MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE Contract No. _____ Docket No. 6848

Application
- [ ] Denied
- [x] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam. Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

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

Right Side

- [ ] Field Team Semiannual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with Transmittal, Narrative and Maps

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

Folders No. _____: Settlement Sheets

Folders No. _____: Drill Logs

Folders No. _____: Royalty Material

72195-65

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

OFFICIAL COPY O. M. E. RECEIVED MAY 1 1971 INITIALS

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.)*

Chiricahua Copper Corporation
Box 17052
Tucson, Arizona
85710

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6848

DATE RECEIVED 5/10/71

REGION III

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED Arizona

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Ralph W. Morrow	Tucson, Arizona	President
Barry K. Master	Scottsdale, Ariz.	V.P. - Mining
Larry Johnson	Safford, Ariz.	V.P. - Constr.
Melvin Dahler	Silver Bell, Ariz.	Treasurer
Jack Poe	Tucson, Arizona	Secretary

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold, Silver, & Copper

ESTIMATED COST OF PROJECT
$137,185.00

PROPERTY NAME	LOCATION COUNTY	STATE
Sullivan Mine,	Cochise,	Arizona

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. II). 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 Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, 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.

Apr. 30, 1971
DATED

Ralph W. Morrow
BY *(Signature)*

President (Chiricahua Copper Corp.)
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 (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of 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 signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs for time and materials *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 price of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

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

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

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

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

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

Paragraph 1. Financial Eligibility

Items (a), (b), and (c)

Chiricahua Copper Corp.
Box 17052
Tucson, Ariz., 85710

April 20, 1971

Manager
1st National Bank
East Broadway
Tucson, Arizona

Dear Sir:

We have obtained an option to purchase ten patented mining claims (Sullivan Mine, Cochise County, Arizona). Under the terms of the agreement we have full use and exploration rights on the claims for a period of one year beginning with February 10, 1972. After this time, we may exercise our option by paying minimum monthly payments of $500.

Geology, surface indications and ore in place indicate the possibility of a large high-grade copper, silver and gold deposit on the claims under consideration.

Prior to placing a property on the list of potential or producing mines a realistic program of exploratory drilling must be completed. The findings of this work will be used to determine percentages of minerals, location and tonnages.

Drawing on the experience of the men comprising the Chiricahua Copper Corporation, which includes two graduate mining engineers and three other individuals of considerable mining and geological background, we propose to contract all engineering, geology, surface exploration, sampling, drill site preparation, diamond drilling (sub-contract), and treatment of diamond drill core (excluding assaying).

The exploration program will consist of eight (8) holes of approximately four hundred feet (400') and four (4) holes of approximately one thousand feet (1,000').

Total cost of the project will be one hundred thirty-seven thousand one hundred eighty-five ($137,185.00) dollars, delivered over an eight month interval.

Chiricahua Copper Corp.
Box 17052
Tucson, Ariz., 85710

We require a loan of eighty-five thousand seven hundred fifty dollars ($85,750.00) to finance this exploration program.

If such a loan is possible with your bank, please advise us as expeditiously as possible as to conditions of repayment, interest, etc.

Should your bank not be interested in granting a mineral exploration loan, please advise us as soon as convenient.

Sincerely,

Ralph W. Morrow

RW:meg

Chiricahua Copper Corp.
Box 17052
Tucson, Ariz., 85710

April 20, 1971

Manager
Arizona Bank
Wilmot and Broadway
Tucson, Arizona 85710

Dear Sir:

We have obtained an option to purchase ten patented mining claims (Sullivan Mine, Cochise County, Arizona). Under the terms of the agreement we have full use and exploration rights on the claims for a period of one year beginning with February 10, 1972. After this time, we may exercise our option by paying minimum monthly payments of $500.

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If such a loan is possible with your bank, please advise us as expeditiously as possible as to conditions of repayment, interest, etc.

Should your bank not be interested in granting a mineral exploration loan, please advise us as soon as convenient.

Sincerely,

Ralph W. Morrow

RWM:meg

FIRST NATIONAL BANK OF ARIZONA

BROADWAY-WILMOT OFFICE

April 26, 1971

Mr. Ralph W. Morrow
Chiricahua Copper Corporation
Box 17052
Tucson, Arizona 85710

Dear Mr. Morrow:

Thank you for your letter of inquiry dated April 20, 1971. I tried to reach you by telephone; however, I did find your number is not listed with the phone company.

Our bank is not in a position to extend a mineral exploration loan. We do thank you, however, for your courtesy in asking us to participate.

Sincerely,

WAYNE HAUSMANN
Manager

WH:cel

THE Arizona BANK

REPLY TO
WILMOT & BROADWAY
P. O. BOX 5706
TUCSON, ARIZONA 85703

May 3, 1971

Mr. Ralph W. Morrow
c/o Chiricahua Copper Corporation
P. O. Box 17052
Tucson, Arizona 85710

Dear Mr. Morrow:

In connection with your recent loan request involving funds for the purposes of mineral exploration, please be advised we are unable to assist you, since we are not making loans of this kind at this time.

Sincerely,

Roy A. Sisk
Assistant Vice President &
Manager

RAS/bjm

FIRST NATIONAL BANK OF ARIZONA

BROADWAY-WILMOT OFFICE

April 26, 1971

Mr. Ralph W. Morrow
Chiricahua Copper Corporation
Box 17052
Tucson, Arizona 85710

Dear Mr. Morrow:

Thank you for your letter of inquiry dated April 20, 1971. I tried to reach you by telephone; however, I did find your number is not listed with the phone company.

Our bank is not in a position to extend a mineral exploration loan. We do thank you, however, for your courtesy in asking us to participate.

Sincerely,

WAYNE HAUSMANN
Manager

WH:cel

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

Paragraph 2. Applicants Rights in Land:

Items (a), (b) and (c).

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

(a) Chiricahua Copper Corporation holds an option to purchase, with full exploration rights, on the Sullivan Property. (Option agreement enclosed.)

There are no liens, mortgages or encumbrances on the Sullivan Property.

(b) Land consists of ten patented mining claims in that part of Sections twenty-seven (27), thirty-three (33), and thirty-four (34), Township Sixteen (16) South, Range thirty (30) East, G. & S. R. B. & M., consisting of approximately two hundred (200) acres in the California Mining District of Cochise County, Arizona. Patent numbers of claims No. 2099, 3150, 3125, 2100, 2101, 2102, 3126, and 3131. (See option Agreement, Exhibit A, for book, page and place of record.)

(c) Not applicable.

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

Paragraph 3. Physical Description:

All items (a through g) contained in Sullivan Copper Mine Report dated November 1969 and U. S. B. M. Report of Investigations, Sullivan Copper Mine, Cochise County, Arizona. Report number R. I. 4015 dated February, 1947.

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

Paragraph 4. Accessibility of Property:

(a) Ralph W. Morrow, Box 17052, Tucson, Arizona, Phone 602-298-5194, will be available to aid any OME representative. The property is accessible by any type of vehicle with roads maintained and in good condition.

Mine workings are limited, as described in enclosed reports, but accessible.

(b) Shipping point would be San Simon, Arizona, a distance of twenty-six miles via mine road (one-half mile) and improved gravel road (twenty-five and one-half miles).

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

Paragraph 5. Exploration Work:

(a) Proposed exploration work consists of seven thousand feet of diamond drilling. This would be distributed over eight holes of approximately four hundred feet drilled in and along the contact zone between limestone and porphoritic material at intervals of 200 feet.

In addition, four holes of approximately one thousand feet would be drilled in porphoritic material north of the Paradise Fault which is defined by the contact zone crossing the Sullivan Property.

These holes would be spaced five hundred feet apart and three hundred feet north of the Paradise Fault and south of the Whitetail Fault, which parallels the Paradise Fault.

The Blacksmith Fault intersects both faults to the west. The Maverick Fault intersects both faults near the Sullivan Property.

Maps, geologic features, ore-bearing beds, contacts and rock formations are described in enclosed reports (paragraph 3).

(b) No access road is necessary. Diamond drill sites and roads to sites must be prepared and constructed.

(c) Should an O.M.E. contract be executed, work would begin within two weeks of the date of contract and be completed within an eight-month interval.

Diamond drilling should proceed at the rate of forty feet per day, excepting down, moving and set-up time.

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

Paragraph 6. Experience:

The people directly concerned with this exploration program are all officers and stockholders of the Chiricahua Copper Corporation.

Ralph W. Morrow - B. S. Mining Engineering, University of Arizona. Five years with American Smelting and Refining Company as mining engineer and open pit supervisor. Two years with Producers Minerals Corporation, as chief engineer, mine superintendent and operations manager.

Barry K. Master - B. S. Mining Engineering, University of Arizona. Two years American Smelting and Refining Company, as engineer in charge of mine planning. One year WABCO test engineering at Peoria, Illinois. Three years with Empire Machinery Company in mine equipment.

Larry Johnson - Four years mining experience. Mine shift foreman for one year.

Jack Poe - Twelve years mining experience. Relief pit supervisor ASARCO. Mine foreman and drilling-blasting foremasn Producers Minerals Corporation.

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

Paragraph 7. Estimate of Costs:

(a) Independent contracts will be let for the actual diamond drilling (7000' of NX 1.875" diameter core). All other aspects of the exploration program will be provided for under the terms of a fixed cost contract.

Items (b) through (f) covered by enclosed budget.

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

FIXED COST CONTRACT

EXPLORATION BUDGET - SULLIVAN MINE

(8 Month Program)

	ITEM		No. of MEN UNITS	COST PER UNIT	TOTAL
I.	Engineering & Geology	2	3,500 Hrs.	@ $7.00/hr.	$ 24,500
II.	Engineering Supplies Instrument rental & supplies				1,200
III.	Roads, Drill Site Preparation	1	370 Hrs.	@$30.00/hr. (D-8)	11,100
IV.	Diamond Drilling (NX - 1.875" D)		7,000 Ft.	@$12.00/ft.	84,000
V.	Sampling	1	1,120 Hrs.	@ $4.00/hr.	4,480
VI.	Core splitting	1	780 Hrs.	@ $3.50/hr.	2,730
VII.	Assaying		1,400 Cu.	@ $2.00/ea.	2,800
			700 Au. & Ag.	@ $3.75 total	2,625
			350 sulfide Cu.	@ $2.00/ea.	700
VIII.	Core Boxes		700	@ $1.00/ea	700
IX.	Miscellaneous	Core splitter, bags, etc.			350
X.	Transportation	1-1/2 ton Pickup, 8 Mo.			2,000
				TOTAL	$137,185

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
7/9/71		120
		220

Mr. Ralph W. Morrow
President
Chiricahua Copper Corporation
Box 17052
Tucson, Arizona 85710

JUL 9 1971

Re: OME-6848 (Copper-Silver)
Chiricahua Copper Corporation
Sullivan Mine
Cochise County, Arizona

Dear Mr. Morrow:

Thank you for your letter of July 6, 1971, stating that you wish to withdraw your application for financial assistance and requesting return of all material relating to the application.

We are returning herewith all technical material furnished under Item 3(g) of the application and the copy of the Option Agreement. All other material submitted pertains to specific questions in the application and is retained in our files. Should you wish return of such information, we will be glad to furnish a copy.

We regret that we could not offer you assistance, but under the circumstances we could only suggest that you consider a less extensive exploration project.

Should you wish to reapply at some future date when funds are available, please refer to the docket number of the present application.

Sincerely yours,

Harold Kirkemo
gla

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III w/copy incoming letter

Mr. Kirkemo
130

HKirkemo/gla 7-9-71

Chiricahua COPPER CORPORATION

BOX 17052
TUCSON, ARIZONA 85710

OFFICIAL COPY
O. M. E.
RECEIVED
JUL 19 1971
INITIALS | CODE
cal | 20
glo | 30
20

July 6, 1971

Mr. Harold Kirkemo, Chief
Office of Minerals Exploration
U. S. Department of Interior
Geological Survey
Washington, D. C. 20242

RE: OME - 6848 (Cu-Ag)
Chiricahua Copper Corporation
Sullivan Mine
Cochise County, Arizona

Dear Sir:

The Board of Directors of Chiricahua Copper Corporation has rulled against the further pursuit of OME funds in connection with the Sullivan Mine.

Your prompt attention to our preliminary application is appreciated.

If convenient, we would like to have all material relating to our application returned.

Sincerely,

Ralph W. Morrow

Ralph W. Morrow
President
Chiricahua Copper Corporation

RWM:jp

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
6/29	Cal	120 NN

JUN 2 2 1971

AIRMAIL

Chiricahua Copper Corporation
Box 17052
Tucson, Arizona 85710

Re: OME-6848 (Copper-Silver)
Chiricahua Copper Corporation
Sullivan Mine
Cochise County, Arizona

Gentlemen:

On May 12, 1971, we requested additional information which is necessary to complete your application, but to date we have not heard from you.

If you need additional time to prepare this information, please let us know. If we do not hear from you within 30 days from the date of this letter, we must assume that you are no longer interested in proceeding with your application, and we shall consider it as having been withdrawn.

We should mention that OME funds for fiscal year 1972, beginning July 1, 1971, will be much less than were available when your application was submitted. This will restrict the OME program to the point where only modest assistance will be available to a very few of the more promising proposals. Under the circumstances, we regret that we cannot consider your application for the full amount originally requested. Perhaps you could consider a less extensive exploration project if you decide to continue with your application.

Sincerely yours,

Harold Kirkemo
gra

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's reading file
Mineral Resources
OME reading file
Mr Kirkemo
Region III

HKirkemo/cac 6-29-71

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
5/12/71		120
		220
		120M

MAY 12 1971

AIRMAIL

Chiricahua Copper Corporation
Box 17052
Tucson, Arizona 85710

Re: OME-6848 (Copper-Silver)
Chiricahua Copper Corporation
Sullivan Mine
Cochise County, Arizona

Gentlemen:

We cannot complete our review of your application for financial assistance to explore the Sullivan Mine until you furnish information for the following items. The numbers refer to the numbered items on the back of the application form.

1(c) You state that "Chiricahua Copper Corporation proposes to furnish their share of the cost of the exploration work through capital expenditures and professional services." The corporate assets and the individual interest of each of the corporate officers are not listed. Please furnish the latest financial statement of the corporation in order that we may be assured that in the event of a contract the operator has adequate cash on hand to pay its share of the cost. In the first six weeks to two months of operation you would have to bear the total cost of the project. Thereafter, regular payments by the Government of its share, in this case 50% of approved monthly vouchers would have been established and your share of the monthly expense would drop to 50 percent.

2(a) The assignment to Chiricahua Copper Corporation of the Option Agreement between Ralph Morrow, Juanita Morrow, and R. W. Morrow and P. M. Morrow was not enclosed with the application. Please furnish two copies.

(c) Five copies of Lien and Subordination Agreements completed and signed by the claim owners are needed. If these are unobtainable, please state whether you can furnish a Performance Bond in the amount of the Government's share in the event of a contract. A set of lien and subordination agreements is enclosed for your use.

3(e) The faults mentioned in the text should be shown on a map or sketch such as Figure 2 in R. I. 4015 (USBM).

5(a) Please show on the same map or a similar one the locations and bearings of the proposed drill holes.

7(a) Please furnish copies of bids from 3 contractors, if possible, for work to be performed by an independent contractor. You estimated 7,000 feet of NX 1.875" diameter core. An NX core barrel should yield 2-1/8" diameter core.

Submittal of the above information and material should not be construed as a commitment by the Government to prepare and offer a contract. However, upon receipt of the material, we will complete our review.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Enclosures

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

HKirkemo/bsl 5/12/71

May 10, 1971

Chiricahua Copper Corporation
Box 17052
Tucson, Arizona 85710

Subject: OME-6848

Gentlemen:

Your application for exploration assistance, dated April 30, 1971, submitted to our office at Washington, D. C., has been assigned Docket No. OME-6848.

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

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region III with
copy of appln. and attachments
(No option agreement attached)(