in holes at the request of the Operator.

All diamond drill holes drilled from underground locations shall be completed with standard AX (nominal diameter 1-1/8") core size or equivalent wire line size equipment.

Significantly mineralized core shall be split and one split assayed for silver and gold. No sample shall represent a core length greater than 5 feet. The remaining core shall be stored in proper sequence with the unmineralized core.

Facilities shall be provided for recovering drill sludges. Sluge samples shall be retained when drilling in significantly mineralized rock.

Diamond drill core shall be stored in boxes identified as to hole number with markers in the core sections indicating the depth represented. Sludge samples shall be stored in suitable containers properly identified as to source and location. The stored core and sludge samples shall be retained for Government inspection and possible use. With prior Government approval, the Operator may dispose of the core and sludge samples.

All significantly mineralized areas intersected by underground workings shall be sampled by cutting channels normal to the trend of mineralization at intervals of not more than 5 feet and in addition a representative bulk sample shall be taken of each round broken in such areas. Each sample shall be split and one split assayed for silver and gold. The remainder of each sample shall be stored and identified in a suitable container for Government inspection and possible use. With prior Government approval the Operator may dispose of the stored samples.

True copies of assay certificates of all samples shall be submitted with the Operator's monthly report which shall include also a map, sketch, or cross section showing the work completed during the reporting period and the locations of all samples taken from drill core and underground workings.

Mine installation and operating practices shall conform to mine safety regulations of the State of Arizona.

The work shall be divided into two stages with Stage I consisting of shaft sinking and Stage II consisting of drifting and diamond core drilling.

Contract funds not expended to complete work in Stage I may be applied to work on items in Stage II with the prior written approval of the Government.

Description of the Work

The two-stage work program shall consist of extending the Commerce inclined shaft an additional 300 feet from the 500-foot level, drifting ~~400~~ 375 feet east and ~~400~~ 375 feet west from the shaft on the newly established 800-foot level, diamond drilling northeasterly from the Ash Peak vein at approximately 200-foot intervals from the east and west drifts on the 800-foot level, and sampling mineralized areas encountered in the shaft, drifts, and drill holes.

The proposed exploration is shown on Figure 2, entitled "Section showing proposed exploration, Commerce shaft, Ash Peak Mines, Greenlee County, Arizona," attached and made part hereof.

Stage I

Extend the two-compartment Commerce shaft an additional 300 feet from the 500-foot level to provide access to underground workings to be driven on the Ash Peak vein at the 800-foot level.

A shaft station, loading pocket, and sump shall be excavated to service workings on the 800-foot level.

Stage II

Drift on the vein ~~400~~ 375 feet east and ~~400~~ 375 feet west from the shaft on the 800-foot level.

Diamond drill northeastward from the Ash Peak vein on the 800-foot level at intervals of approximately 200 feet. The sites are to be selected by the Operator with the approval of the Government confirmed in writing.

Estimated Costs of the Work

Stage I

Fixed Unit Costs 1/2/

Shaft sinking, including timbering and excavating for station, loading pocket, and sump,

300 feet @ $166.53/ft., rounded	$49,960.00	
Total Estimated Fixed Unit Costs, Stage I		$49,960.00
Government participation @ 25%		$12,490.00

Stage II

Fixed Unit Costs 1/2/

Drifting, including timbering and preparing drill sites		
750 feet @ $76.57/ft., rounded	$57,430.00	
Diamond core drilling (AX size), including mobilization and demobilization		
375 feet @ $9.31/ft., rounded	3,495.00	
Assaying for silver and gold		
400 samples @ $3.50/sample	1,400.00	
Accounting,		
7 months @ $75.00/month	525.00	
Total Estimated Fixed Unit Costs, Stage II		$62,850.00
Government participation @ 50%		$31,425.00

S U M M A R Y

Total Estimated Cost of Stage I	$49,960.00
Government participation @ 25%	$12,490.00
Total Estimated Cost of Stage II	$62,850.00
Government participation @ 50%	$31,425.00
Total Estimated Cost of Project	$112,810.00
Government participation	$43,915.00

1/ Cover all costs whatsoever, including equipment, materials, labor, technical services, taxes, and insurance.

2/ The Government retains no equity in any of the equipment or materials used.

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NOV 19 1969

Memorandum

To: Assistant Solicitor,
Oil and Gas and Mineral Exploration

From: Chief, Office of Minerals Exploration

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

The proposed OME contract for the subject application is returned to your office for final preparation and approval.

New Lien and Subordination Agreements, dated November 3, 1969, executed by George E. Morehouse, A. George Setter, and Robert H. Sayre, Jr., and the Arizona Title Insurance and Trust Company, as Trustee, are included with the proposed contract.

The owners of the land state in Paragraph 3 of the Lien and Subordination Agreements that the Operator's lease remains in full force and effect.

The paragraph on page 3 of Annex I of the proposed contract referring to the Lien and Subordination Agreements has been revised to reflect the new material.

Harold Kirkemo

Harold Kirkemo

Enclosures

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region III
Mr. Emerick

WLEmerick/bsl 11/18/69

NG CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1481
GRAND JUNCTION, COLORADO
Phone 243-1729

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Leasing
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November 11, 1969

U. S. Department of the Interior,
Geological Survey
Office of Minerals Exploration
Room 4460 Interior Building
Washington, D. C. 20242

Attention: Harold Kirkemo, Chief

Re: O,M.E. 6736
(Silver-Gold)
Ash Peak Mine,
Greenlee Co., Ariz.

Gentlemen:

Per the request of William Hasler, Denver office of the O.M.E., enclosed are five copies of the Lien and Subordination Agreement with accompanying statement, "the lease is in full force and effect," from Arizona Title and Lessors. Separate forms were prepared for owner and lessor for convenience and rapidity of securing signatures.

Please advise if any additional information is required.

Very truly yours,

E. E. LEWIS, INC.

E. E. Lewis

Elbert E. Lewis, Pres.

EEL/dg
Encl.

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 200

August 8, 1969

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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

I have reviewed the Report of Examination by Mr. W. L. Emerick concerning the subject property and concur with his conclusions and recommendations, to prepare a contract to explore for silver and gold at the Ash Peak Mine, Greenlee County, Arizona, as proposed in his report.

Total cost is estimated at $117,756.25, of which the Government's share under the modified contract would be $46,388.62.

J. William Hasler

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

JUL 14 1969

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Memorandum

To: Chief, Office of Minerals Exploration
Washington, D. C.

From: William L. Emerick, Geologist
Washington, D. C.

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mines
Greenlee County, Arizona

Submitted herewith is an Application Report on the subject property recommending that a modified contract be granted, when the funding situation permits, consisting of 300 feet of shaft sinking, 800 feet of drifting, 375 feet of diamond drilling, assaying, and accounting. Total cost is estimated at $117,756.25, of which the Government's share under a modified contract would be $46,388.62.

Also enclosed for your use if a contract is granted, are five extra copies of Figures 1 and 2.

William L. Emerick

William L. Emerick

Enclosures

UNITED STATES

DEPARTMENT OF THE INTERIOR

WALTER J. HICKEL, SECRETARY

GEOLOGICAL SURVEY
OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

APPLICATION REPORT

OME-6736 (Silver-Gold)
E. E. LEWIS, INC.
Ash Peak Mines
Greenlee County, Arizona

By
W. L. Emerick
Geologist-OME

July 1969

On-Site Exam Report

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ILLUSTRATIONS

Figure 1. Claim map of the Ash Peak Mines Property, Greenlee County, Arizona.

Figure 2. Section N. 20° W. showing proposed exploration, Commerce shaft, Ash Peak Mines, Greenlee County, Arizona

INTRODUCTION

E. E. Lewis, Inc., P. O. Box 1481, Grand Junction, Colorado, applied to the Office of Minerals Exploration for Government assistance in an exploration project, Docket OME-6736, to explore for silver and gold at the Ash Peak Mine (Commerce shaft), Greenlee County, Arizona. The applicant believes that silver values in a steeply-dipping quartz vein in andesite rock of probable Tertiary age persist at depth and wishes to explore the vein by shaft deepening, drifting, and underground diamond drilling.

A review and field examination was requested by the Office of Minerals Exploration and was made by W. L. Emerick on June 12, 1969 accompanied by Glenn A. Smith, Superintendent of the mine. The applicant's maps, cross sections, and assay data were examined and compared with exposures on the property.

SUMMARY

The Ash Peak Mines are in a well defined quartz vein filling a fault fissure that contains an adequate tonnage of low-grade silver ore which is also valuable as a smelter flux. The mineralization is known to extend to 975 feet on the dip of the vein and the proposed shaft deepening, drifting, and underground diamond drilling would explore deeper parts of the vein expected to be of the same or better average grade ore. The project is readily available all year. The

applicant's estimates of the costs required to do the proposed work are not unreasonable. Also, the applicant has all of the facilities for accomplishing the work and appears competent to undertake successfully all phases of the work. It would probably take about seven months to complete the project. However, the present funding situation of OME makes it impossible to participate in the proposed project under the applicant's estimate of cost.

RECOMMENDATIONS

It is recommended that the Government enter into a modified contract with E. E. Lewis, Inc., when the OME funding situation permits, to provide 25 percent of the cost of sinking the Commerce shaft to the 800-foot level and 50 percent of the costs of drifting, drilling, and assaying of samples on the 800-foot level. The program will require about 7 months to complete and the Government's share of the estimated total cost of $117,756.65 would be $46,388.62. The work to be done all by the applicant with his own equipment would be based upon fixed unit costs.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The Ash Peak Mines are located in Sec. 2, 3, 10, and 11, T. 8 S., R. 30 E., Gila and Salt River Meridian, Greenlee County, Arizona.

The property lies about 10 miles west of Duncan, Arizona and 30 miles east of Safford, Arizona, less than a mile south of paved Highway 70. A road passible to ordinary passenger cars takes off south from Highway 70 at about milemarker 368. Coming east from Safford, mine structures on the property can be seen from the highway.

Telephone service is available to the mine through Duncan, Arizona. This is also the nearest rail center. Mail trucking service, materials, timber, and supplies are available at Safford, Arizona. Needed mining equipment and supplies can be obtained at either Tucson or Phoenix, Arizona.

PROPERTY

History and Production

The Ash Peak Mines were discovered in 1899 but the earliest recorded development work was done in 1918 and 1919 when the Commerce, Shamrock, and Hardy shafts were sunk and several thousand feet of drifting was done along the vein from the various shafts. No production was recorded during this period and in 1920 work ceased and the property was idle until 1936. The property was rehabilitated and some production occurred from 1936 until early 1938 but a low price of silver forced closing of the mines. Inspiration Consolidated Copper Company reopened the mines as a silver-flux source in 1941 and shipments of approximately 181,000 tons of ore were made until early in 1954 when operations ceased because of lease forfeiture. A total production of 480,000 tons is reported from the Ash Peak Mines by the applicant. The applicant acquired the property through a lease and option agreement.

Ownership

The property consists of five patented lode mining claims and two patented millsite claims leased and optioned by the Arizona Title Insurance and Trust Company, an Arizona corporation, as trustee, to three

lessees from whom E. E. Lewis, Inc. obtained the property by a second lease and option agreement. Copies of the two lease and option agreements were attached to the application. A Lien and Subordination agreement signed by the three sublessors is included also with the application. The property includes also 29 unpatented mining claims located by the applicant and grouped about the five patented claims.

The following patented claims and millsites recorded in the Office of the County Recorder of Greenlee County, Arizona are:

Claim Name	Patent No.
Great Eastern	783751
Commerce	783751
Fraction	783751
Summit	783751
Homestead	783751
Commerce (millsite)	783751
Summit (millsite)	783751

Recorded in Book 1 of Patents on pages 277 to 281.

The following unpatented claims recorded in office of the Greenlee County Recorder are:

Claim Name	Book No.	Page No.
Last Chance #1	24	620
" " #2	24	645
" " #20	24	640
" " #30	24	621

Last Chance #40	24	622
" " #50	"	623
" " #60	"	624
" " #70	28 WSL	~~Not Given in Application~~ 1026 WSL
" " #80	24 WSL	691
" " #90	"	692
Homestead #2		625
" #3	"	626
" #4	"	627
Summit #2	"	628
" #3	"	629
" #4	"	630
Fraction #2	"	631
" #3	"	632
" #4	"	633
Commerce #2	"	634
" #3	"	635
" #4	"	636
Great Eastern #2	"	637
" " #3	"	638
" " #4	"	639
" " #7	"	642
" " #8	"	643
" " #9		641
" " #10		644

The area covered by these claims is shown in Figure 1.

Financial Eligibility

The applicant furnished copies of letters to two banks requesting loans for the proposed work and copies of letters of refusal from the banks. The applicant states that its share of the costs of the proposed exploration will be furnished by cash and use of equipment.

Development

The Commerce shaft of the Ash Peak Mines is developed by a 500-foot shaft following the hanging wall side of the vein and 5-levels of drifts. Most of the drifts are caved and inaccessible. Surface facilities include a hoist house and small adjoining building containing various items of equipment.

Geology

Geologic setting

The Ash Peak Mines are in an area of moderate relief. Rocks exposed in the area of the claims consist of basalts, rhyolite tuffs, rhyolites, and andesites of probable Tertiary age. A fault striking N. 60° W. and dipping 85° -88° N. cuts the volcanic rocks and can be traced on the surface for about 2 miles. The fault zone ranges from 20 to 60 feet in width. A mineralized quartz vein, ranging from 6 to 18 feet in width, occupies the hanging wall side of the fault zone.

Ore Deposits

The vein at the Ash Peak Mines has a stock work structure and was formed probably by direct fissure filling. Mineralization in the vein in the area of the mines is known for a strike length of 6000 feet and down dip for 975 feet in the Shamrock shaft and 500 feet in the Commerce shaft. Ore minerals are native gold and silver sulphide (argentite) in a quartz gangue.

Sampling

Trenches and pits in the vein at the surface have been extensively sampled and assayed. Assay maps of underground workings indicate systematic sampling and that the grade of silver improved with depth to the limit of development reached. The applicant cites an average grade of ore at .035 ounces of gold and 9.3 ounces of silver per ton.

Ore Reserves

Some indicated and inferred ore, shown by the old assay maps of the Inspiration Consolidated Copper Company, is presently inaccessible because of caved workings. The applicant estimates a total of 1,808,300 tons of indicated and inferred ore reserves. These reserves are in the vein along a strike length of 4,000 feet, 1,400 feet down dip, and for a thickness of 6 to 10 feet. Presumably, these reserves average .035 ounces of gold and 9.3 ounces of silver per ton. Because of its high silica this ore would also receive payment for its flux value if continued to be shipped to the Phelps Dodge Corporation smelter at Clifton, Arizona.

EXPLORATION

Applicant's Proposal

The applicant's revised program (Figure 2) proposed a two phase program. Phase 1 would involve sinking the present 4'-6" x 9'-6" two compartment shaft an additional 300 feet from the 500-foot level, drift 400 feet east and west from the 800-foot level, drill diamond drill holes into the hanging wall each 200 feet on the east and west drifts and cut samples every ten feet in the shaft and drifts. Phase II of the applicant's program would depend upon the results of Phase I and therefore no cost estimates were submitted at this time by the applicant.

Total cost of the applicant's proposed program was $117,756.25. Government participation at 75 percent would amount to $88,317.49.

Examiners Proposal

A modified program is proposed whereby Government participation in the shaft sinking (Stage I) is limited to 25 percent of the cost and in drifting, drilling, assaying, and accounting (Stage II) to 50 percent of the costs.

Cost Estimate

Stage I

Shaft sinking, including timbering and station cutting

300 feet @ $166.53/ft., rounded ~~$40,959.00~~ $49,960.00

Total Estimated Cost of Stage I . . . . . $49,9~~59~~60.00

Government participation @ 25% . . . . . $~~12,490.00~~ 12,490.00

Stage II

Cost Estimate Cont'd.

Drifting, including timbering and preparation drill sites	
800 feet @ $76.57/ft.	$61,256.00
Diamond drilling (AX), including mobilization & demobilization	
375 feet @ $9.31/ft., rounded	3,4~~91.25~~ 92.00
Assaying	
400 samples @ $~~5.00~~ 3.50/ea.	~~2,000~~ 1,400.00
Accounting	
$~~150~~ 75/mo. for 7 mos.	~~1,050~~ 525.00

Total Estimated Cost - Stage II . . . . . $~~67,797.25~~ 66,673.00

Government participation @ 50% . . . . . $33,~~898.62~~ 377.00

S U M M A R Y

Total Estimated Cost of Stage I	$ 49,9~~59.00~~ 60.00
Government participation @ 25%	$ 12,490.00
Total Estimated Cost of Stage II	$67,~~797.25~~ 673.00
Government participation @ 50%	$ 33,~~898.62~~ 377.00
Total Estimated Cost of Project	$~~117,756.25~~ 116,633.00
Total Government participation	$ ~~46,388.62~~ 45,867.00

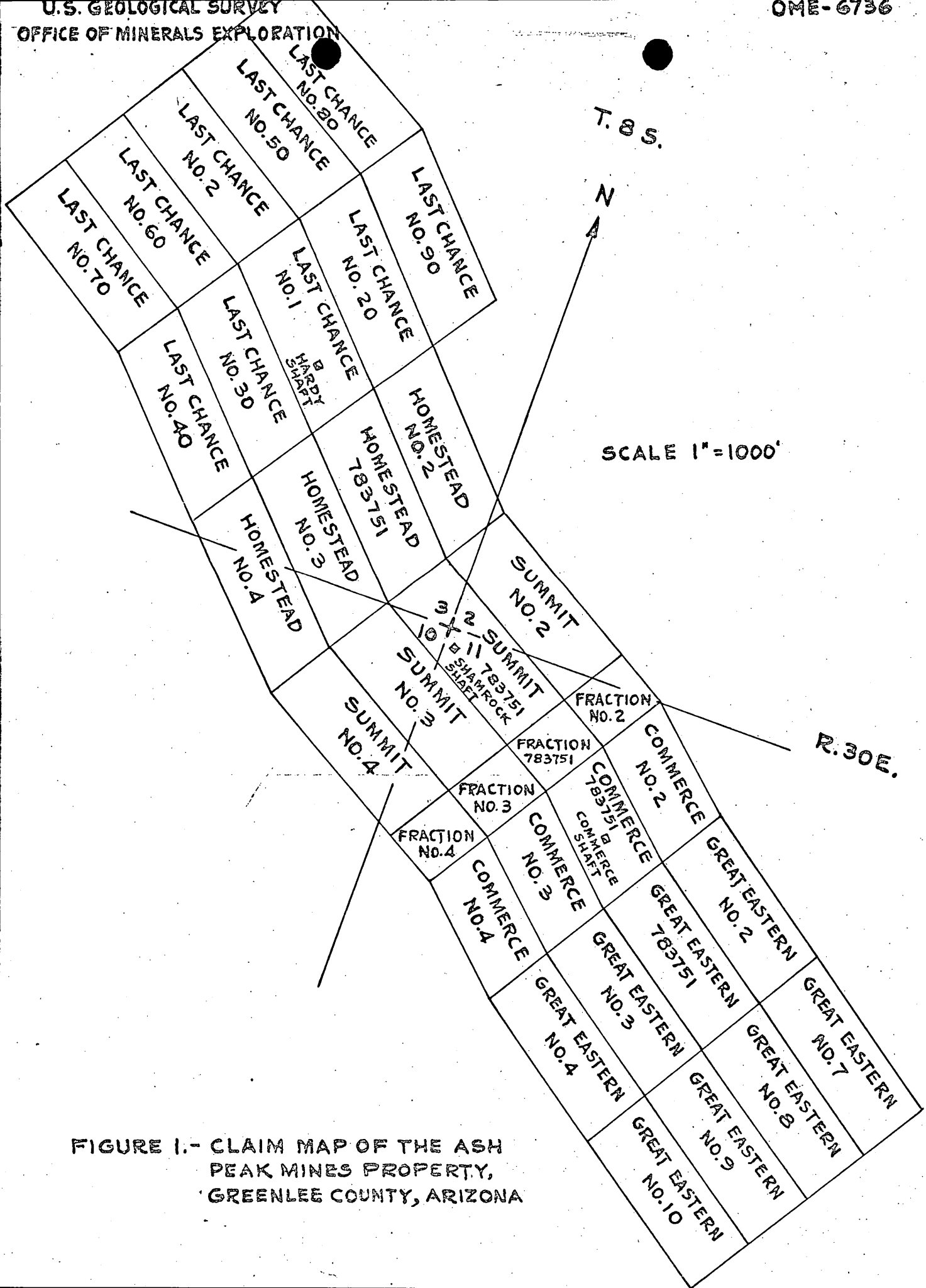


FIGURE 1.- CLAIM MAP OF THE ASH PEAK MINES PROPERTY, GREENLEE COUNTY, ARIZONA

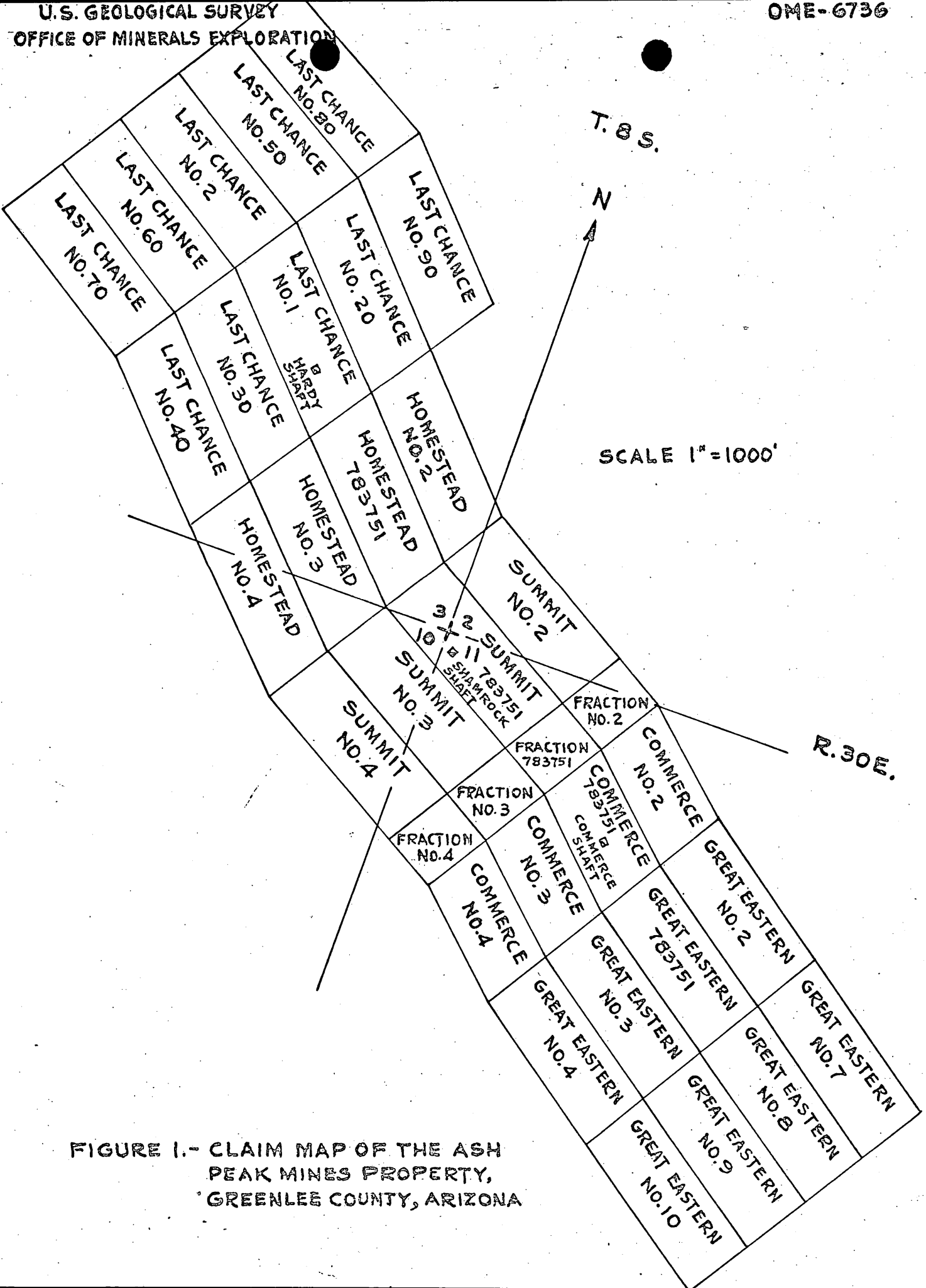


FIGURE 1.- CLAIM MAP OF THE ASH PEAK MINES PROPERTY, GREENLEE COUNTY, ARIZONA

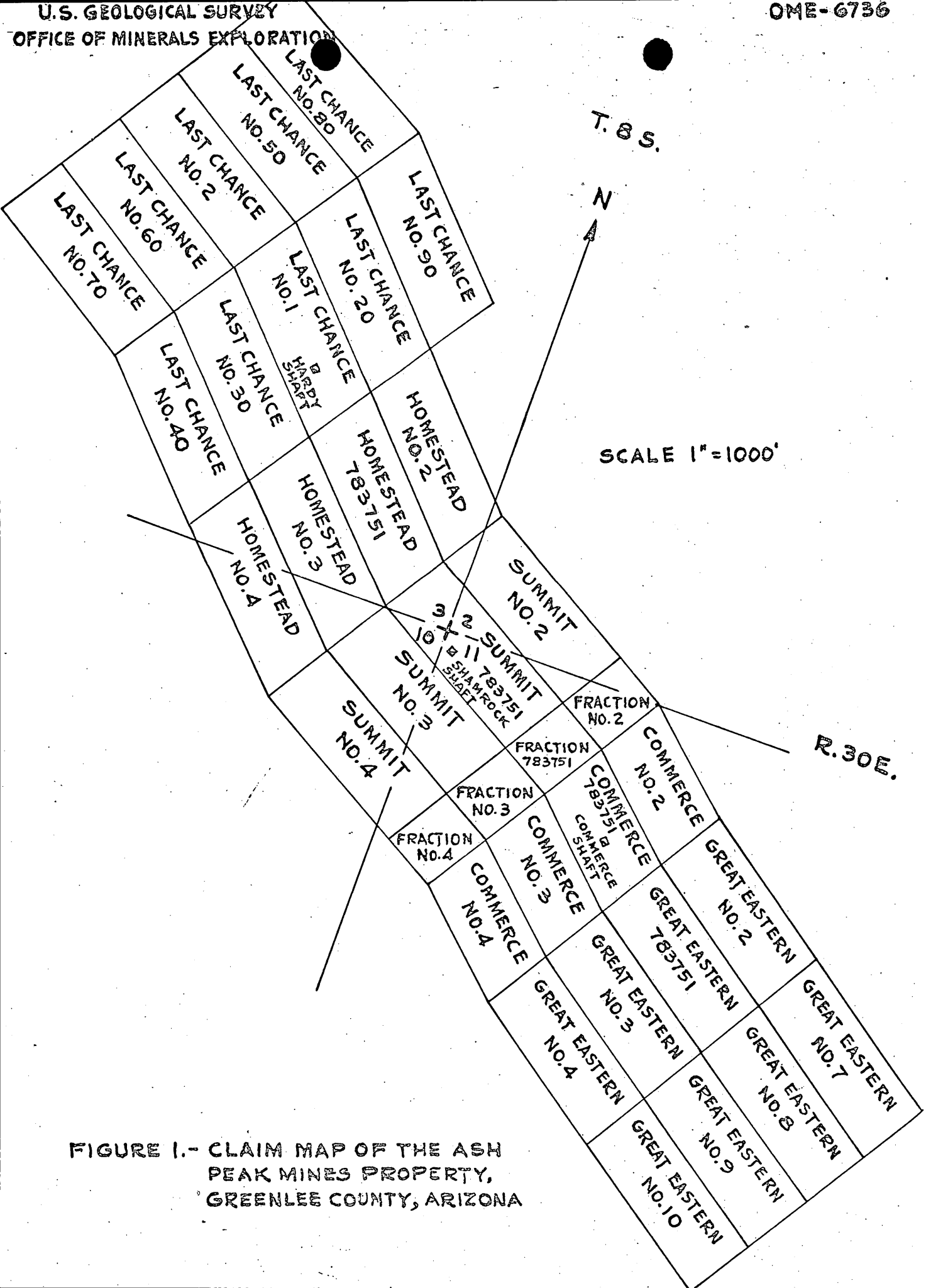
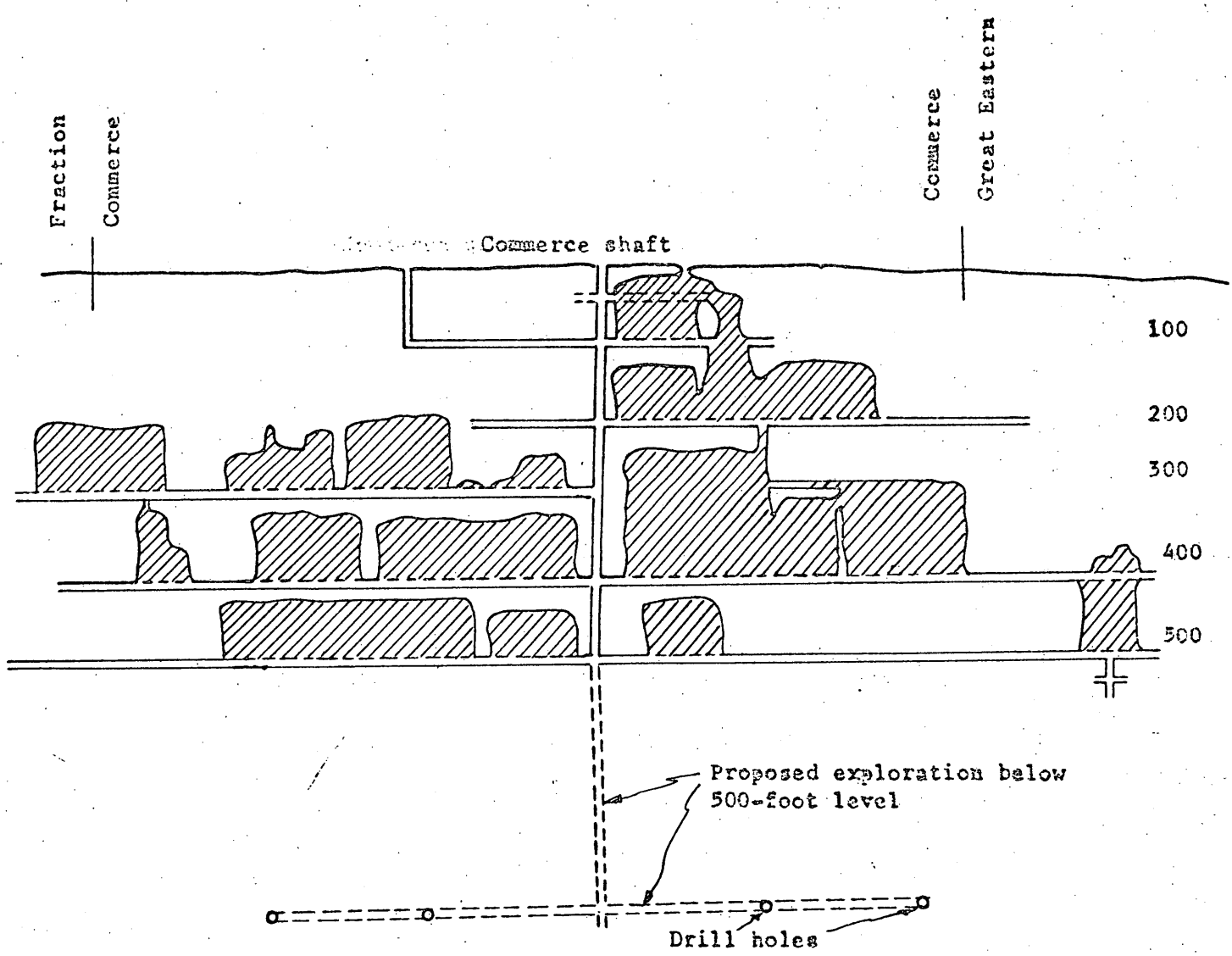


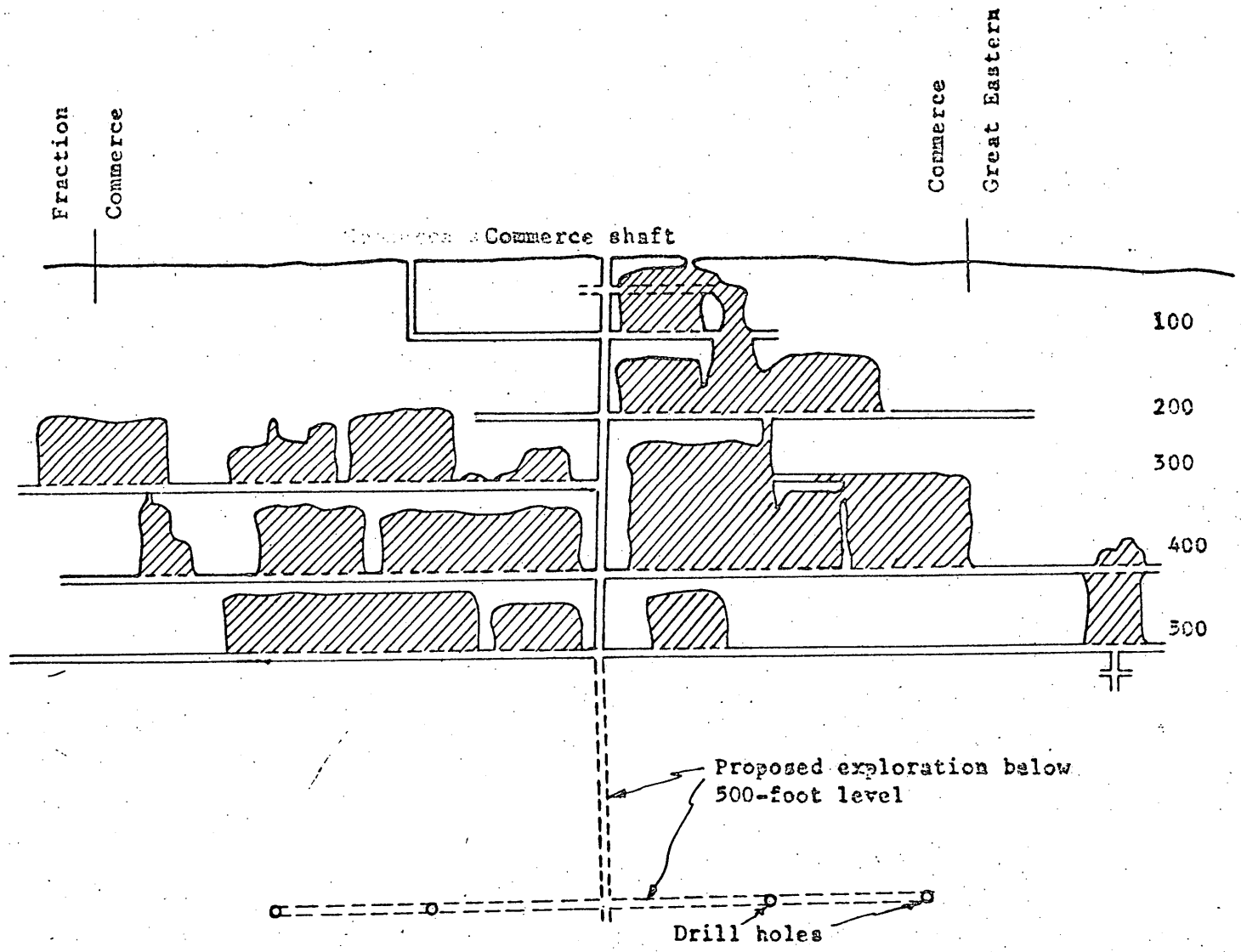
FIGURE 1.- CLAIM MAP OF THE ASH PEAK MINES PROPERTY, GREENLEE COUNTY, ARIZONA



Plane of section
N 20° W
View northeastward

Scale 1" = 200'

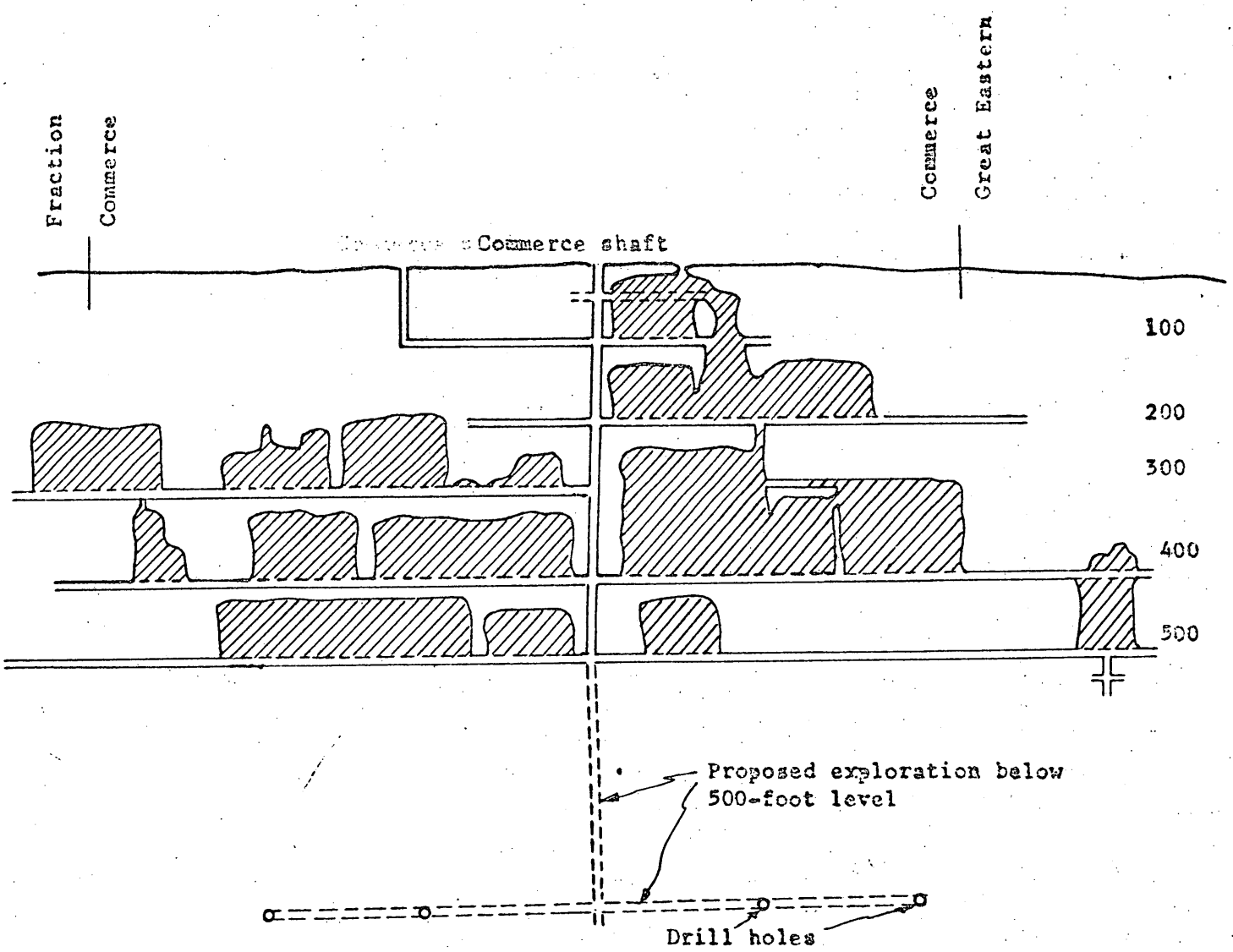
Figure 2.- SECTION ~~N. 20° W.~~ SHOWING PROPOSED EXPLORATION, COMMERCE SHAFT, ASH PEAK MINES, GREENLEE COUNTY, ARIZONA



Plane of section
N. 20° W.
View northeastward.

Scale 1" = 200'

Figure 2.- SECTION ~~(N. 20° W.)~~ SHOWING PROPOSED EXPLORATION, COMMERCE SHAFT, ASH PEAK MINES, GREENLEE COUNTY, ARIZONA



Scale 1" = 200'

Figure 2.- SECTION N. 20°W. SHOWING PROPOSED EXPLORATION, COMMERCE SHAFT, ASH PEAK MINES, GREENLEE COUNTY, ARIZONA

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JUN 2 1969

AIRMAIL

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

INTERIOR DEPT.
OCT 29 1969
SOLICITOR

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Gentlemen:

This will acknowledge your letter of May 26, 1969.

There has been no change in the outlook for OME funding since our letter to you dated May 14, 1969. Therefore, we are unable at this time to offer additional contracts beyond those already approved and in preparation. We regret that our letter may have been misconstrued as a commitment that a contract would be prepared, and that you may have decided to retain the crew for that purpose. We stated that the technical aspects of your application would be reviewed, and perhaps certain phases of the project could be considered for a contract in lieu of the whole program at some future date when funds are available.

A preliminary examination of your amended application indicates that an on-site examination of the property is warranted. However, such an examination should not be considered as assurance that an exploration contract will be recommended by the examiner or approved for a contract. The application will be referred to the Field Officer for his review, and he will make arrangements with you to examine the property as his schedule permits. The different parts of your program can be discussed with him at the time of the examination.

Sincerely yours,

Harold Kirkemo (bsl)

Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region III w/copy of incoming ltr. dtd 5/26/69
Mr. Emerick

WLEmerick/HKirkemo/bsl 6/2/69

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AIRMAIL

JUN 2 1969

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

The subject application is referred to you for further study, a field examination if warranted, and recommendations.

OME could not support a contract large enough to include all of the work proposed in the application, therefore, the field examiner should go over the program with the Applicant to determine what part could be considered for Government participation in lieu of the whole program, in the event a contract was approved.

Harold Kirkemo (bsl)

Harold Kirkemo

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Mr. Emerick
130

WLEmerick/bsl 6/2/69

NING CONSULTANTS
Engineering
Appraisals
Management

E. E. LEWIS, INC.
P. O. Box 1481
GRAND JUNCTION, COLORADO
Phone 243-1729

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Cy to R-III

May 26, 1969

Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Gentlemen:

Reference your letter of May 14, 1969.

Based upon letters received from the O. M. E. July 30, 1968, August 30, 1968, and December 1968, we have proceeded to rehabilitate the shaft and clear the underground workings in anticipation of O. M. E. assistance for further exploration at the Ash Peak Mine. We understand that without allocation of O. M. E. funds the O. M. E. cannot at this time offer us a contract. Because of the scarcity of labor and the difficulty in securing experienced crews, we would appreciate it very much if the O. M. E. would make their next examination and indicate what portions of the contract they will proceed with in the event funds are available July 1, 1969. We can continue to hold the crews and thus be prepared to commence work without delay in the event the funds are available to O. M. E.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, Pres.

EEL/dg

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MAY 14 1969

AIRMAIL

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Gentlemen:

This will acknowledge your letter of May 9, 1969 enclosing a revised OME application to explore below the 500-foot level in the Commerce workings of the Ash Peak Mine at an estimated total cost of $117,756.65.

At the present time, OME funds for contract purposes are fully committed to current contracts and to applications previously approved. Consequently, we would be unable to consider offering another contract on present funds.

The extent of our contracting activities in the new fiscal year beginning July 1, 1969, depends upon the availability of newly appropriated funds. We expect a cut in appropriations, but it is uncertain at this time the extent of this reduction, and we may not be informed of the final decision on this for several months. If the reduction is as much as expected it is unlikely that we could support a contract large enough to include all of the work proposed in your application. However, we will review your application for its technical aspects. Perhaps certain portions of the project could be considered in lieu of the whole program at some future date.

Should our funding situation change, we will advise you.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo, Chief
Office of Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME Docket
OME Reading File
Region III
~~Mr. Peterson~~

~~Peterson~~/bsl 5/14/69

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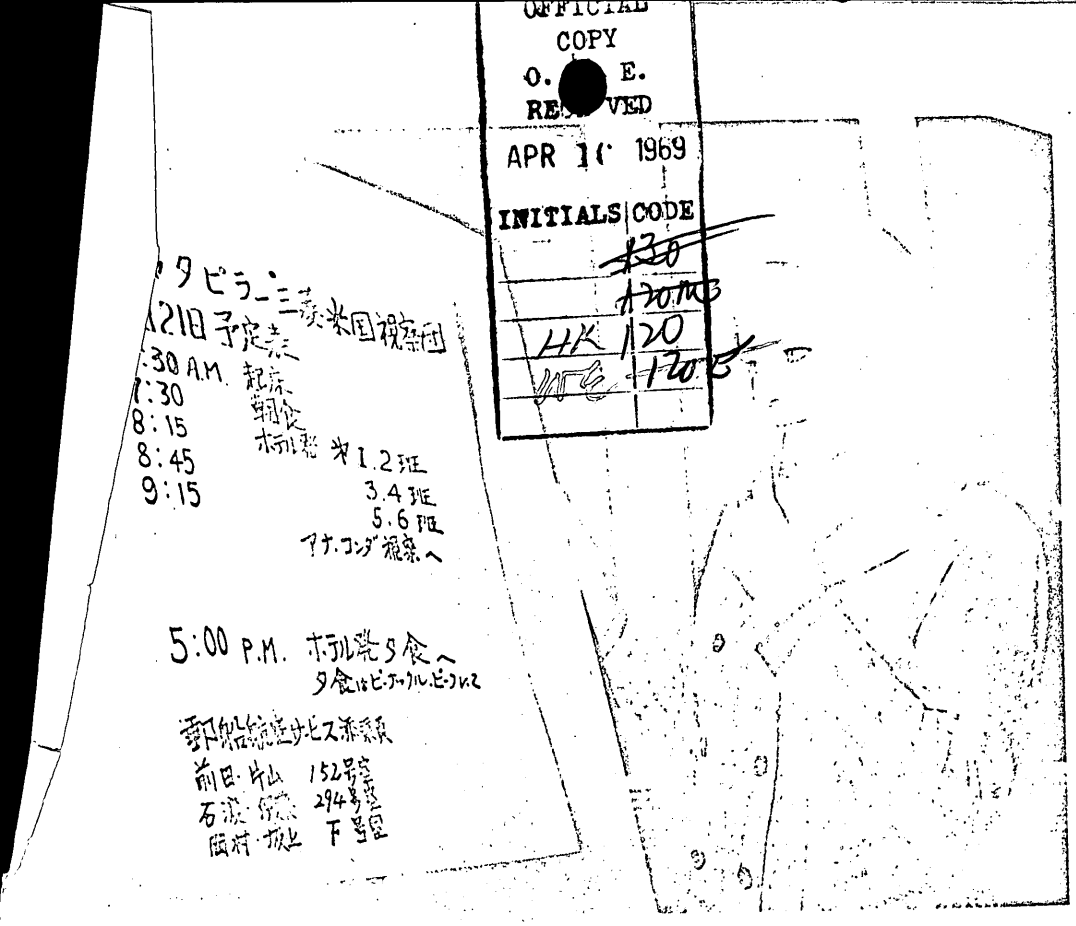

A Mine Tour?

Consideable interest was created in Tucson recently when more than 200 Japanese observed the massive stripping project at the Twin Buttes Mine of The Anaconda Company as guests of Caterpillar and Empire Machinery, Arizona distributor for the heavy equipment manufacturer. The world's greatest concentration of Caterpillar equipment is at work at Twin Buttes. In the photo above, Pat Peters, coffee shop cashier at the Sheraton-Hilton Inn, shows bewilderment at trying to decipher the tour schedule. In the photo at left, some of the visitors pose in front of a Caterpillar 779 truck in the display at the mine. (Photos courtesy Tucson Daily Citizen and Empire Machinery.)

Of Mines And Men

Statewide mining employment edged up 100 to a new all-time high of 18,000 at mid-January, reported the Employment Security Commission of Arizona. The strength of continued expansion in the important copper mining segment of the industry was given as the reason for the increase.

Reiche Mining & Development Company has installed a small pilot mill on its Black Copper Queen property in Holden Canyon, south of Arivaca in Santa Cruz County.

Production is expected to resume in the near future at the Aravaipa Mine and the Klondyke Mill in western Graham County by FAR Mining Company of Fred A. Riebold.

The No. 1 Shaft has been retimbered to a depth of 226 feet. Roads near the mine have been widened and improved. Ore is currently being produced from an open pit at the Iron Cap Mine about a mile north of Landsman Camp and is being stockpiled at the Klondyke Mill, which has been revamped and capacity increased to 175 tons per day.

Of Mines And Men

Although Shattuck Denn Mining Corporation's Iron King mine near Mayer is shut down, the company's fertilizer plant continues to operate as needed. The "Iron King" soil supplement is marketed through Occidental Chemical Company. Jack Pierce is general manager for Shattuck Denn.

Maurice Hedderman is continuing underground exploration at the Silver Coin Mine near Arivaca.

V. P. Kelly of Tucson has been cleaning out the old workings at the Cramer property in California Gulch, which he has under lease, in Santa Cruz County.

Robert Wonder, Winterhaven, California, reports the leasing of his Red Devil copper claims to William E. Hicks, Fergus, Ontario, Canada.

Ralph and Hoyd Patty of Patagonia are building a small mill at their Connecticut Mine in upper Josephine Canyon.

E. E. Lewis is shipping silica from the firm's Ash Peak Mine near Duncan. The Commerce Shaft has been retimbered to the bottom, or the 500-level.

The Little Hills Mine near Oracle is shipping silica flux to the American Smelting and Refining Company smelter in Hayden. Dave McGee is mine manager.

LEE REDMAN EQUIPMENT
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Lake Shore Inc.
Pactor Corp.—Compactors
Pioneer Division of Portec, Inc.
Rex Chainbelt
Wagner Mining Scoop, Inc.

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...l Files Another Land ...hdrawal Notice

...other Bureau of Land Management ...ce (No. A—3478) of a proposed classi...tion of public lands for multiple-use ...nagement was carried in the Federal ...gister for February 13th. The catch this ...ne is that the lands would be withdrawn ...om appropriation under the mining and ...ineral leasing laws. The classification ...lso would segregate the public lands described from appropriation under the agricultural land laws, from sale, from private or state exchange, and from state selection.

The scattered tracts designated aggregate 3,711.85 acres. They are located in the Phoenix, Congress Junction, Bagdad, Topock, Tucson, Tombstone and Safford areas, in Maricopa, Yavapai, Mohave, Pima, Cochise and Graham counties.

According to the notice, local government authorities have identified these lands as being needed for future orderly community expansion, or development for recreation or other public purposes. The multiple-use classification, with the specified restriction, would make it possible to retain these lands in federal ownership until such time as local governments develop programs and plans to acquire and develop the lands, BLM stated.

Maps of the lands in question are on file at the Land Office and the Phoenix District Office, Federal Building, Phoenix. Maps on file in the Safford District Office, Safford, also identify the lands proposed for classification which are located in Graham and Cochise couties.

For a period of 60 days from the date of publication, persons may submit in writing their comments, suggestions or objections to the proposed classification to the State Director, Bureau of Land Management, Room 3022, Federal Building, Phoenix, Arizona 85025.

The proposed withdrawal brought an objection from Frank Knight, director of the Arizona Department of Mineral Resources. In a letter to Fred J. Weiler, Arizona director for the BLM, Knight wrote:

"With reference to Bureau of Land Management notice A-3478 of Proposed Classification of Public Lands for Multiple-Use Management, appearing in the Federal Register of February 13th:

"We call your attention to the mineral character of the listed lands in Yavapai County. Those in Sec. 23, T 10 N, R 6 W, are very close to the Congress Mine, which is credited in Arizona Bureau of Mines Bulletin No. 140, "Arizona Metal Production," with production of gold and silver valued at $8,710,000 at the old prices, or more than $14 million at present prices.

"The lands in Sec. 11, T 14 N, R 9 W are adjacent to property of Bagdad Copper Co. and have prospect of copper and lead-zinc ores.

"It is difficult to understand the reason for withdrawing these lands from mineral entry in order to hold them "until such time as local governments develop programs and plans to acquire and develop these lands." So withholding lands because they might become more valuable for some yet to be developed purpose than for evidenced mineral prospects, seems contrary to the public interest."

Of Mines And Men

Richard L. Brittain has been named vice president — mining of the American Zinc Company, St. Louis, Missouri. An American Zinc employee from 1951-1959, he worked for Atlas Corporation for four years before returning to the company in 1966. His former position was assistant vice president—mining with his office at company headquarters in St. Louis. Brittain is a graduate of the University of Arizona and a former Arizona resident.

G. N. Boutwell, leaching tank repair foreman for the past 20 years, has retired after 27 years of service with Inspiration Consolidated Copper Company.

E. E. Lewis, Inc. has completed re-timbering of the Commerce Shaft at the Ash Peak silver mine in Greenlee County. This will open up the lower levels to examination, evaluation and probable exploration. The silica silver ore will be shipped to Morenci for fluxing purposes in the Phelps Dodge Corporation smelter. Tailings from the mine also are being shipped to the Morenci smelter.

Some old copper specimens from the Miami-Superior area are part of a gift of minerals presented to the geology department at Arizona State University. The gift, consisting primarily of ore specimens of the Southwest, are from the collection of Jay L. Lewis of Albuquerque, New Mexico.

Delivery is expected in late April or early May of an order of four 100-ton, 1,000 hp KW-Dart haulage trucks for use at the Ray Mines of Kennecott Copper Corporation. The trucks are larger than anything now in use at the mine. An additional order has been placed for the RX Euclid 100-ton, 1,000 hp haulage truck which has been used as a stand-by unit at the mine.

The Scruggs Mining Company has installed two new redwood leach tanks at its San Juan Mine in Graham County.

Alfonso D. Rodriguez, grinding and flotation shift foreman at the Ray Mines Divsion of Kennecott Copper Corporation, has retired after 43 years of service.

J. W. Boss of Safford has opened TALCO assay and analytical office in Safford.

OME - Je 73.6 (Ag-Au)
E. E. Lewis
Ash Peak Property
Greenlee Co
Arizona

UNION OIL COMPANY

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February 27, 1969

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OME 6736

Mr. William Hasler
Office of Minerals Exploration
Department of the Interior
U. S. Geological Survey
Denver Federal Center
Denver, Colorado 80225

Dear Bill:

We can prepare the material referred to in the letter to Johnson in less than two weeks. I personally recommend that we sink and sample as indicated because:

a. We are quite certain the vein exists by projection from the Shamrock,

b. Underground drilling from the 500 level will only further confirm the presence of the vein, but will not indicate the magnitude of the values.

c. If we were to perform underground drilling, we would still have to sink an exploratory shaft and drifts in order to determine if the values are sufficient to develop for mining.

Anything we can do to expedite this application will be sincerely appreciated.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, Pres.

EEL/dg

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Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
United States Department of the Interior
Geological Survey
Washington D.C. 20242

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Gentlemen:

Reference your letter of January 7th.

We just completed opening the Commerce Shaft to the 500-foot level and commenced shipments from the open cut work east of the Commerce Shaft, and made installation of the necessary auxiliary equipment. We are preparing an addendum to the above referred application for work from the 500-foot level. This work will include the following:

Sink the shaft an additional 400 feet to the 900-foot level;
Drift east and west on the vein at the 700- and 900-foot levels;
Sample all work in the vein on approximately 10-foot centers.

We can prepare this supplemental application without delay. We would appreciate an indication from the field office or your office if this type of work is the type currently acceptable to the O. M. E., considering our specific project on which you have data. We would like to expedite the application as much as possible.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, Pres.

EEL/dg
cc: William Hasler, Denver

5'-Sample
In duplicate -
new bank letter -
new cost est. -
reasons why expl. -
of not development -

Hasler will answer this 3/5/69

JAN 7 1969

AIRMAIL

E. E. Lewis, Inc.
P. O. Box 1431
Grand Junction, Colorado 81501

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Gentlemen:

Your letter of December 23, 1968 to Mr. J. William Hasler, Field Officer, Region III, requesting a further extension of time has been referred to this office.

We shall be pleased to keep your file active for an additional 90 days pending completion of the rehabilitation work on the Commerce Shaft at the Ash Peak Mine. This extension of time should be sufficient for you to submit new data on your application for exploration work from the 500-foot level of the shaft.

As we stated in our letter of August 30, 1968, administrative and fiscal reasons do not allow this office to defer action indefinitely on an application, therefore, if you have not submitted your proposed data for amendment of the application by March 1, 1969, we shall consider the application as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

WLEmerick/bsl 1/6/69

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1/6/69	Emerick	120
1/7/69	Kirkham	120
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AIRMAIL

JAN 7 1969

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Gentlemen:

Your letter of December 23, 1968 to Mr. J. William Hasler, Field Officer, Region III, requesting a further extension of time has been referred to this office.

We shall be pleased to keep your file active for an additional 90 days pending completion of the rehabilitation work on the Commerce Shaft at the Ash Peak Mine. This extension of time should be sufficient for you to submit new data on your application for exploration work from the 500-foot level of the shaft.

As we stated in our letter of August 30, 1968, administrative and fiscal reasons do not allow this office to defer action indefinitely on an application, therefore, if you have not submitted your proposed data for amendment of the application by March 1, 1969, we shall consider the application as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON (gla)

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

WLEmerick/bsl 1/6/69

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December 23, 1968

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OME Region III
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DEC 27 1968
Denver, Colorado

J. William Hasler
Field Officer, Region III
Office of Minerals Exploration
United States Department of the Interior
Building 53, Room 203
Federal Center, Denver, Colorado 80225

Re: OME 6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Dear Mr. Hasler:

Reference your letter of December 16, 1968.

We are in process of rehabilitating the Commerce Shaft at the Ash Peak Mine. It will be necessary to open the drift on the 500 level before proceeding with exploratory work. As soon as this drift is open, we will amend our O.M.E. application for exploration from this shaft.

We would appreciate your extending the time so that we may do this additional work before amending our application.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, Pres.

EEL/dg

Office of Minerals Exploration
Building 53 Room 203

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December 16, 1968

Mr. E. E. Lewis
E. E. Lewis, Inc.
P.O. Box 1481
Grand Junction, Colorado 81501

Re: OME 6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Dear Mr. Lewis:

In your letter to the Office of Minerals Exploration dated September 26, 1968 you asked that your application on the subject property be held in abeyance until you had rehabilitated the Commerce shaft.

Mr. Frank E. Johnson, in a letter dated August 30, 1968, stated that we would hold your file in the active file for an additional 90 days. Since the time is now past would you please inform us of your plans for the property insofar as the Office of Minerals Exploration is concerned.

Sincerely your,

J. William Hasler

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

cc: Chief, OME
OME chron
Mr, Hasler
OME 6736

OME Form 7
(2/67)

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8/30/68	Peterson	120
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AIRMAIL

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Gentlemen:

Thank you for your letter of August 26 informing us that you require additional time to complete the preliminary work and obtain the requested information.

As we wish to cooperate with you fully in allowing ample time to furnish the necessary data, we shall be pleased to keep your file active for an additional 90 days pending receipt of the material requested. However, for administrative and fiscal reasons this office cannot indefinitely defer action on an application. Therefore, if we do not receive the data by about December 1, we shall consider the application as having been withdrawn.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

ECPeterson/bsl 8/30/68

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GRAND JUNCTION, COLORADO
Phone 243-1729

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August 26, 1968

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Copy to Region

Mr. Frank E. Johnson, Chief
Office of Minerals Exploration
U. S. Department of the Interior
Geological Survey
Washington, D. C. 20242

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Dear Mr. Johnson:

We are in receipt of your letter of July 30th.

We are in process of rehabilitating the Commerce shaft of the Ash Peak Mine. We are also stripping a portion of the vein to the east of the Commerce shaft to a depth of 50 feet. We will be in a better position to supply you with the information you requested in your letters of July 10th and 30th after this work is completed. We therefore request that our file on the Ash Peak Mine be kept open but in abeyance until the conclusion of our rehabilitating the Commerce shaft.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, Pres.

EEL/dg

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August 26, 1968

OME Region I
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Denver, Colorado

Mr. J. William Hasler, Field Officer,
Region III, Office of Minerals Exploration
U. S. Department of the Interior
Geological Survey
Federal Center, Building 53, Room 203
Denver, Colorado 80225

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Dear Mr. Hasler:

Subject: OME-6662 (Silver)
E. E. Lewis, Inc.
Star Mine
Gunnison County, Colorado

We are in receipt of your letter of August 9, 1968.

The dilatory conclusions arrived at by the O. M. E. and the questions presented at this late date make it impossible to anticipate any help from the O. M. E. during this season at the Star Mine. We will endeavor to complete the rehabilitation, cross-cutting, and raising at our own expense, and to expand the geological information to answer the questions raised in your letter of August 9th.

We would appreciate it if our file on the Star Mine and application would be kept open but in abeyance until we have completed the above work.

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, Pres.

EEL/dg

SURNAME COPY

7/30/68 R.M. Smith 120

Kirkham 120

AIRMAIL

E. E. Lewis, Inc. 110
P. O. Box 1481
Grand Junction, Colorado 81501 220

120M

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Gentlemen:

Thank you for your letter of July 15, 1968, informing us that you would consider rehabilitating the Shamrock Shaft only if OME assistance is approved, and inquiring if a drilling and sinking project at the Commerce Shaft would qualify as an OME project.

In view of a recently imposed limitation on funds available for OME contracts in Fiscal Year 1969, OME projects are now restricted so far as practicable to direct exploration in the target area. Accordingly, a project to rehabilitate either shaft could not be approved at this time.

A program of drilling and sinking at the Commerce Shaft may be possible if exploration targets (as distinguished from development targets) can be documented. Geologic evidence as requested in our letter of July 10 might establish such a target. Geologic reasons for expecting a hanging wall vein in the Commerce Shaft area would be needed to justify the proposed drilling in that area.

This request for additional information should not be construed as a commitment by the Government to grant an exploration contract. We shall hold the further processing of your application until the requested data are received.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Economic Geology File
OME docket
OME Reading File
OME Region III
Mr. Smith

RMSmith/gla 7-29-68

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July 15, 1968

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Mr. Frank E. Johnson, Chief,
Office of Minerals Exploration
U. S. Department of the Interior
Geological Survey
Washington, D.C. 20242

Re: O. M. E. #6736, Ash Peak Mine, Greenlee County, Arizona

Gentlemen :

In answer to your letter of July 10, 1968.

We concur that the upper levels of the Shamrock Shaft, that is, above the 700 level, has been well explored and the grade well established. We are not confident that the continuation in depth is assured. We have a reported hole drilled by Arthur Murphy that indicated the vein at 1400 feet, but we have no substantiation concerning this hole, that is, no records to assure that such a hole was ever drilled. From the Inspiration maps it appears that below the 700 level much less stoping was accomplished, and from the assay map of the 975 level it appears the grade may have been diminishing. We would not consider the expense of rehabilitating the Shamrock Shaft and the 975 level for only an underground drilling project. We could and would consider this rehabilitation with O. M. E. participation in the rehabilitation. A second phase, if then warranted, of sinking and drifting could be considered.

We are in the process at the present time of rehabilitating the Commerce Shaft to the 500-foot level. The cost of rehabilitating this shaft will be much less than rehabilitating the Shamrock Shaft. We would be interested in a project of underground drilling from the Commerce Shaft as well as exploring the vein in depth at the Commerce Shaft. This exploration would be along the line of the raise proposed on Map #4, but in the form of sinking. Will it be possible to establish an O. M. E. project of this nature from the Commerce Shaft?

Thanking you for your courtesies and consideration,

Very truly yours,

E. E. LEWIS, INC.

Elbert E. Lewis

Elbert E. Lewis, Pres.

EEL/dg
cc: Mr. William Hasler

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/63)

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7/10	Cal	220
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JUL 10 1968

AIRMAIL

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Re: OME-6736 (Silver-Gold)
E. E. Lewis, Inc.
Ash Peak Mine
Greenlee County, Arizona

Gentlemen:

Preliminary review of your application for financial assistance in exploring the Ash Peak Mine indicates that much of the work you propose may not qualify under OME regulations relating to the purpose of the work. Additional information is needed to clarify its status.

The OME is authorized to assist only in exploration which is defined as the search, including related development work, for new or unexplored mineral deposits. Development work conducted primarily in preparation for mining is specifically excluded. It appears from data in the application that the Ash Peak vein is well explored, its grade well established, and its continuation in depth assured. The proposed sinking, drifting, and raising appears to be warranted by current economics rather than by the expectation of discovering a new mineral deposit.

An exception to this interpretation is suggested by your references (p. 6,7,8) to possible higher grade ore bodies in the underlying limestone. Geologic evidence for the existence of the limestone and its estimated depth would be needed to qualify it as an exploration target.

We concur in your view that diamond drilling from the surface is impractical, and that some underground exploratory drilling is warranted.

If eligibility of the sinking, drifting, and raising cannot be established, would you be interested in an OME project restricted to underground drilling?

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

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

RMSmith/bsl 7/10/68

June 25, 1968

E. E. Lewis, Inc.
P. O. Box 1481
Grand Junction, Colorado 81501

Subject: OME-6736

Gentlemen:

Your application for exploration assistance, dated June 3, 1968, submitted to our office at Denver, Colorado, has been assigned Docket No. OME-6736.

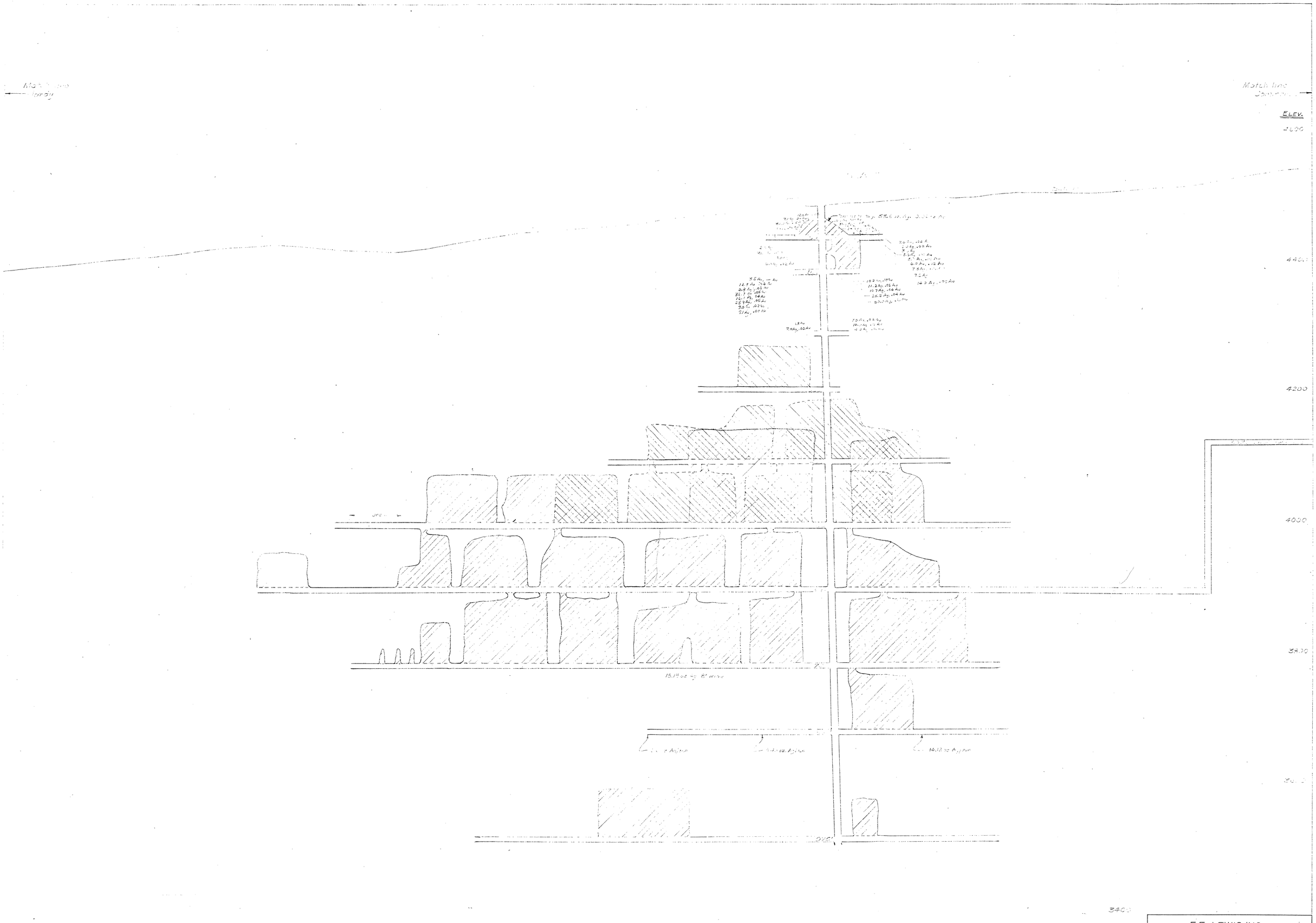
Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

/S/

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc to Region III



E.E. LEWIS, INC.

ASH PEAK MINES

GREENLEE COUNTY, ARIZONA

SHAMROCK SHAFT

Scale: 1 in. = 50' May 1968

MAIN VEIN STOPES

H.W. VEIN STOPES

BASED ON VETA MINES AND INSPIRATION COPPER MAPS

MAP No. 1

E. E. LEWIS, INC.

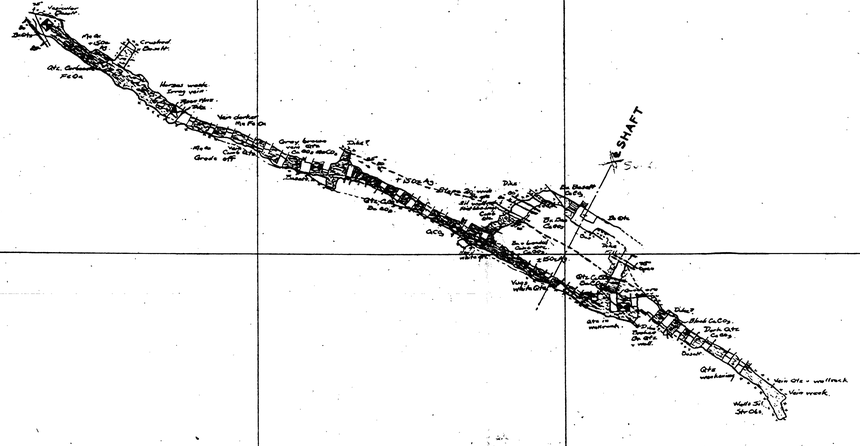
ASH PEAK MINE

GREENLEE COUNTY, ARIZONA

400 LEVEL SHAMROCK SHAFT

SCALE 1" = 40' 8-1952

BASED ON VETA MINES AND INSPIRATION COPPER MAPS



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GEOLOGY MAP-C

E. E. LEWIS, INC.

ASH PEAK MINE

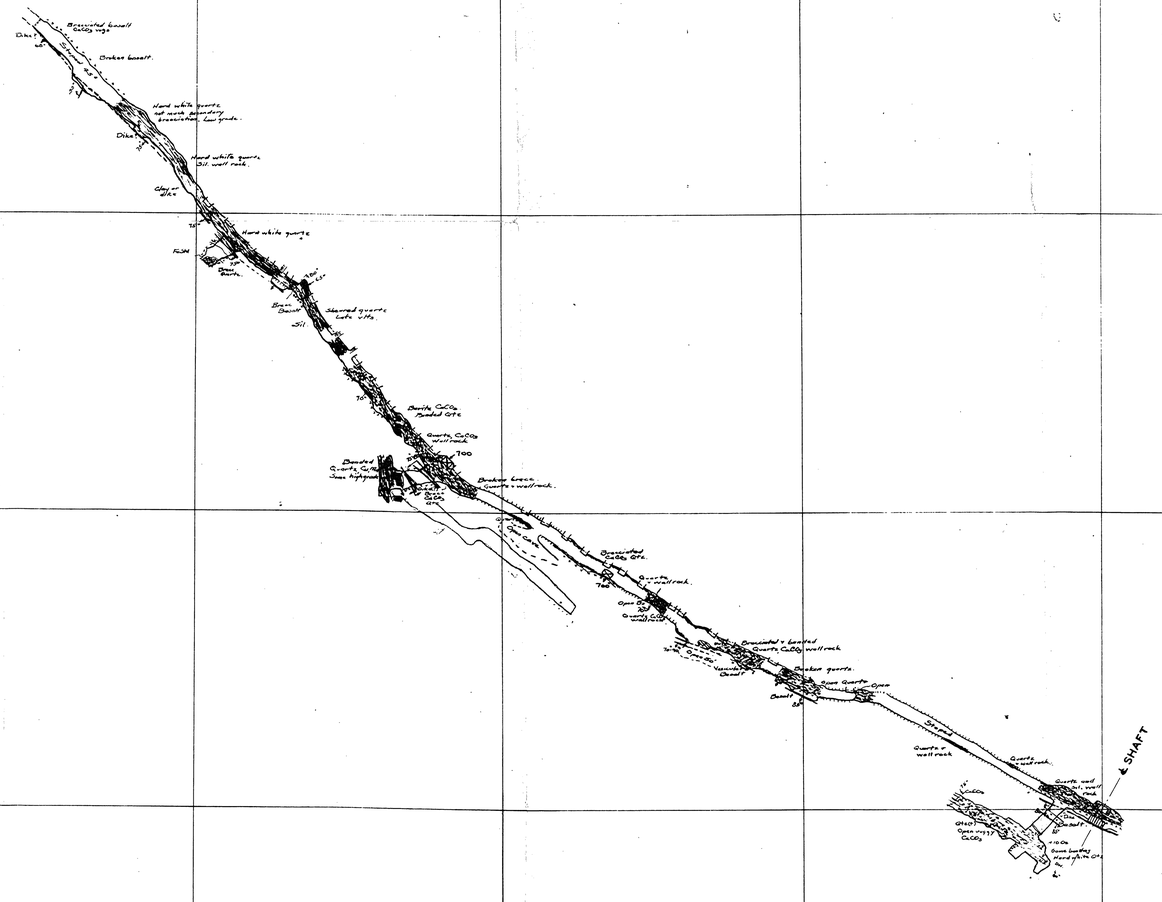
GREENLEE COUNTY, ARIZONA

600 LEVEL SHAMROCK SHAFT

SCALE 1" = 40'

8-1952

BASED ON VETA MINES AND INSPIRATION COPPER MAPS



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GEOLOGY MAP-D

E. E. LEWIS, INC.

ASH PEAK MINE

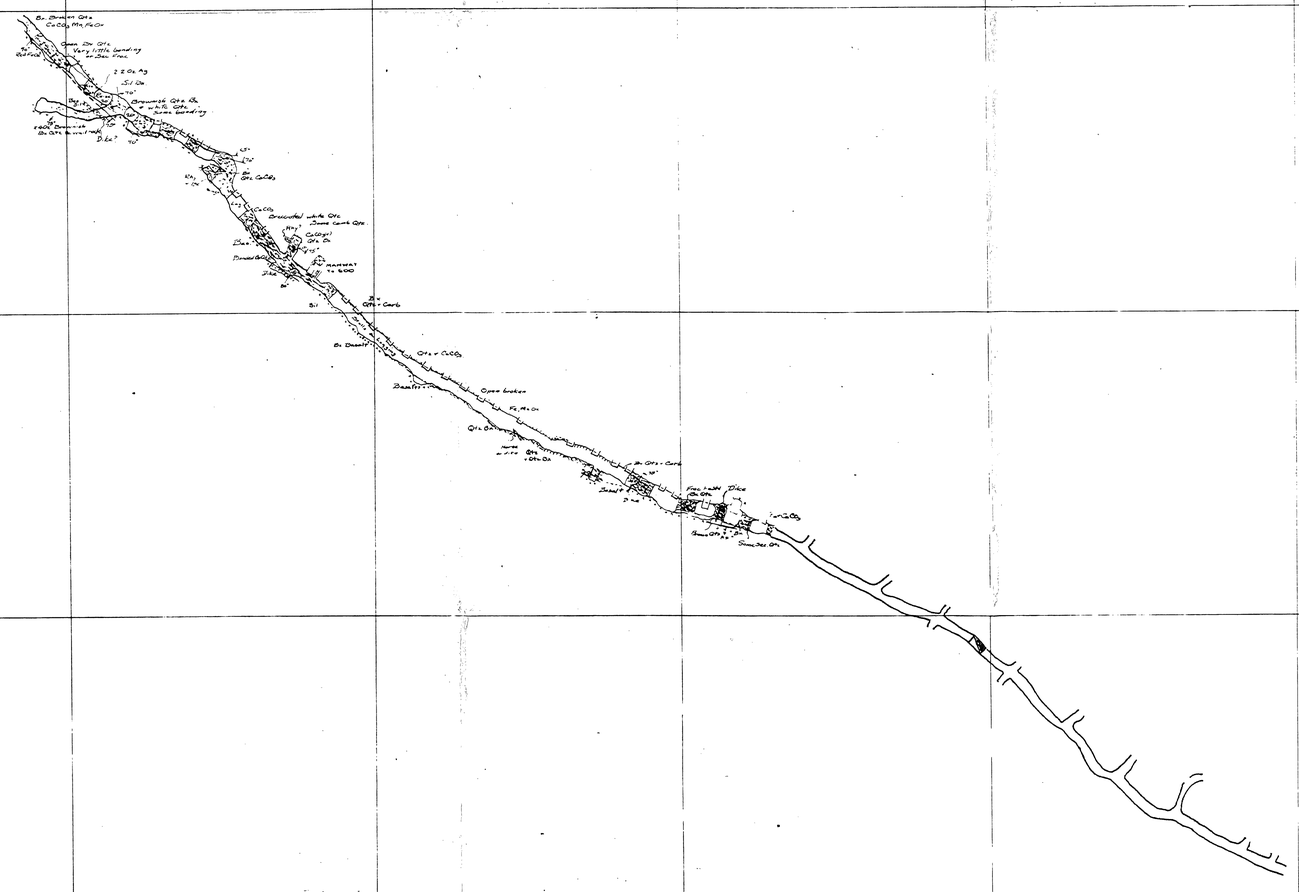
GREENLEE COUNTY, ARIZONA

700 LEVEL SHAMROCK SHAFT

SCALE 1" = 40'

8-1952

BASED ON VETA MINES AND INSPIRATION COPPER MAPS



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E. E. LEWIS, INC.

ASH PEAK MINE

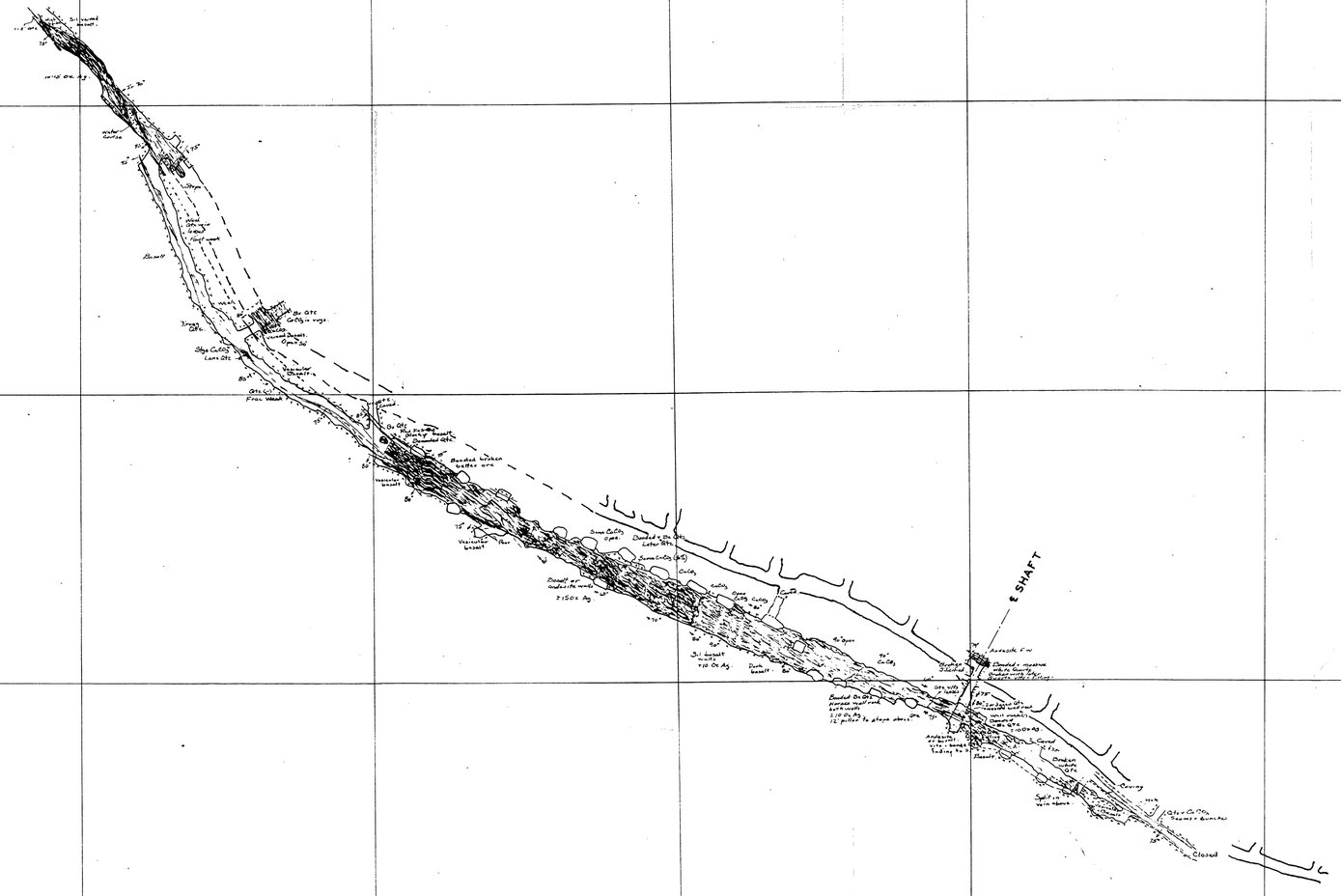
GREENLEE COUNTY, ARIZONA

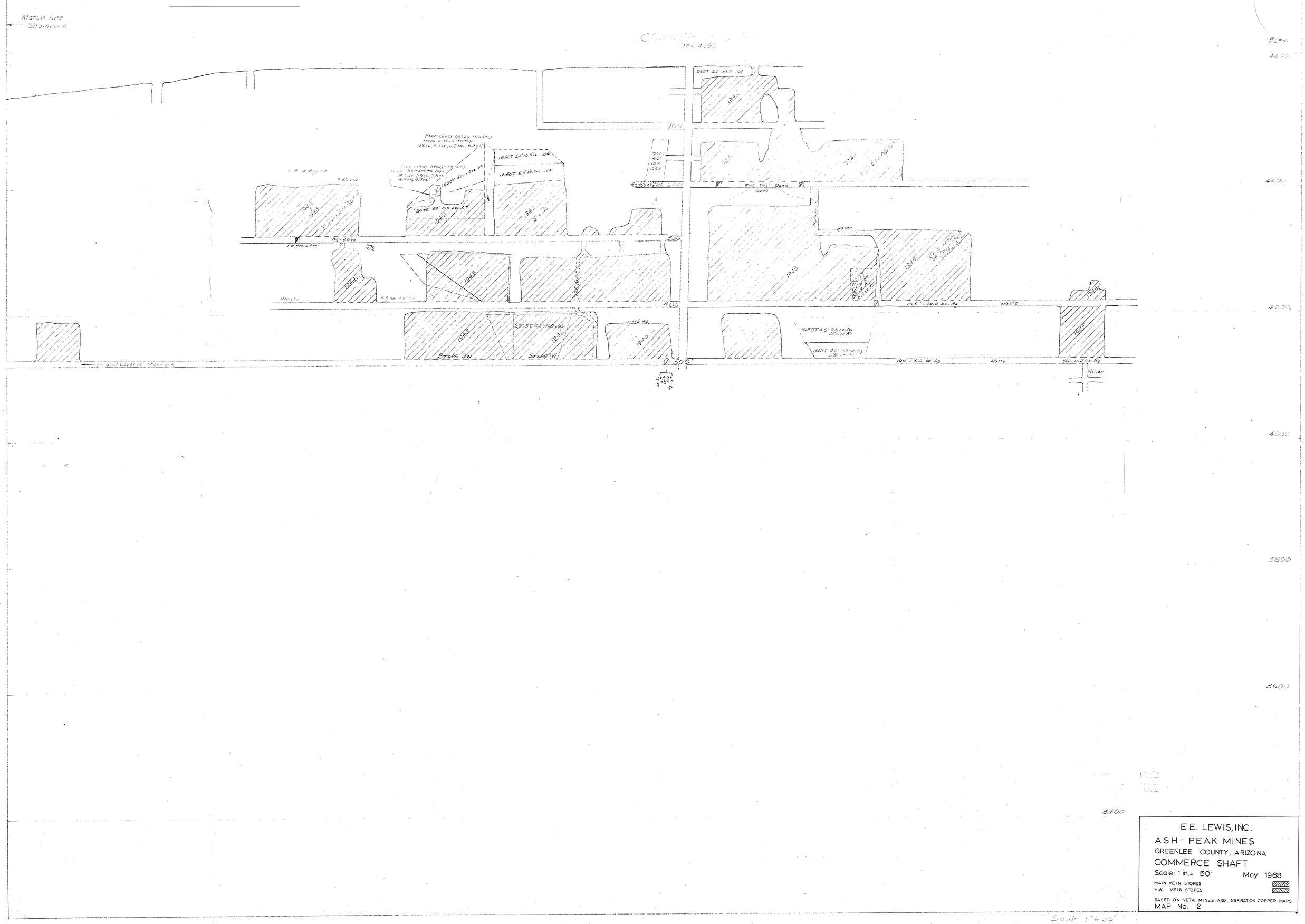
500 LEVEL SHAMROCK SHAFT

SCALE 1" = 40'

8- 1952

BASED ON VETA MINES AND INSPIRATION COPPER MAPS





E.E. LEWIS, INC.

ASH PEAK MINES

GREENLEE COUNTY, ARIZONA

COMMERCE SHAFT

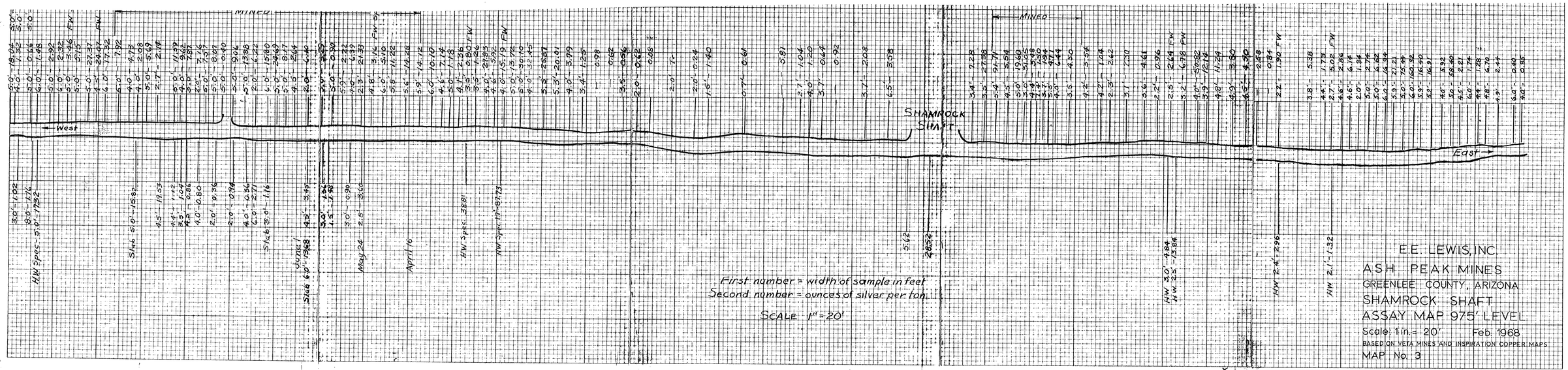
Scale: 1 in. = 50' May 1968

MAIN VEIN STOPES

H.W. VEIN STOPES

BASED ON VETA MINES AND INSPIRATION COPPER MAPS

MAP No. 2



E.E. LEWIS, INC.

ASH PEAK MINES

GREENLEE COUNTY, ARIZONA

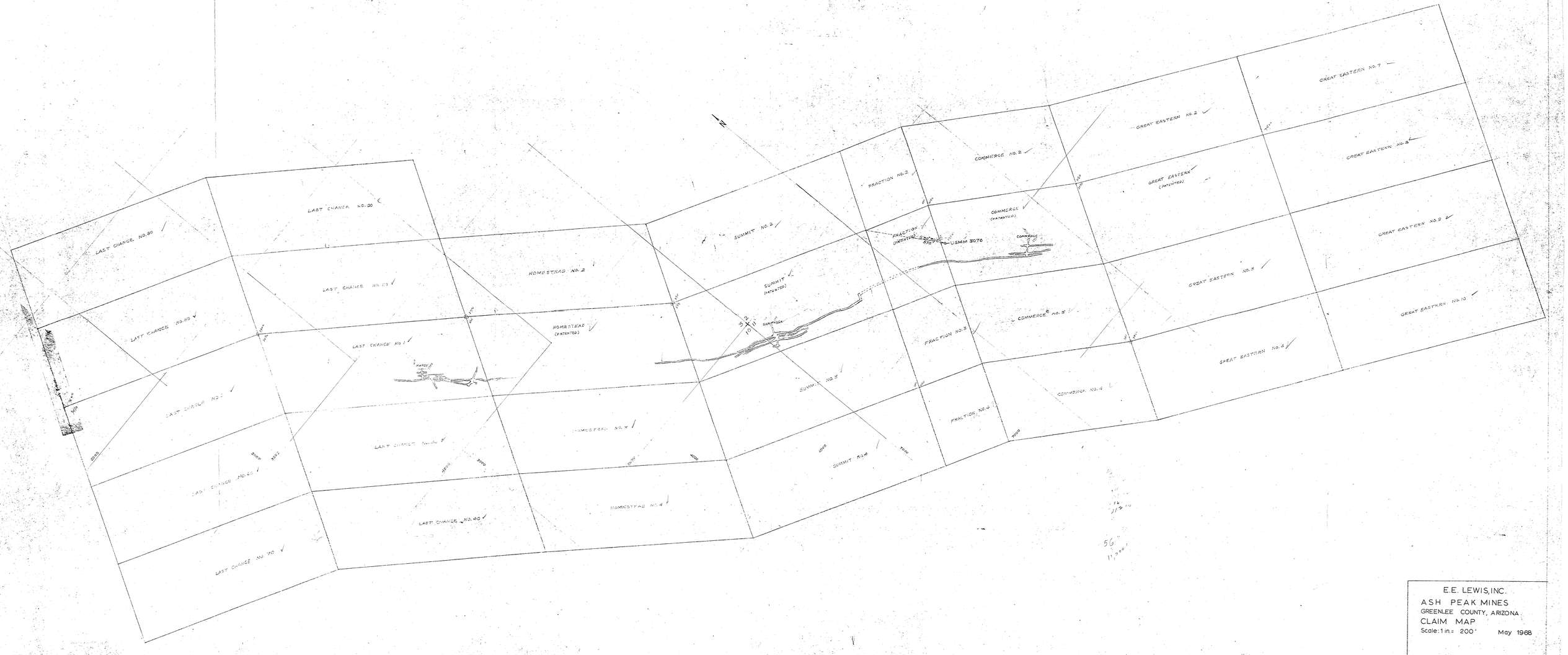
SHAMROCK SHAFT

ASSAY MAP 975' LEVEL

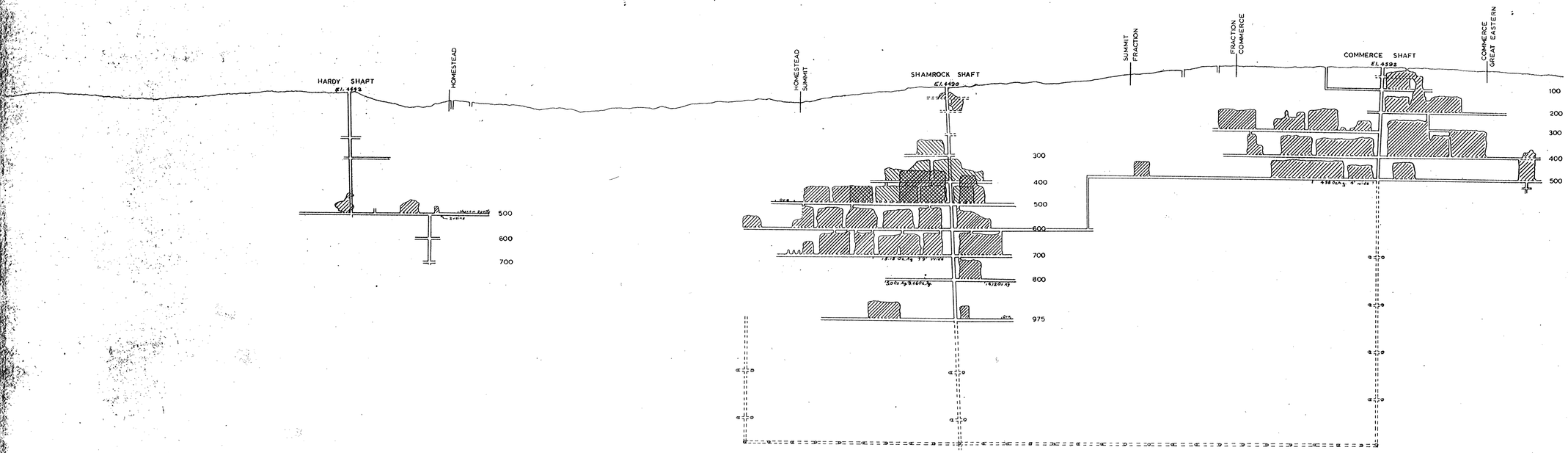
Scale: 1 in. = 20' Feb. 1968

BASED ON VETA MINES AND INSPIRATION COPPER MAPS

MAP No. 3



E.E. LEWIS, INC.
ASH PEAK MINES
GREENLEE COUNTY, ARIZONA
CLAIM MAP
Scale: 1 in. = 200'
May 1968



E.E. LEWIS, INC.

ASH PEAK MINES

GREENLEE COUNTY, ARIZONA

VERTICAL PROJECTION N. 40° W.

Scale: 1 in. = 200' May. 1968

MAIN VEIN STOPES

H.W. VEIN STOPES

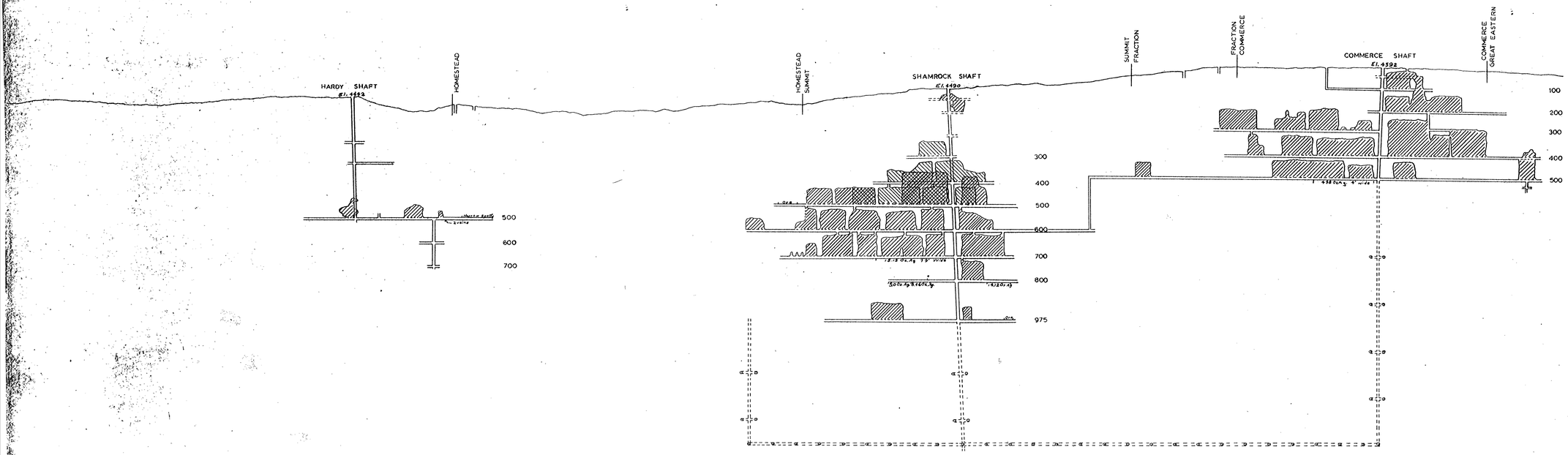
BASED ON VETA MINES AND INSPIRATION COPPER MAPS

PROPOSED EXPLORATION -----

MAP No. 4

⊕ = DD. Hole

NOTE: Cut channel samples each 15' of drifts, shaft, and raises.



E.E. LEWIS, INC.

ASH PEAK MINES

GREENLEE COUNTY, ARIZONA

VERTICAL PROJECTION N. 40° W.

Scale: 1 in. = 200' May. 1968

MAIN VEIN STOPES

H.W. VEIN STOPES

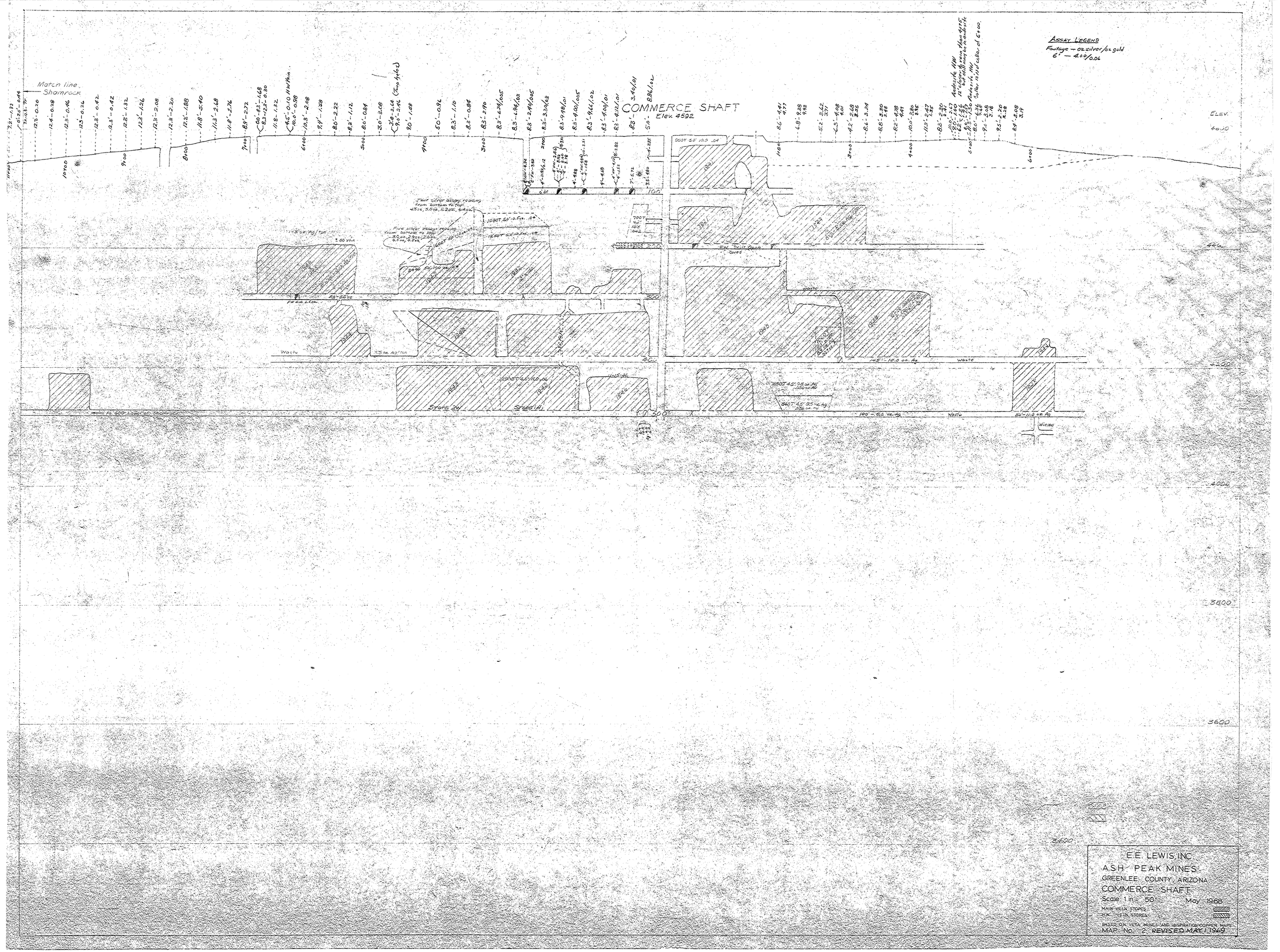
BASED ON VETA MINES AND INSPIRATION COPPER MAPS

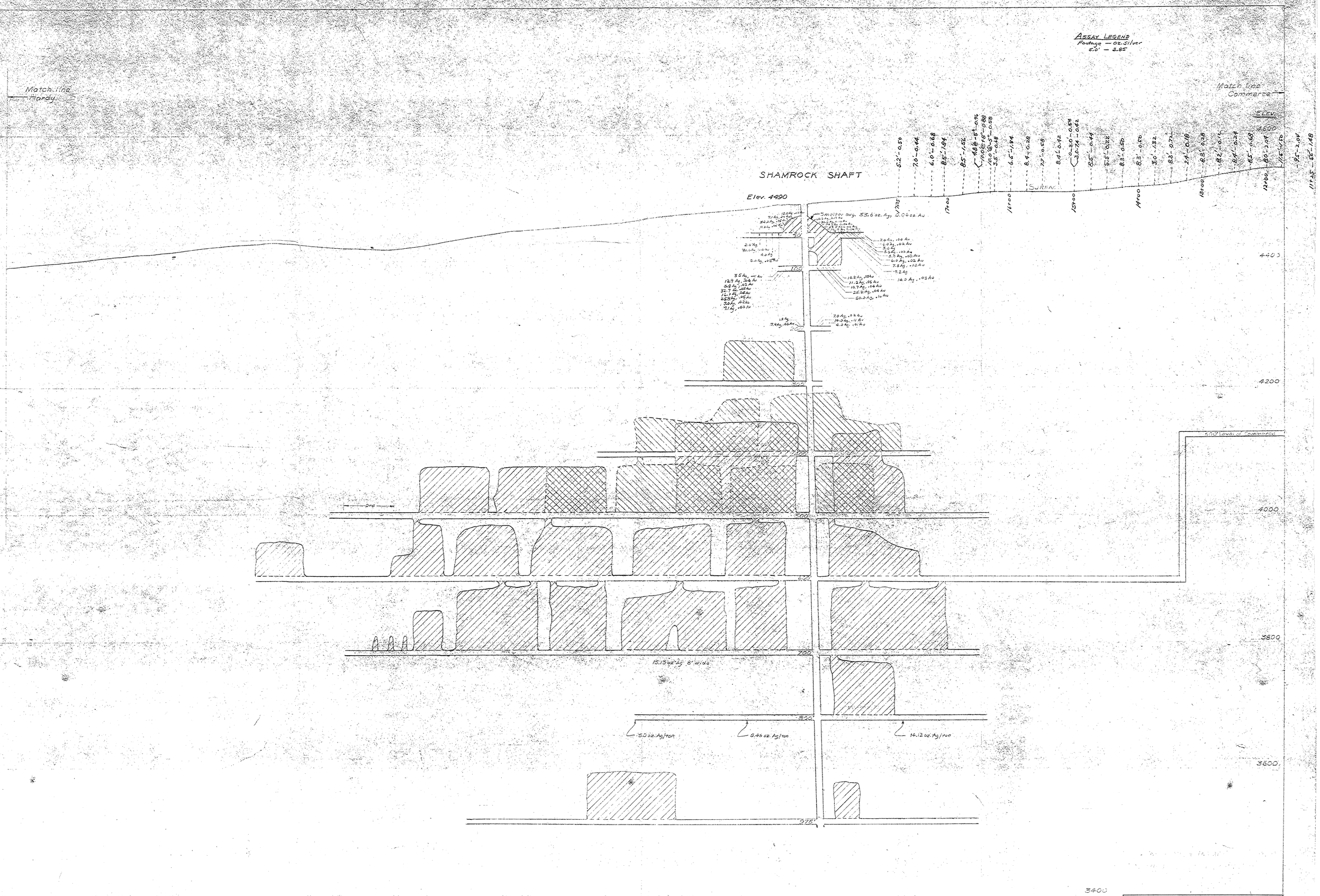
PROPOSED EXPLORATION -----

MAP No. 4

⊗ = DD. Hole

NOTE: Cut channel samples each 15' of drifts, shaft, and raises.


ASSAY LEGEND
Footage — oz silver/oz gold
6' — 4.00/0.06
COMMERCE SHAFT
Elev. 4592
Match line
Shamrock
ELEV.
4000
3800
3600
3400
Four silver assay reading from bottom to top: 4.5oz, 5.0oz, 11.2oz, 6.4oz
Five silver assay reading from bottom to top: 2.5oz, 2.5oz, 2.0oz, 4.5oz, 9.5oz
FW Drift Open
Caved
Waste
Winze
E.E. LEWIS, INC.
ASH PEAK MINES
GREENLEE COUNTY, ARIZONA
COMMERCE SHAFT
Scale: 1 in. = 50'
May 1968
MAIN VEIN STOPES
HW. VEIN STOPES
BASED ON VETA MINES AND INSPIRATION COPPER MAPS
MAP No. 2 REVISED MAY 1, 1969



E.E. LEWIS, INC.

ASH PEAK MINES

GREENLEE COUNTY, ARIZONA

SHAMROCK SHAFT

Scale: 1 in. = 50' May 1968

MAIN VEIN STOPES

H.W. VEIN STOPES

BASED ON VETA MINES AND INSPIRATION COPPER MAPS

MAP No. 1 REVISED MAY 1, 1969