DMA Form 1

DEFENSE MINERALS ADMINISTRATION
Control Slip

CONTROLLED DOCUMENT

DMA Docket No. 4349

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Action on this document is recorded and controlled in Reports and Records Branch. Any movement of this document between divisions or offices of DMA or movement outside DMA must be reported to the Reports and Records Branch. Actions taken that affect status of the case must also be reported.

This document has been recorded as

Exploration Project

Any action taken to change the type of request for assistance must be promptly reported to the Reports and Records Branch. Use DMA Form 2 for submitting these reports.

Routing Slip Cys USGS, BM

To:	500	Date	6/21/56
To:	Op. Comm.	Date	6/28/56
To:	F. E. Johnson	Date	6-29-56
To:	[illegible]	Date	[illegible]
To:	Op. Comm.	Date	10/2/56
To:	Oper Com Adm	Date	10-19-56 10-19-56
To:	Bur. Metals	Date	10/22/56
To:	Oper Com	Date	11-21-56
To:	F. E. Johnson	Date	11-21-56
To:	Com	Date	11-21-56
To:		Date	
To:		Date	
To:		Date	
To:		Date	
To:		Date	

DO NOT DETACH

CONTROLLED DOCUMENT

File Copy
Surname
J. Alt.
Kirwood
Lamb
Hilsgaard
Selfridge
Johnson

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

NOV 23 1956

NOV 23 1956

Mr. E. F. Peters
3434 West 43rd Street
Los Angeles 8, California

Re: Docket No. DMEA-4349 (Copper-Nickel-Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California

Dear Mr. Peters:

Your application for aid for an exploration project and other reports available to us in Washington concerning your application have been reviewed.

Projects approved by the Defense Minerals Exploration Administration must, in its judgment, show definite promise of yielding materials of acceptable grade in quantities that will significantly improve the mineral supply position for the National Defense Program.

Careful study of all our information, although noting a small amount of copper-nickel-cobalt mineralization on your lease, indicates to us that the probability of disclosing significant ore reserves is not sufficiently promising to justify Government participation. We regret to advise you, under these circumstances, that your application for exploration assistance is denied.

We wish to thank you for your interest in the Defense Minerals Program and for bringing your property to our attention.

Sincerely yours,

O. O. Mitterling

Administrator

JWAlt/er 10/2/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Hiilsgaard, USGS
Region II(2)
Chron.

P. S. Pursuant to your request, we are returning your maps "Specimen Mine, Bagby California" and "Record Map of Survey, the Amended Location of 5 Mining Claims".

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

October 2, 1956

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Denial of Application, Docket No. DMEA-4349, E. F. Peters, Specimen Hill Mine (Copper-Nickel-Cobalt), Mariposa County, California.

The cited application, dated June 15, 1956, was received by this office on June 20. On June 29, the application was referred to the Executive Officer, DMEA Field Team, Region II, for consideration, a field examination if warranted, and recommendation. The Field Team examined the property on July 19 and their report was received by this office on September 21.

The Applicant proposed to explore the deposit by 125 feet of crosscutting and drifting, and 1200 feet of diamond drilling. The Applicant estimated that this work would cost $13,920.00.

The mine is developed by three short adits. Total footage amounts to about 420 feet, and all these workings were accessible except a 30-foot vertical winze from the No. 2 drift that was flooded. Several other shallow prospect pits, shafts, and adits on the claims have been driven to develop gold ore occurrences.

The copper content, as determined from samples taken during the examination, ranges from 0.12 to 1.7 and averages 0.64 per cent; the nickel content from 0.06 to 0.21 and averages 0.14 per cent; and the cobalt content from 0.01 to 0.79 and averages 0.14 per cent. Traces amounts of gold and silver are contained in the quartz veinlets along the contacts of the deposit but, except for widely scattered high-grade gold pockets, are not present in minable quantities.

The existing 420 feet of underground workings and the several bulldozer cuts on the surface are considered adequate tests of the deposit and expose mineralized material which is representative of the average character and grade of the deposit.

All previous exploration, both along the strike and down the dip of the deposit, has indicated that the copper occurrence at the Specimen Hill mine is too low in grade to be mined economically.

The Field Team states:

> "The Specimen Hill mine contains a low grade copper-gold deposit with traces of nickel and cobalt. The applicant's estimate of the grade and tonnage of the ore reserves is based on insufficient and poorly chosen data. The results of the examination indicate that the deposit is too low in grade and the ore is too erratically distributed to be mined economically."

We concur with the recommendation of the Field Team and the commodity members of the USBM and USGS that the application be denied.

W.R. Griswold

W. R. Griswold

File Copy
Surname

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION 500
WASHINGTON 25, D. C.

October 2, 1956

Memorandum

To: The Administrator

From: Chief, Base Metals Division

Subject: Denial of Application, Docket No. DMEA-4349, E. F. Peters, Specimen Hill Mine (Copper-Nickel-Cobalt), Mariposa County, California.

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W. R. Griswold

W. R. Griswold

JWAlt/er
Copy to: Docket
Base Metals
Chron.

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

DMEA

RECEIVED NOV 19 1956 D.M.E.A.

1605 Evans Avenue
Reno, Nevada

November 16, 1956

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Acting Executive Officer, DMEA Field Team
Region II

Subject: Docket No. DMEA-4349 (Copper-Nickel-Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California

Please refer to your telegram of October 19, 1956 requesting results of a 10-ton mill test. Also, please refer to Mr. Ricker's reply of October 22, 1956.

Enclosed are two copies each of a letter and a report by Mr. Peters which contain the information you requested.

Roscoe M. Smith

Roscoe M. Smith

Encls.

NOV 19 8 51 AM '56

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

RECEIVED 19 1956

1605 Evans Avenue
Reno, Nevada

November 16, 1956

Memorandum

To: Operating Committee, DMEA, Interior Building
Washington 25, D. C.

From: Acting Executive Officer, DMEA Field Team
Region II

Subject: Docket No. DMEA-4349 (Copper, Nickel, Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California

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Roscoe M. Smith

Encls.

FORMATION LOGGING SERVICE CO.

GEOLOGICAL WELL LOGGING SERVICE
5434 W. 43rd ST.
Los Angeles 8, California
AXminster 4-5965

November [illegible], 19[illegible]

Defense Minerals Exploration Administration
1605 Evans Avenue
Reno, Nevada

Attn: Mr. S. Ricker:

Answering your letter of October 22, I am sending you a report on the analysis of the 10 tons of ore from the Spector Mine which have been at the Reno Mill at La Grand.

This mill is modern and [illegible] the concentration [illegible] satisfactorily. We were not able to separate out and [illegible] tenor and tailings because [illegible] analyzed [illegible] favorable results [illegible] concentrate.

I hope though, that the data submitted is a help to you.

Very truly yours,

E. F. Peters

E. F. Peters

EFP/[illegible]
Enclosure:

REPORT ON MILL RUN OF SPECIMEN MINE ORE AT JESSIE BELL, LE GRAND.

A 10 ton sample (20090 lbs.) from drift #1 was run in June, 1956.

Two sets of composite samples were taken; one while loading and one at crusher. The results of assay by Ed Eisenhauer were as follows:

Sample 23 (while loading)

Au .08 ozs.	Cu 2.1%
Ag .90 ozs.	Co 0.06%
	Ni 0.25%

Sample 24 (at crusher)

Au .04 ozs.	Cu. 1.7%
Ag .54 ozs.	Fe 35%

The mill is not very efficient and the following concentration was obtained.

Sample 26

Au .40 ozs.	Cu 16.1%
Ag 1.26 ozs.	

Sample 27 (Iron etc. concentrate)

Au .18 ozs.	Cu 0.60%

(re-run)

FORMATION LOGGING SERVICE CO.

GEOLOGICAL WELL LOGGING SERVICE
3434 W. 43rd ST.
LOS ANGELES 8, CALIFORNIA
AXminster 4-5555

November 12, 1956

RECEIVED
NOV 19 1956
D.M.E.A.

Defense Minerals Exploration Administration
1605 Evans Avenue
Reno, Nevada

Attn: Mr. S. Piskens

Answering your letter of October 22, I am sending you a report on the mill run of the 10 tons of ore from the Sweetman Mine which we ran at the local Ball mill at La Grand.

This mill is rather antiquated and consequently the concentration ratio has not been satisfactory. We were not able to separate out and [illegible] a marketable tailings because [illegible] analyzed from very favorable results [illegible] assayments.

I hope though, that the data submitted is a help to you.

Very truly yours,

E. F. Peters

EFP/[illegible]
Enclosures

REPORT ON MILL RUN OF [illegible] WINE ORE AT CESSIE BELL, [illegible] GRAND.

A 10 ton sample (20090 lbs.) from drift #1 was run in June, 1956.

Two sets of composite samples were taken: one while loading and one at crusher. The results of assay by Ed Fischhauer were as follows:

Sample 23 (while loading)

Au	.08 ozs.	Cu	[illegible]
Ag	.90 ozs.	Co	[illegible]
		Ni	[illegible]

Sample 24 (at crusher)

Au	.04 ozs.	Cu.	1.7%
Ag	.54 ozs.	Fe	35%

The mill is not very efficient and the following concentration was obtained.

Sample 26

Au	.4[illegible] ozs.	Cu	16.1%
Ag	[illegible]		

Sample [illegible]

Au [illegible]

RECEIVED
OCT 25 1956

Docket

[illegible]
Betty

[illegible] Grand Avenue
[illegible], [illegible]

October [illegible], [illegible]

Mr. [illegible] Peters
[illegible] West [illegible] Street
Los Angeles [illegible], California

Re: Docket No. [illegible] (Hogan,
[illegible] Nickel, [illegible])
Spectrum Hill Mine
Maricopa County, California

Dear Mr. Peters:

[illegible] paragraph [illegible] of the Appendix A attached to your [illegible],
application for [illegible] for [illegible], you refer to a [illegible]-ton sample of
ore that has been taken to a mill for concentration. Could
you please furnish us with the number of tons, giving exact
tonnage and assay number of hand samples and the weight and
assay number of concentrates.

Thanks for your notice.

[illegible]
[illegible]
[illegible]

S.Medvergh
cc: Opr. Con., DMA, Wash., D.C.
R. M. Smith
File

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

OB336

O REA493 NL PD=RENO NEVADA 22:

=OPERATING COMMITTEE DEFENSE MINERALS:

=EXPIRATION ADMN INTERIOR BLDG WASHDC:

1956 OCT 22 PM 10 51

RECEIVED

OCT 23 1956

=REURTEL EMEA-4349 E F PETERS APPLICANTS HAD SOME SAMPLES OF CONCENTRATES AT HIS RESIDENCE AT BAGBY WHEN PROPERTY WAS EXAMINED. SAMPLES REPORTEDLY WERE FROM A 10 TON MILL TEST ORE WAS SELECTIVELY MINED IN UPPER ADDED NEAR SAMPLE LOCATION S-506 AND WERE NOT REPRESENTATIVE OF MINABLE ORE. WE WILL HOWEVER REQUEST RESULT OF TEST FROM THE OPERATOR BUT WE BELIVE RESULTS CAN ONLY BE CONFUSING=

:S RICKER=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OCT 23 8 17 AM '56
BUREAU OF MINES
MAIL ROOM
WASHINGTON D.C.

File Copy
Surname
Alt
Griswold
Nelson
Lapp
Selfridge
Whitenburg

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

500

OCT 19 1956

JWALT/er Room 4444, Ext. 3669

DMEA - Base Metals Division

14X4401(01) Revolving Fund, Defense Production Act, Interior (allocated Working Fund to Office of Secy.)

T E L E G R A M

Date:

To: Mr. Spangler Richer
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-4349, K. F. Peters, ~~[illegible]~~ ~~[illegible]~~ Iron and Ferro Alloys Division desires to know the results of the 10-ton mill test referred to in the application, with complete analysis of concentrate. Please advise us as soon as possible.

JWAlt/er 10/19/56
Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.
Confirmation Copy

George C. Selfridge
Chairman, Operating Committee (JB)

R.S.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

RECEIVED
OCT 15 1956

October 12, 1956

Memorandum

To: W. S. Martin, Chief, Iron and Ferroalloys Division-DMEA

Through: Chief, Branch of Ferrous Metals and Ferroalloys

From: Horace T. Reno, Assistant Chief, Branch of Ferrous Metals and Ferroalloys

Subject: Application
Docket No. DMEA 4349 (Copper-Nickel-Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California

The application to explore by drifting, cross cutting, and core drilling an ultra basic, mineralized dike at a cost of $13,840 has been reviewed by the Field Team; Commodity Specialist, Branch of Base Metals; Geological Survey; and the Chief of Base Metals Division, DMEA. All agree that the mineralization is erratically distributed and not sufficient to justify exploration assistance by DMEA.

Apparently there is no doubt as to the size and grade of the deposit, but in fairness to the applicant, it is suggested that before the application is denied, the results of a 10-ton mill test made by the applicant be considered. If this information is requested from the applicant, he should also be asked to furnish complete analysis of the mill concentrates, including gold and silver.

Horace T. Reno

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RECEIVED
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Through: Chief, Branch of Ferrous Metals and Ferroalloys

From: Horace T. Reno, Assistant Chief, Branch of Ferrous Metals and Ferroalloys

Subject: Application
Docket No. DMEA 4349 (Copper-Nickel-Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California

The application, to explore by drifting, cross cutting, and core drilling, an ultra basic, mineralized dike at a cost of $13,340; has been reviewed by the Field team, Commodity Specialist, Branch of Base Metals, Geological Survey and the Chief of Base Metals Division, DMEA. All agree that the mineralization is erratically distributed and not sufficient to justify exploration assistance by DMEA.

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Horace T. Reno

HTReno/nd

Copy to: Branch of Ferrous Metals
Mr. Lamb - Rm 3608
Docket DMEA 4349 File
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

RECEIVED
OCT 1 5 1956

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From: Horace T. Reno, Assistant Chief, Branch of Ferrous Metals and Ferroalloys

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Mariposa County, California

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Horace T. Reno

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

MEMORANDUM

To: J. W. Pennington, Commodity Specialist, Branch of Base Metals, Bureau of Mines

From: W. S. Martin, Chief, Iron and Ferro-Alloys Division, DMEA

Subject: Docket No. DMEA 4349 (Copper-Nickel-Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California

Apparently your memorandum of September 21, 1956, to W. R. Griswold, discusses the subject application chiefly for copper. It will be appreciated if you will also arrange for review by Bureau ickel Commodity Specialists if you agree that deration is warranted.

W S Martin
W. S. Martin, Chief
Iron and Ferro-Alloys Division

Application
Just above 5c
/ 10 Ton sample being milled
4c. "Please return" maps, assays, etc

FT Report
How "near" is the new incline shaft, p. 3

Nelson's memo Sept 21
Samples covered 5 suites from S. to N.
20 ✓ 500, 501, 502, 503
/ 10 ✓ 513
10 ✓ 514
40 507, 508, 509, 510, 511, 512
and 15 504, 505, 506
95, not 75

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

RECEIVED
SEP 21 1956

September 21, 1956

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of Field Team Examination Report, Docket No. DMEA 4349 (copper-nickel-cobalt), E. F. Peters, Specimen Hill Mine, Mariposa County, California. $13,840.00

The applicant proposed to explore the mineralized area of the property by 100 feet of drifting, 25 feet of crosscutting, and 1,200 feet of core drilling at an estimated total cost of $13,840.00.

Examination of the property by B. H. Sheahan, Bureau of Mines, and H. K. Stager, Geological Survey, indicated that the mineralization is too low and erratically distributed to be mined economically. Average grade of 15 samples was 0.64 percent copper, 0.14 percent nickel, 0.14 percent cobalt, with minor traces of gold and silver.

I concur with the recommendations of the Field Team that the application for DMEA assistance to explore the deposit be denied.

J. W. Pennington

J. W. Pennington

Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. D. Lamb
Files

RECEIVED
SEP 21 1956

September 21, 1956

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of Field Team Examination Report, Docket No. DMEA 4349 (copper-nickel-cobalt), E. F. Peters, Specimen Hill Mine, Mariposa County, California. $13,840.00

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Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. B. Lamb
F i l e s

RECEIVED
SEP 21 1956

September 21, 1956

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Commodity Specialist, Branch of Base Metals

Subject: Review of Field Team Examination Report, Docket No. DMEA 4349 (copper-nickel-cobalt), E. F. Peters, Specimen Hill Mine, Mariposa County, California. $13,840.00

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Copy to: Division of Minerals
Branch of Base Metals (2)
Thor Kiilsgaard, U.S.G.S.
F. D. Lash
F i l e s

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
SEP 24 1956

September 21, 1956

Re: DMEA 4349
E. F. Peters
Specimen Hill mine
Mariposa Co., Calif.
$13,840.00- Copper-Nickel-Cobalt

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report.

The applicant requested assistance in exploration in an old mine. Apparently specimens of ore grade material can be picked and the applicant has been misled and thinks the good assays are representative of a significant tonnage of material.

The sulfide and precious metal minerals occur in an ultra basic dike which has been exposed for 600 feet, has an average width of 25 feet, and has been exposed vertically for 200 feet.

The dike was sampled by the examiners in 4 places where crosscut by open cuts and underground workings. One suite of samples covered a width of 20 feet, a second 10 feet, a third 10 feet and the fourth 35 feet. Two samples showed 1.72% copper, .18% and .13% nickel and 0.42% and 0.12% cobalt. The remainder of the 15 samples showed less than 1.0% copper, and less than .22% nickel. One sample showed 0.79% cobalt another 0.43% and a third 0.22%. The average of the 15 samples is about: 0.64% Cu., 0.14% Ni and 0.14% Co. Unfortunately they were not assayed for gold. Specimen gold ore has been found in the dike where cut by quartz veinlets but attempts to mine the dike for the gold content have not been successful.

The examiners conclude that the average grade of the dike indicated by the sampling, backed up by the results of attempts to mine the dike, does not warrant the work proposed. With the Field Team they recommend denial of the application.

As probably does the applicant, one could wish to know with greater certainty the average value of all of the dike, material, gold included. As is the occurrence is a 'teaser', especially so if low mining and milling costs could be anticipated.

However, I concur with the recommendation of the examiners and the Field Team.

N. E. Nelson

N. E. Nelson

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

RECEIVED
SEP 24 1956

September 21, 1956

Re: DPSA 4349
W. F. Peters
Specimen Hill mine
Mariposa Co., Calif.
$13,840.00- Copper-Nickel-Cobalt

Memorandum

To: W. M. Griswold, Defense Minerals Exploration Administration

From: W. E. Nelson, U. S. Geological Survey

Subject: Review of Field Team report.

The applicant requested assistance in exploration in an old mine. Apparently specimens of ore grade material can be picked and the applicant has been misled and thinks the good assays are representative of a significant tonnage of material.

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The examiners conclude that the average grade of the dike indicated by the sampling, backed up by the results of attempts to mine the dike, does not warrants the work proposed. With the Field Team they recommend denial of the application.

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W. E. Nelson

W. E. Nelson

NENelson:btr
G 9/21/56

cc: J. W. Pennington, 3623
Director's reading file (4212)
Branch reading file (4212)
DMEA (3)
Chron. file
Docket file

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

RECEIVED
SEP 17 1956

1605 Evans Avenue
Reno, Nevada

September 14, 1956

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4349 (Copper-Nickel-Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California
(Your letter June 29, 1956)

Enclosed are four copies of a report by H. K. Stager, Geological Survey and B. H. Sheahan, Bureau of Mines, in which it is recommended that the application for DMEA exploration assistance be denied.

Roscoe Smith and I concur in the recommendation.

S. Ricker

Encl.

Reviewed by
DMEA OPERATING COMMITTEE
9-21-56
(date)

BUREAU OF MINES
WASHINGTON, D. C.

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SEP 17 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

DMEA-4349 (Copper, Nickel, Cobalt)
E. F. Peters
Specimen Hill mine
Mariposa County, California

by

B. H. Sheahan
U. S. Bureau of Mines

H. K. Stager
U. S. Geological Survey

September 11, 1956

Reviewed by
DMEA OPERATING COMMITTEE
9-21-56
(Date)

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History and Production	2
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General Geology	4
Ore Deposits	5
Sampling	6
Ore Reserves	7

ILLUSTRATIONS

Figure 1	Location map
2	Mine map

INTRODUCTION

Mr. E. F. Peters, 3434 W. 43rd Street, Los Angeles 8, California, applied for Government assistance in a $13,840 program under the Defense Minerals Exploration Administration, docket DMEA-4349, to explore for copper, nickel, and cobalt at the Specimen Hill mine, Mariposa County, California.

A field examination was requested by the Operating Committee on June 29, 1956 and was made by B. H. Sheahan, U. S. Bureau of Mines, and H. K. Stager, U. S. Geological Survey, on July 19, 1956, accompanied by Mr. Ralph J. Thoemmes, geologist for the applicant.

Inasmuch as the mine workings had been mapped by the company geologist no attempt was made to remap the property. The maps, which were submitted with the application, were carefully studied and were compared with geologic exposures in the mine and on the surface.

The applicant proposed to explore the deposit by 100 feet of drifting, 25 feet of crosscutting, and 1,200 feet of diamond drilling.

CONCLUSIONS AND RECOMMENDATIONS

The Specimen Hill mine contains a low grade copper-gold deposit with traces of nickel and cobalt. The applicant's estimate of the grade and tonnage of the ore reserves is based on insufficient and poorly chosen data. The results of the

examination indicate that the deposit is too low in grade and the ore is too erratically distributed to be mined economically.

It is recommended that Government assistance under the DMEA program be denied.

LOCATION, ACCESSIBILITY, AND LOCAL FACILITIES

The property is in sec. 36, T. 3 S., R. 16 E., M.D.B.&M., and extends into sec. 31, T. 3 S., R. 17 E., Mariposa County, California (fig. 1).

To reach the mine from Mariposa travel northerly on paved State Highway 49 16.6 miles to Bagby, the nearest town, continue northerly 1.5 miles on Highway 49, turn left and follow a steep narrow dirt road 0.5 miles westerly to the main workings. The dirt road is not passable in wet weather.

Mariposa, California, is the nearest source of labor and supplies. Water for present requirements is available from a small spring on the claims. Electric power sufficient for lighting purposes is available from the Red Bank mine 0.3 mile south of the claims.

HISTORY AND PRODUCTION

The mine has been a small gold producer for many years. A mill was erected on the Combination No. 2 claim in 1940 but was destroyed by a brush fire. No copper ore has been produced.

Mr. R. J. Thoemmes and two miners are now employed at the property developing a narrow vein of gold ore from an incline shaft near the site of the proposed exploration.

PROPERTY AND OWNERSHIP

The property includes five unpatented mining claims. A record map of survey was included with the application, and location certificates are recorded at Mariposa, California, as follows:

	Recent Record			Original Record		
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Combination Mine	A-5	163	4/6/56	U	175	7/1/29
Combination No. 2	A-5	166	4/6/56	U	182	7/17/29

The applicant now claims to be the owner of the property which was held by Mr. Helmuth H. Laue. A mining lease agreement and Owner's Consent to Lien were submitted with the application.

DEVELOPMENT

The mine is developed by three short adits. Total footage amounts to about 420 feet, and all of these workings were accessible except a 30-foot vertical winze from the No. 2 drift that was flooded.

Several other shallow prospect pits, shafts, and adits on the claims have been driven to develop gold ore occurrences.

A list of available equipment at the mine follows:

Item	Remarks	Condition
1 Air compressor, 105 c.f.m., portable.	Rented	Good
2 Jack hammers - hoses and steel.	Owned	Fair
1 Tugger hoist	Owned	Fair
1 Mine car 16 c.f.	Owned	Fair
1 Truck 1/2 ton.	Owned	Poor
Msc. hand tools and supplies.	Owned	Good
1 Tool shed.	Owned	Good
1 Ball Mill - Straub 2 ft. by 2 ft.	Owned	Poor

GENERAL GEOLOGY

The Specimen Hill mine is in the "Mother Lode" or Sierran Gold Belt of the western Sierra Nevada foothills. It is in an area of moderate relief and the surface is covered with alluvium, slope wash, and thick brush. Because of the cover there are few outcrops. The rocks exposed in the vicinity of the mine are chiefly serpentine and mica-schist of the Mariposa formation of Jurassic age. These rocks are cut by a thick dike of ultrabasic rock with some quartz veinlets along the contacts. The dike and veinlets are sparsely mineralized with copper, nickel, cobalt, and gold.

The mica-schist that underlies most of the claim area is a light brown to bluish, fine-grained, slaty rock. It is along the east side of a belt of schist and shale about one mile wide and more than 50 miles long that is bounded on the west by meta-volcanic rocks and on the east by meta volcanic and serpentinized ultrabasic rocks.

The serpentine is a dark brown to greenish-gray rock that weathers to a rusty red soil. It is part of a mass about one mile wide and three miles long.

Cutting both the schist and serpentine is a dike of dark greenish-black ultrabasic rock containing abundant sulfide minerals. Along the contacts with the wall rocks are numerous veinlets of quartz and thin veins of mariposite.

Bedding and foliation in the schist strike about N 25° W and dip about 80° NE. The dike strikes about N 10° E, and dips about 85° E, and is cut by two sets of steeply-dipping fractures, a N 30° W set and a N 70° W set.

ORE DEPOSITS

The deposit is a dike of sulfide-rich ultrabasic rock cutting serpentine and mica-schist.

The ore minerals are chalcopyrite and nickeliferous pyrrhotite with some free gold. Azurite and malachite occur on the outcrop but oxidation does not extend for more than a

few feet below the surface. Gangue minerals are pyrite, pyrrhotite, serpentine, quartz, mariposite, and calcite.

The copper content, as determined from samples taken during the examination, ranges from 0.12 to 1.7 and averages 0.64 percent; the nickel content from 0.06 to 0.21 and averages 0.14 percent; and the cobalt content from <0.01 to 0.79 and averages 0.14 percent. Trace amounts of gold and silver are contained in the quartz veinlets along the contacts of the deposit but, except for widely scattered high-grade gold pockets, are not present in minable quantities.

The dike strikes about N 10° E and dips about 85° E. It ranges from 10 to 60 feet wide and averages about 25 feet for a strike length of about 600 feet. It is exposed over a vertical interval of about 200 feet and probably extends several hundred feet deeper.

SAMPLING

The following samples were taken from locations shown on figure 2.

Sample No.	Width, feet	Cu.	Ni.	Co.	Location
S-500	5.0	0.65	0.15	0.22	Surface, horizontal cut.
S-501	5.0	0.18	0.13	0.02	" " "
S-502	5.0	0.24	0.15	0.07	" " "
S-503	5.0	0.28	0.12	0.43	" " "
S-504	5.0	0.20	0.12	0.02	No. 1 Adit, " "
S-505	5.0	0.40	0.21	0.79	" 1 " " "
S-506	5.0	1.72	0.18	0.42	" 1 " " "
S-507	5.0	0.16	0.09	0.02	" 1 " " "
S-508	5.0	0.12	0.13	<0.01	" 1 " " "
S-509	5.0	0.13	0.06	<0.01	" 1 " " "
S-510	10.0	0.90	0.12	0.10	" 1 " " "
S-511	10.0	1.72	0.13	0.12	" 1 " " "
S-512	5.0	0.20	0.10	0.01	" 1 " " "
S-513	10.0	0.37	0.16	0.06	No. 2 Adit, " "
S-514	10.0	0.98	0.16	0.04	" 2 " " "

Samples S-504, S-505, S-511, and S-512 contained traces of silver and gold.

ORE RESERVES

There are no measured ore reserves at the property. The applicant estimates indicated and inferred ore reserves of about 70,000 tons that contain about 2 percent copper, 1 percent nickel, and 0.2 percent cobalt. A review of the applicant's maps and assays reveals that this estimate is based on insufficient and poorly chosen data. None of the samples taken during the examination contained material of the grade described by the applicant although many of the samples were taken of the material indicated as being of "ore-grade" by the applicant. The average grade of the minable parts of the deposit, as determined from 15 samples taken during the examination, is about 0.64 percent copper, 0.14 percent nickel,

0.14 percent cobalt, with a trace of gold and silver.

Pockets of high-grade "specimen" gold ore, from which the property derives its name, may be found by exploration of the quartz veinlets along the hanging- and foot-walls of the deposit but the grade of the ore is too low to be mined for its copper, nickel, and cobalt content.

All previous exploration, both along the strike and down the dip of the deposit, has indicated that the copper occurrence at the Specimen Hill mine is too low in grade to be mined economically.

The existing 420 feet of underground workings and the several bulldozer cuts on the surface are considered adequate tests of the deposit and expose mineralized material which is representative of the average character and grade of the deposit.

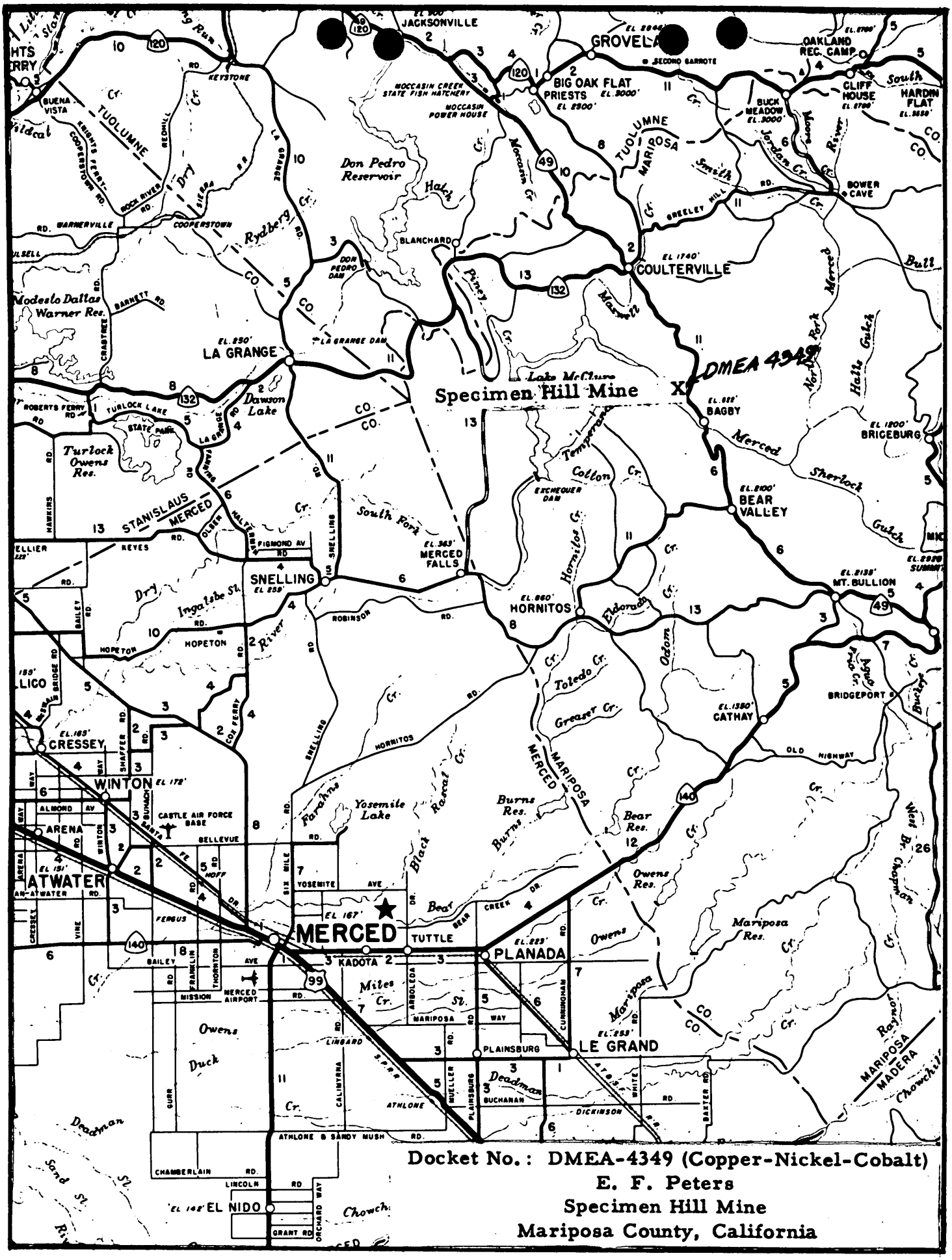

FIG. 1 LOCATION MAP CALIFORNIA

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

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SEP 17 1956

1605 Evans Avenue
Reno, Nevada

September 14, 1956

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Docket No. DMEA-4349 (Copper-Nickel-Cobalt)
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(Your letter June 29, 1956)

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S. Ricker

Encl.

SRicker:gh
cc: R. M. Smith
File

Reviewed by
DMEA OPERATING COMMITTEE
9/21/56
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

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DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION II

APPLICATION REPORT

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Specimen Hill mine
Mariposa County, California

by

B. H. Sheahan
U. S. Bureau of Mines

H. K. Stager
U. S. Geological Survey

September 11, 1956

(date)

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SEP 17 1956

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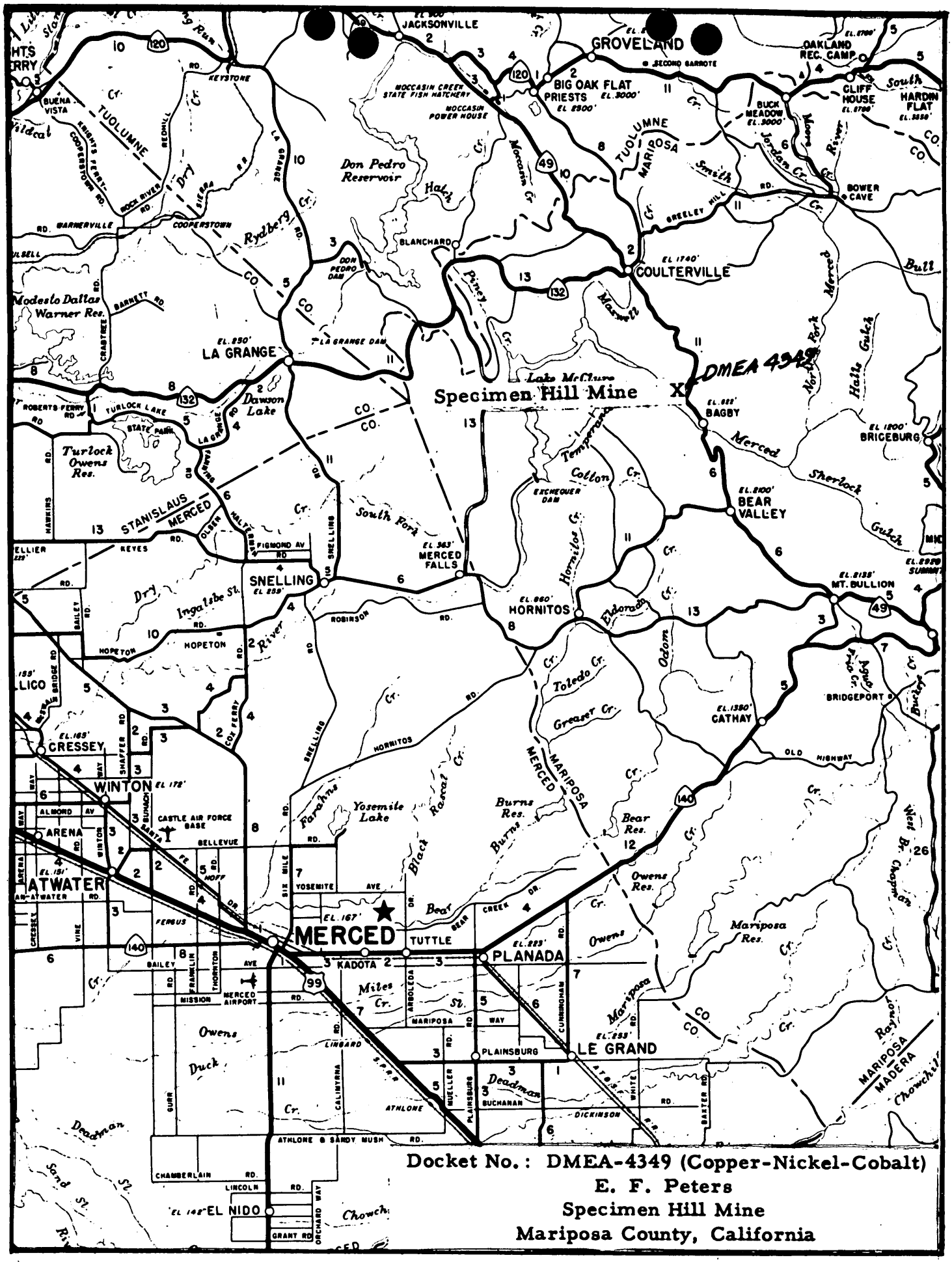

FIG. 1 LOCATION MAP CALIFORNIA

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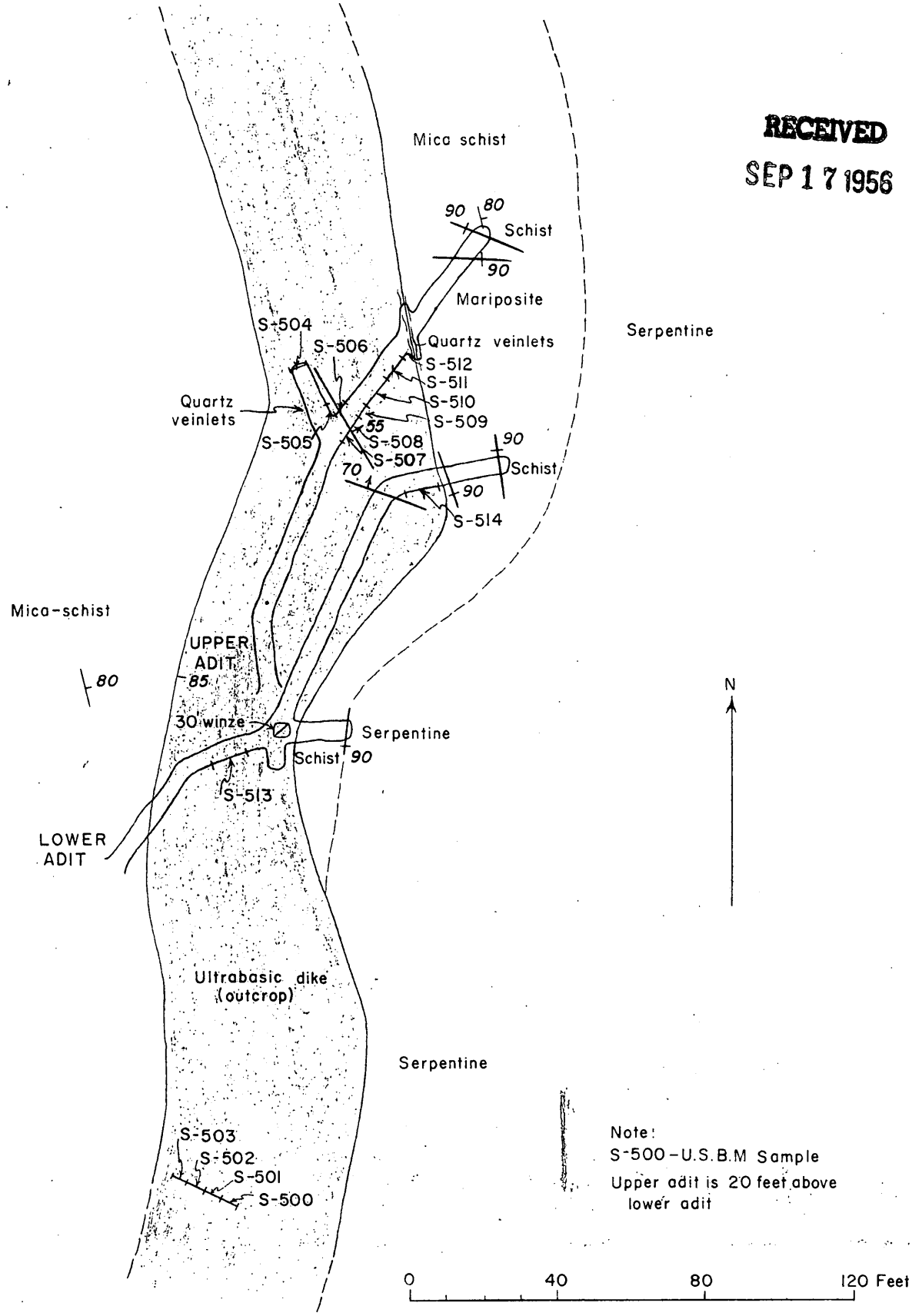

From Company maps

Figure 2. SPECIMEN HILL MINE, MARIPOSA COUNTY, CALIFORNIA

File Copy
Surname
J. W. Cooper
Kiilsgaard
Selfridge
Arnold
H. Hamm

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

JUN 29 1956

Mr. E. F. Peters
3434 West 43rd Street
Los Angeles 8, California

Re: Docket No. DMEA-4349 (Copper-Nickel-Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California

Dear Mr. Peters:

Your application for Government assistance to explore the cited property has been reviewed by the Base Metals Division of the Defense Minerals Exploration Administration and has been referred to:

Mr. Spangler Richer
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

If the Field Team requires additional information concerning your application, they will contact you at an early date.

Sincerely yours,

G. O. Mittendorf

Administrator

JWAlt/er 6/28/56

Copy to: Docket
Admr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Region II (2)
Chron.

R.G.S.

File Copy
Surname
J. Jeff
Selfridge
Firewood
Hyman

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

JUN 28 1956

Mr. Spangler Ricker
Executive Officer
DMEA Field Team, Region II
1605 Evans Avenue
Reno, Nevada

Re: Docket No. DMEA-4349 (Copper-Nickel-Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California

Dear Mr. Ricker:

The cited application for exploration assistance is being referred to your office for consideration, a field examination of the property if warranted, and recommendation.

Copies of memoranda dated June 22 and June 26, 1956, by N. E. Nelson, Geological Survey and J. W. Pennington, Bureau of Mines, respectively, relating to the project, are enclosed for your information.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JWB)

Enclosures

JWAlt/er 6/28/56
Copy to: Docket
Bdmr R File
Op. Committee
Base Metals
Mr. Pennington, USBM
Mr. Kiilsgaard, USGS
Chron.

APPROVED:

P. F. Yopes (JWB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JWB)
Member, Geological Survey

H.C.K.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
WASHINGTON 25, D. C.

RECEIVED
JUN 27 1956

June 26, 1956

alt

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: Commodity Industry Analyst, Branch of Base Metals

Subject: Review of application, Docket No. DMEA 4349 (copper, nickel, cobalt), E. F. Peters, Specimen Hill Mine, Mariposa County, California, $13,840.00

The applicant proposes to explore the property by 125 feet of drifting and crosscutting and 1,200 feet of core drilling at an estimated total cost of $13,840.00.

The principal objective is to determine the extend of the mineralized area at depth. It is believed that the proposed drifting and crosscutting would provide little or no information on the depth of the deposit. For that reason, I think that any exploration, if warranted, should be by drilling.

Apparently there is some mineralization but data given on the sampling is inconclusive. Width of mineralized zone is stated, yet extent of sampling is omitted.

Inasmuch as copper, nickel, and cobalt are reportedly present, I believe the property should be examined and recommend that the application be referred to the Field Team.

J. W. Pennington

J. W. Pennington

Attachment

Copy to: Division of Minerals
Branch of Base Metals 2
Files
R. W. Geehan
Thor Kiilsgaard, U.S.G.S

RECEIVED
JUN 27 1956

June 26, 1956

Memorandum

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J. W. Pennington

J. W. Pennington

Attachment

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 22, 1956

Re: DMEA 4349
E. F. Peters
Specimen Hill mine
Mariposa Co., Calif
$13,840.00 - Copper, Nickel and Cobalt.

Memorandum

To: W. R. Griswold, Defense Minerals Exploration Administration

From: N. E. Nelson, U. S. Geological Survey

Subject: Review of application.

The applicant requests assistance in further exploration in an old mine by drifting 100 feet and crosscutting 25 feet. The estimated cost of this work, Project I, is $5,850.00.

Project II work, to be done concurrently with No. 1 work, consists of 1,200 feet of core drilling at an estimated cost of $7,990.00.

The proposed work would explore a 30-foot vein zone which has been drifted upon 140 feet on No. 1 level, 70 feet on No. 2 level and 20 feet on No. 3 level. Sampling shows:

(a) Copper values 0.35% to 3.4%
(b) Nickel " 0.14% to 1.15%
(c) Cobalt " 0.11% and 0.30%
(d) Gold and silver values $0.30 to $31.00

Nineteen samples are reported upon, but not all were run for all metals noted. No sample widths or lengths are noted.

Referral of the application to the Field Team is indicated and so recommended.

N. E. Nelson

N. E. Nelson

RECEIVED
JUN 22 1956

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

June 22, 1956

Re: DMEA 4349
E. F. Peters
Specimen Hill mine
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$13,840.00 - Copper, Nickel and Cobalt.

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(b) Nickel values 0.14% to 1.15%
(c) Cobalt values 0.11% and 0.30%
(d) Gold and silver values $0.30 to $21.00

Nineteen samples are reported upon, but not all were run for all metals noted. No sample widths or lengths are noted.

Referral of the application to the Field Team is indicated and so recommended.

NENelson:btr
G 6/22/56

N. E. Nelson

cc: J. W. Pennington, 3623
Director's reading file (4212)
Branch reading file (4212)
DMEA (3)
Chron. file
Docket file

N. E. Nelson

RECEIVED
JUN 22 1956

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

RECEIVED
JUN 20 1956

1605 Evans Avenue
Reno, Nevada

June 18, 1956

Memorandum

To: Operating Committee, DMEA, Interior Building, Washington 25, D. C.

From: Executive Officer, DMEA Field Team, Region II

Subject: Loan Application (Copper-Nickel-Cobalt)
E. F. Peters
Specimen Hill Mine
Mariposa County, California

Attached are three sets of MF-103, Application for Aid forms relative to above subject. The fourth set has been retained in our files.

S. Ricker

Attach.

BUREAU OF ARCHIVES
WASHINGTON, D. C.
JUN 20 9 32 AM '56

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

RECEIVED
JUN 20 1956

1605 Evans Avenue
Reno, Nevada

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E. F. Peters
Specimen Hill Mine
Mariposa County, California

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S. Ricker

Attach.

SRicker:gh
cc: R. M. Smith
File

June 21, 1956

E. F. Peters
3434 W. 43rd Street
Los Angeles 8, California

Subject: DMEA 4349
Re: Exploration Assistance
Specimen Hill Mine

Dear Mr. Peters

The receipt of your application dated June 15, 1956 for exploration assistance under the Defense Production Act of 1950, as amended, is hereby acknowledged.

Your application has been assigned Docket Number DMEA 4349 and referred to the Base Metals Division.

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

Sincerely yours,

Robert E. Adams, Chief
Operations Control and
Statistics Division

June 21, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region II

From: Chief, Operation's Control and Statistics Division

Subject: Assignment of Docket Number

There is listed below the assigned docket number to an application recently received from Region II.

DMEA
- 4349 E. F. Peters

Robert E. Adams
Chief, Operation's Control
and Statistics Division

MF-103
(Revised April 1952)

UNITED STATES DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Form Approved.
Budget Bureau No. 42-R1035.2.

RECEIVED
JUN 20 1956

APPLICATION FOR AID IN AN EXPLORATION PROJECT, PURSUANT TO DMEA ORDER 1, UNDER THE DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

Not to be filled in by applicant

Docket No. 4349
Metal or Mineral Copper-Lead Cobalt
Date Received JUN 20 1956
Estimated Cost $13,840.00
Participation (Government %)

INSTRUCTIONS

1. *Name of applicant.*—(*a*) State here your full legal name, in the form in which you will wish to contract, and your mailing address: E.F. Peters, owner 3434 W. 43rd St., Los Angeles, 8, Calif.

(*b*) If other than an individual, add to your name above whether a corporation, partnership, etc., and the name of the State in which incorporated or otherwise organized.

(*c*) If a corporation, add to above statement, titles, names and addresses of officers.

(*d*) If a partnership, add to the above statement the names and addresses of all partners.

2. *General.*—Read DMEA Order 1, "Government Aid in Defense Exploration Projects," before completing this application. Submit this application and all accompanying papers in quadruplicate (four copies), with your name and address on each sheet of the application and on all accompanying papers. Where sufficient space is not provided on the form for all required information, state it on an accompanying paper, with a reference in each case to the instruction to which it refers by number. Comply with all applicable instructions; or, if not applicable, so state. File the application with Defense Minerals Exploration Administration, Department of the Interior, Washington 25, D. C., or with the nearest field executive officer thereof.

3. *Applicant's property rights.*—(*a*) State the legal description of the land upon which you wish to explore, including all land which you possess or control that may be benefited by the exploration, and excluding any land or interest in land which is not to be included in the exploration project contract See Appendix A

(*b*) State any mine name by which the property is known. "Specimen Hill Mine"

(*c*) State your interest in the land, whether owner, lessee, purchaser under contract, or otherwise Appendix A

(*d*) If you are not the owner, submit with this application a copy of the lease, contract, or other document under which you control the property.

(*e*) If you own the land, describe any liens or encumbrances on it Does not apply

(*f*) If the land consists of unpatented claims, add to the description above, the book and page numbers for each recorded location notice.

4. *Physical description.*—(*a*) Describe in detail any mining or exploration operations which have been or now are being conducted upon the land, including existing mine workings and production facilities. State your interest, if any, in such operations. Also describe accessibility of mine workings for examination purposes. See Appendix A

(*b*) State past and current production, and ore reserves, if any, giving quantities and grades. See Appendix A

(*c*) Describe the geologic features of the property, including mineralization, type of deposit (vein, bedded, etc.), and your reasons for wishing to explore. Illustrate with maps or sketches. Send with your application (but not necessarily as a part of it) any geologic or engineering report, assay maps, or other technologic information you may have, indicating on each whether you require its return to you. Enclosed maps etc.

(*d*) State the facts with respect to the accessibility of the project: Access roads, distances to shipping, supply and residence points. See Appendix A

(*e*) State the availability of manpower, materials, supplies, equipment, water, and power.

5. *The exploration project.*—(*a*) State the mineral or minerals for which you wish to explore See Appendix A

(*b*) Describe fully the proposed work, including a map or sketch of the property showing a plan (and cross sections if needed) of any present mine workings, and the location of the proposed exploration work as related to such features as contacts, veins, ore-bearing beds, etc. See Appendix A

(*c*) The work will start within 10 days and be completed within 3 months from the date of an exploration project contract.

(*d*) State the operating experience and background of the applicant with relation to the ability to carry out such exploration project, and also that of the person or persons who will supervise the operations. See Appendix A

6. *Estimate of costs.*—Furnish a detailed estimate of the costs of the proposed work (you will have to use a separate sheet), under the following headings. Add the totals under all headings to give the estimated total cost of the project:

(*a*) *Independent contracts.*—(Note.—If the applicant does not intend to let any of the work to contractors, write "none" after this item. To the extent that the work is to be contracted, do not repeat the cost of the contract-work in subsequent items.) State the cost of any proposed independent contracts for the performance of all or any part of the work, expressed in terms of units of work (such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, per cubic yard of material moved, etc.).

(*b*) *Labor, supervision, consultants.*—Include an itemized schedule of numbers, classes and rates of wages, salaries or fees for necessary labor, supervision and engineering and geological consultants.

(*c*) *Operating materials and supplies.*—Furnish an itemized list, including items of equipment costing less than $50 each, and power, water and fuel.

(*d*) *Operating equipment.*—Furnish an itemized list of any operating equipment to be rented, purchased, or which is owned and will be furnished by the Operator, with the estimated rental, purchase price, or suggested use-allowance based on present value, as the case may be.

(*e*) *Rehabilitation and repairs.*—Furnish a detailed list showing the cost of any necessary initial rehabilitation or repairs of existing buildings, installations, fixtures, and movable operating equipment, now owned by the Operator and which will be devoted to the exploration project.

(*f*) *New buildings, improvements, installations.*—Furnish a detailed list showing the cost of any necessary buildings, fixed improvements, or installations to be purchased, installed or constructed for the benefit of the exploration project.

(*g*) *Miscellaneous.*—Furnish a detailed list showing the cost of repairs to and maintenance of operating equipment (not including initial rehabilitation or repairs of the Operator's equipment), analytical work, accounting, workmen's compensation and employers' liability insurance, and payroll taxes.

(*h*) *Contingencies.*—Give an estimate of any necessary allowances for contingencies not included in the costs stated above.

NOTE.—No items of general overhead, corporate management, interest, taxes (other than payroll and sales taxes), or any other indirect costs, or work performed or costs incurred before the date of the contract, should be included in the estimate of costs.

7. (*a*) Are you prepared to furnish your share of the cost of the proposed project in accordance with the regulations on Government participation (Sec. 7, DMEA No. 1)? See Appendix A

(*b*) How do you propose to furnish your share of the costs?

[X] Money [X] Use of equipment owned by you [ ] Other

Explain in detail on acompanying paper.

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.

Dated June 15, 1956, 195__

R. F. Peters
(Applicant)

By

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—66551-1

APPENDIX A

RECEIVED
JUN 20 1956

1.a. E. F. Peters, owner

3.a. See attached map to include five claims as follows: "Specimen", "Specimen Extension", "Pershing", "Combination Mining Claim", and "Combination Mining Claim No. 2". Described as follows: all located in Mariposa County, California in Section 36 of T. 3S, R 16E

1) Specimen Mine: Recorded in Vol. A-5, Page 169, April 6, 1956
Originally recorded in Vol H, Page 55, March 7, 1894
2) Specimen Extension: Recorded in Vol. A-5, Page 173, April 6, 1956
Originally recorded in Vol. J, Page 256, April 16, 1896
3) Pershing Mine: Recorded in Vol. A-5, Page 171, April 6, 1956
Originally recorded in Vol. S, Page 27, March 13, 1919
4) Combination Mine: Recorded in Vol. A-5, Page 163, April 6, 1956
Originally recorded in Vol. U, Page 175, July 1, 1929
5) Combination #2: Recorded in Vol. A-5, Page 166, April 6, 1956
Originally recorded in Vol. U, Page 182, July 17, 1929

3.b. "Specimen Hill Mine"

3.c. Lessee and Purchaser under above mentioned agreement

3.d. (enclosed copy of Lease)

3.e. Does not apply

4.a. Preliminary sampling in two old drifts of "Specimen Hill Mine" (at the intersection of Pershing Mine Claim and Combination No. Two Claim) indicated the possibility of developing commercial copper and possibly commercial nickel and cobalt deposits with good gold values in occasional shoots in the foot wall and hanging wall zones. Five claims were relocated and resurveyed on March 18, 1956.

A new road was bulldozed from State Highway 49 to the Portal of Drift One and to other points of interest on the claims. The access road has been kept in good shape but will require re-inforcement and also repairs after heavy rains.

A. Operations were started in the old Drift One in January, 1956. The Portal was opened up, water drained out, the drift retimbered and approximately 30 feet of new drift was cut. This work and sampling along the old drift and at outcrops indicated an ore body with 1% - 2% copper content, a nickel content of up to 1% and cobalt up to .3%, chromic acid of 3½%, Gold values varied from $1.00 to $6.00 per ton with some high values from stringers and cutters. The Old Drift One runs north and cuts at an angle through the vein exposing a width of vein of 30 feet. Total length of drift is 100 feet.

B. Old Drift Two cuts into the vein 20 feet below Drift One. It is likewise 100 feet long and shows the vein development similar to that in Drift One. Possibility of a Second vein is indicated in the extreme north extension.

C. 50 feet from portal of Drift Two an old shaft has been sunk to a depth of apparently 30 feet. It is filled with water, but according to reports it had ore at the bottom.

D. 50 feet above Drift One a short drift has been cut that exposes the ore vein for a width of about 5 to 6 feet.

E. 150 feet south of Portal One the vein was exposed by bulldozing for a width of 20 feet. There is space for Dump, Ore Bin and Turnaround.

4.b. Past production - no record. Current production - none. Ore reserves - no estimate. There is evidence that a small mill was erected at the site of the mine. The report is that the mill was destroyed during a brush fire before it ever got into operation.

4.c. Interbedded serpentine, green stones and slate striking approximately north 10° east and dipping 80° plus or minus northeast with numerous veins and basic dikes intruded along bedding planes and old bedded plane faults. Deposits are mainly fissure fillings with some dissiminations along the fissure in the basic dikes. The purpose of the proposed exploration is to ascertain the continuity of the deposit parallel to the strike and down-dip and thereby establish the presence of a sufficient commercial ore body. See attached maps, assays, etc. Please return all of them.

4.d. Accessibility is good. State Highway 49 asphalt runs through the property. Nearest railroad siding is at Planada - 38 miles. Nearest town is Mariposa, California - 19 miles. Mining equipment (Used) is available in the region with new equipment available in limited quantities in Fresno - 90 miles.

4.e. Experienced miners are available in the area. Adequate timber is available within 25 miles. Proper earth moving equipment such as a bulldozer and skiploader would have to be rented. The Merced River is a source of adequate water if large quantities are needed. It is 600 yards south of our southern boundary. Permission to transport water across the adjoining claims has been verbally given. 220-Volt power lines have been installed within 600 feet of our property.

5.a. Copper and gold ore, with a possibility of nickel, if it can be milled. Chalcopyrite, pentlandite, smaltite, pyrrhotite, iron, free gold.

5.b. It appears that a medium-grade copper-gold deposit is present which might extend to a depth and provide reserves in sufficient quantities for an operation.

In order to prove such reserves, it is proposed to explore the ore body in the following manner:

Project I - Continue drifting on Drift One along Footwall or hanging wall for 100 feet* and cross cut 25 feet totaling 125 feet. Advance 3½ feet per shift, 36 days.

1.	Two miners, $2.00/per hr., one mucker, $1.75/per hr.	$12.00/ft.
2.	Insurance, social security (12%)	1.45
3.	Powder, fuse, detonators	3.50
4.	Timber	4.00
5.	Compressor rental $160.00/per month, $6.40/per day	1.90/ft.
6.	Compressor supplies	3.00
7.	Steel and bits	2.00
8.	Repairs	1.50
9.	Engineering, accounting	2.50
10.	Supervisor 1-12 months @$500.00/per month	5.75/ft.
11.	Rental house $60.00/per month	.75
12.	Shed for compressor, etc.	1.00
13.	Water line, air line, rails, car, tools	2.00
14.	Assays (2 each round)	2.00
15.	Truck $5.00/per day	1.45
16.	Miscellaneous	2.00
		$46.80

Total 125' feet X $46.80 is $5,850.00

*Note: If this drift runs out of the ore body, it should be carried 15 feet into barren rock and stopped. Unused footage should be accounted for; or applied to Project II, if the latter is approved; or an equivalent amount spent on drilling of additional exploration holes, if the first 1200 feet show that it might be desirable.

Project II - Core drill 1200 feet

1.	Contract price $5.00/per foot	$6,000.00
2.	Preparation of drill site	250.00
3.	Preparation of underground drill site, shoot room, lay pipes	450.00
4.	1 sampler, 2 weeks	120.00
5.	Sample shed and core trays	125.00
6.	Assays 125 @ $3.00	475.00
7.	Assays 10 @ $12.00	120.00

8. Maintaining road 6 weeks		450.00
	TOTAL	$7,990.00

Projects I and II to be run concurrently.

Note: Sum of more than $15,000.00 has been spent by the present Owner of the mine and by the Operator, E. F. Peters for geologizing, road building, opening of drift, equipment rental, equipment purchases (about $4,000.00 total).

Project III - (Tentative and to be considered in the future.) If the results of core drilling (Project II) are favorable, it is proposed to sink a 100 foot shaft and explore the ore body with drift and cross cuts at that level. Further application for aid to the DEMA will then be contemplated.

Milling Facilities - Two operating mills which are equipped to process this type ore are located 45 miles and 65 miles from the mine. Such shipments may be a temporary alternative to erecting a mill at the mine site. A 10-ton sample of our ore has been taken to one of these mills and will be put through shortly for concentration.

5.c. The work should start within a few days of approval and be completed within 3 months thereafter.

5.d. E. F. Peters is a mining engineer and owner of a geological engineering company. This company employs three geologist-engineers with several year's experience in mining operations. A practical mining man with more than 20 years of experience in the immediate area will be engaged to supervise operations.

7.a. The applicant is prepared to furnish his share of the cost in cash.

RECEIVED
JUN 20 1956

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mariposa, State of California, described as follows:1/

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby—

1. 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;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/$3840 1st Mortgage in favor of Manuel Maria now held by Harry Laue - $5000 2nd Mortgage held by Arthur James Devine - $10000 Deed of Trust held by Harry and Josephine Laue.

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ 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 cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 15 day of June, 1956.

Helmuth H. Lane [Seal]

_____ [Seal]

_____ [Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, 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]

RECEIVED
JUN 20 1956

ANNEX NO. 1

Legal descriptions as follows:

Claim "Pershing Mine"

"Beginning at the point of discovery, a point on a large mining dump at the mouth of a drift from whence the northeast corner of Lot 59 of Section 36 of T. 3 S., R. 16 E., M. D. B. & M., bears N.71°07'W. 598.9 ft.; thence S.44° 51'E. 253.6 ft. to the southeast end center, the true point of beginning; thence S.57°20'W. 271.13 ft. to the southwest corner being a point on the northeast line of Lot 59, 339.15 ft. N.44°51'W. from the southeast corner of said Lot 59; thence along this northeast line N.44°51'W. 733.35 ft. to the northeast corner of said Lot 59, being also the southeast corner of Lot 60; thence along the northeast line of Lot 60, N.31°30'W. 766.25 ft. to the northwest corner; thence leaving this northeast line N.57°20'E. 275.5 ft. to the northwest end center, a point in a gulch, (witness corner bears N.57°20'E. 50 ft. distant) from whence the point of discovery bears S.31°30'E. 785.6 ft. and S.44°51' E. 460.8 ft.; thence continuing N.57°20'E. 275.5 ft. to the northeast corner (being also the northwest corner of the SPECIMEN MINE and southeast corner of the COMBINATION # 2); thence S.31°30'E. 804.55 ft. and S.44°51'E. 695.45 ft. to the southeast corner; thence S.57°20'W. 271.13 ft. to the southeast end center, the point of beginning. (This claim overlaps a portion of the SPECIMAN MINE.)"

Claim "Combination Mine"

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"Beginning at the southeast end center from which the northeast corner of Lot 60 of Section 36 of T. 3 X., R. 16 E., M. D. B. & M., bears N. 45°50'W. 590.5 ft. and the point of discovery bears N.9°30'E. 26.3 ft., said point of discovery being a point in the center of a drift; thence S.57°20'W. 146.25 ft. to the northeasterly line of said Lot 60 at a point 575.5 ft. from the northeast corner; thence continuing S.57°20'W. 404.75 ft. in all to the southwest corner; thence N.9°30'E. 394 ft. to the northeast line of said Lot 60 at a point 283.5 ft. from thenortheast corner; thence continuing N.9°30'E. 1106 ft. to the northwest corner being a point 15 ft. southwest of the State Highway #49; thence N.57°20'E. 404.75 ft. to the northwest end center from whence the point of discovery bears S.9°30'W. 1473.7 ft.; thence continuing N.57°20'E. 404.75 ft. to the northeast corner; thence S.9°30'W. 1500 ft. to thesoutheast corner (being identical with the northeast corner of the PERSHING MINE and the northwest corner of the SPECIMEN MINE); thence S.57°20'W. 404.75 ft. to the southeast end center, the point of beginning. (This claim overlaps a portion of the COMBINATION MINE and a portion of Lot 60 of said Section 36.)"

RECEIVED
JUN 20 1956

MF-203
Revised March 24, 1955

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator
Docket No. DMEA-
Contract No. Idm-E
Contract Date

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mariposa, State of California, described as follows:1/

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. 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;

2. Grants to the Government a lien upon all of the undersigned's right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of a percentage royalty on production as may be provided for by the contract;2/ and represents and undertakes that there are no claims, liens, or encumbrances upon the undersigned's right, title, or interest in the land prior to that hereby granted to the Government other than the following:3/ $3840 1st Mortgage in favor of Manuel Maria now held by Harry Laue - $5000 2nd Mortgage held by Arthur James Devine - $10000 Deed of Trust held by Harry and Josephine Laue.

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

1/ 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 cannot be dispensed with. If the space provided is insufficient, use an Annex, and refer to the Annex in the space.

2/ Mining or production from the land is not required, and in the absence of production there is no obligation to repay the Government.

3/ Write "none" if that is the case. Do not leave lines blank.

4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 15 day of June, 1956

Helmuth H. Lane [Seal]

[Seal]

[Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, 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]

RECEIVED
JUN 20 1956

ANNEX NO. 1

Legal descriptions as follows:

Claim "Pershing Mine"

"Beginning at the point of discovery, a point on a large mining dump at the mouth of a drift from whence the northeast corner of Lot 59 of Section 36 of T. 3 S., R. 16 E., M. D. B. & M., bears N.71°07'W. 598.9 ft.; thence S.44° 51'E. 253.6 ft. to the southeast end center, the true point of beginning; thence S.57°20'W. 271.13 ft. to the southwest corner being a point on the northeast line of Lot 59, 339.15 ft. N.44°51'W. from the southeast corner of said Lot 59; thence along this northeast line N.44°51'W. 733.35 ft. to the northeast corner of said Lot 59, being also the southeast corner of Lot 60; thence along the northeast line of Lot 60, N.31°30'W. 766.25 ft. to the northwest corner; thence leaving this northeast line N.57°20'E. 275.5 ft. to the northwest end center, a point in a gulch, (witness corner bears N.57°20'E. 50 ft. distant) from whence the point of discovery bears S.31°30'E. 785.6 ft. and S.44°51' E. 460.8 ft.; thence continuing N.57°20'E. 275.5 ft. to the northeast corner (being also the northwest corner of the SPECIMEN MINE and southeast corner of the COMBINATION # 2); thence S.31°30'E. 804.55 ft. and S.44°51'E. 695.45 ft. to the southeast corner; thence S.57°20'W. 271.13 ft. to the southeast end center, the point of beginning. (This claim overlaps a portion of the SPECIMAN MINE.)"

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MF-203
Revised March 24, 1955

RECEIVED
JUN 8 1956

For Government's Use Only
EXPLORATION PROJECT CONTRACT
Operator _____
Docket No. DMEA- _____
Contract No. Idm-E _____
Contract Date _____

CONSENT TO LIEN

To the United States of America:

Referring to that certain land in the County of Mariposa, State of California, described as follows:1/

_____

_____

_____

_____,

which is the subject of a proposed exploration project contract, hereinafter called the "contract," with the United States of America, hereinafter called the "Government;" in consideration of the contract and as an inducement to the Government to enter into it, the undersigned hereby--

1. 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;

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_____

_____

3. Undertakes and agrees neither to commit any act nor assert any claim in conflict with the provisions of this Consent to Lien; and to give advance notice of the Government's rights under this Consent to Lien to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, or interest in the land; and

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4. Consents to all amendments and assignments of the contract without notice thereof, and agrees that this Consent to Lien shall extend and apply thereto.

5. Added provision: None

Dated this 15 day of June, 1956.

Helmuth H. Lane [Seal]

[Seal]

[Seal]

I, _____ certify that I am the _____ (Secretary, etc.) of the corporation named herein; that _____ who signed this agreement was then _____ (President or Vice-President, 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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E. F. PETERS
3434 W 43rd ST.
LOS ANGELES, 8, CALIF.

RECEIVED
JUN 20 1956

MINING LEASE AND PURCHASE OPTION

THIS AGREEMENT, made this 31 day of December 1955, between HELMUTH H. LAUE, Lessor and Optionor, and E. F. PETERS, Lessee and Optionee, both of Los Angeles, California,

W I T N E S S E T H:

That the said Lessor, for and in consideration of the royalties hereinafter mentioned and the covenants and agreements hereinafter expressed by these presents, does grant, demise and let unto Lessee all the following mining claims, situated in Mariposa County, Coulterville Mining District, State of California, and known as:

SPECIMEN

SPECIMEN EXTENSION

PERSHING

COMBINATION MINING CLAIM

COMBINATION MINING CLAIM NO. 2

LUCKY SPECIMEN

with the right to mine and extract ores from the said leased premises, and to explore and prospect for ore therein, on the terms and conditions herein stated, together with the appurtenances, TO HAVE AND TO HOLD unto the said Lessee for the term of FIVE (5) YEARS, commencing January 1, 1956, with an option to Lessee or his heirs to extend the lease at the terms stated herein for an additional period of five (5) years, unless sooner forfeited or terminated by Lessee.

And in consideration of the said demise the said Lessee does convenant and agree with said Lessor as follows, to-wit:

1. To enter upon said mine or premises and commence, and thereafter to diligently continue to work the same in a proper and minerlike manner so as to remove the greatest amount of values therefrom, but with due regard to the safety, development and preservation of said premises as a workable mine;

2. To well and sufficiently timber said mine at all points where necessary and proper, in accordance with good mining practice, and to repair all old timbering wherever necessary or proper in accordance with good mining practice, and to repair and keep repaired all timbering wherever and whenever it may become necessary;

3. To allow said Lessor and his agents or representatives to enter upon and into all parts of said mine and premises for the purpose of inspection, with the use of all roads, trails, passages, ropes, windlass, ladderways, and all other means of ingress and egress for such purposes; to post and keep posted on said premises Notices of Non-responsibility.

4. To occupy and hold all cross or parallel lodes, dips, spurs, feeders, crevices or mineral deposits of any kind, which may be discovered in working under this lease, or in any tunnel, run to intersect any said lode, dip, spur, feeders, crevices or deposits, at any point on said property and to claim the same as the property of the Lessor with

the privilege to said Lessee of working the same as an appurtenance of said demised premises during the term of this Lease; and to not locate or record the same or allow the same to be recorded or located except in the name of the Lessor;

5. To keep at all times the drifts, shafts, tunnels and other passages and workings of said demised premises thoroughly drained and clear of loose rock and rubbish of all kinds, except such drifts, shafts, etc., as are abandoned;

6. To deliver up to said Lessor the said premises with the appurtenances and all improvements in good order and condition with all shafts, tunnels and other passages thoroughly clear of rubbish and drained, and the mine in all points ready for immediate continued working (accidents not arising from negligence alone excusing), without demand or further notice on the 31st day of December, 1960, or at any time previous, upon demand for forfeiture; or on the 31st day of December, 1965, if option for 5 year lease extension has been exercised by Lessee; or on the 31st day of December, 1966, under the terms of Paragraph 13 (d) of this agreement.

7. To pay to Lessor, and Lessor reserves as part of the consideration for this Lease and as royalty, a full ten (10%) per cent ~~gross~~ of all metals, minerals, ore, and other substances extracted or removed from said premises by Lessee which Lessor shall receive in money or in kind at Lessor's option; provided, however, that the minimum of royalty or rent to be paid Lessor shall be the sum of ONE HUNDRED AND NO/100 ($100.00) DOLLARS per month, with the further provision that the total minimum royalty for the first year of this agreement shall be $2000.00 (TWO THOUSAND DOLLARS), which shall be paid in advance.

8. To comply with all laws, rules and regulations of the United States government, the State of California, and any other political subdivision governing mining in the State of California and the Coulterville Mining District, and all mining and industrial safety laws applicable to such work, and to at all times during the continuance of this lease and any extension thereof, obtain and carry Workmen's Compensation Insurance, as required by the laws of the State of California, for all employees of the Lessee on said property, to pay for all labor, and material used on said premises and to protect and save harmless the said Lessor and the said property from any and all claims or liens of laborers, mechanics, material men, or others furnishing machinery or supplies and performing labor or services on said property including claims under industrial accident laws, and to protect and save harmless the lessor and said premises of and from all public liability, property damages, fines, suits, proceedings and claims of anyone, arising or growing out of the occupation, operation or use of said premises and/or appurtenances thereto by lessee during the term of this lease;

9. To at all times during the continuance of this Lease, or any extension thereof, keep full, true and correct books of account showing the amount of ore mined and the quantity and quality of minerals, metals, or other substances extracted from said premises. The said books of account and all smelter, mint or other ore or mineral buyers purchase statements and all assay sheets, reports and samples shall be available and open to inspection by the Lessor, his auditors, attorneys or representatives at all times;

10. To furnish and deliver to Lessor a true and correct account each month of all minerals and other substances extracted from said property during the previous month; said account shall show the quantity and quality of material sold, to whom sold, the price received therefore and all assay data thereon.

* of smelter returns less haulage charge.

10. b) Lessee shall pay the monthly minimum royalty of $100.00 by the 10th of each month, with the final settlement of the royalties due at the end of each calendar year.

11. Mining operations under the requirements of this Lease may be suspended as long as minimum royalty is paid by Lessee. However Lessee will not be required to pay the minimum royalty if prevented from mining operations by strikes, war, lockouts, acts of God, delay in transaction or interference of governmental authority or other matters beyond the control of Lessee.

12. If Lessee exercises the option to renew this lease for the second five year term, a determination of the royalty payments up to that time shall be made. If such payments amount to more than $24,000, Lessee will continue to pay the $100.00 minimum lease payment as before; if such payments have not aggregated $24,000, Lessee will pay a $300.00 minimum royalty to Lessor until such time, as total royalty payments have reached the sum of $24,000, after which the $100.00 minimum royalty rate will again apply.

13. a) Lessor agrees that upon the expiration of the second five year lease term the mining claims shall be offered for sale and he agrees to furnish valid Quit-claim Deed, free of encumbrances incurred by him, to a buyer under the following conditions:

b) If an offer is acceptable to, and is accepted by Lessee, Lessor will receive twenty-five (25) per cent of the selling price of the mining properties, less the value of machinery and surface installations, but not less than $20,000, in lieu of his reserved royalty interest and any other rights in the claims.

c) However, Lessee shall have first right to buy Lessor's royalty and other interests in the claims at the value established by a bona fide offer as outlined in paragraph 13 b.

d) Lessor and Lessee agree that a period of one year starting January 1, 1966 by allowed in which to undertake the sale of the mine, during which period Lessee may at his option continue mining operations under the terms of this lease.

e) If a bona fide cash offer for the mining property covered by this lease cannot be obtained by Dec. 31, 1966, Lessor and Lessee shall each appoint immediately an independent mining engineer who shall make appraisals of the total value of the property (less machinery and surface installations).

f) If the two appraisals differ substantially, these engineers shall elect an umpire who shall set the agreed upon value of the properties (less machinery and surface installations). Lessee shall then have the right to purchase Lessor's royalty interest at the price of 25% (twenty-five per cent) of such value, which must not be less than $20,000, such sum to be paid at the rate of 30% (thirty percent) within 30 days of rendering of umpires evaluation and the balance in three yearly installments commencing one year thereafter.

14. Lessee may terminate this Lease at any time by delivering to Lessor a Quit-claim Deed or written cancellation of this Lease, and in case the said Lease be so terminated by Lessee, he shall have the right to remove his equipment from the property within one year following such termination; provided, however, that no mine timbering, structural braces, shaft collars, and any other items the removal of which would leave the mine workings in a hazardous or unsafe condition, shall be removed therefrom.

15. During the term of this Lease Lessee shall do all assessment work required by the laws of the United States, the State of California, and the Coulterville Mining District, and shall file, within the time required by law, proper Proofs of the performance of such assessment work, also pay all taxes. H.K. E.F.P.

16. a) Lessor and Lessee agree that during the term of this Lease Lessor shall be entitled to carry on an individual mining operation with one helper in an area not worked by the Lessee which area is to be selected mutually agreeable, and where Lessor's operations do not interfere with Lessee's operations nor could be detrimental to Lessee's operations.

b) Lessor will pay Lessee a royalty of 10% (ten percent) of smelter returns less haulage charge or of the value of all minerals which he recovers under this special agreement.

c) Lessor Laue under this special agreement shall act as independent contractor and shall comply with all provisions of Paragraph 8 of this agreement as if he were a lessee and Peters the Lessor.

17. Lessor shall advise Lessee in writing of any failure of Lessee to fulfill the requirements of this Lease. Lessee shall then have thirty days in which to make amends.

18. THIS AGREEMENT shall inure to the benefit of and be binding upon the heirs, assigns, and personal representatives of the parties hereto.

IN WITNESS WHEREOF the said parties have hereunto set their hands this day.

Helmuth H. Laue
LESSOR

E. F. Peters
LESSEE

STATE OF CALIFORNIA,
County of Los Angeles } ss.

ON THIS _____ day of _____, A. D., 19__, before me, a Notary Public in and for said County and State, personally appeared _____, known to me, to be the person___ whose name___ _____ subscribed to the within Instrument, and acknowledged to me that ___he___ executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

_____
Notary Public in and for said County and State.

ACKNOWLEDGMENT — GENERAL — WOLCOTT'S FORM 202

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County of Los Angeles } ss.

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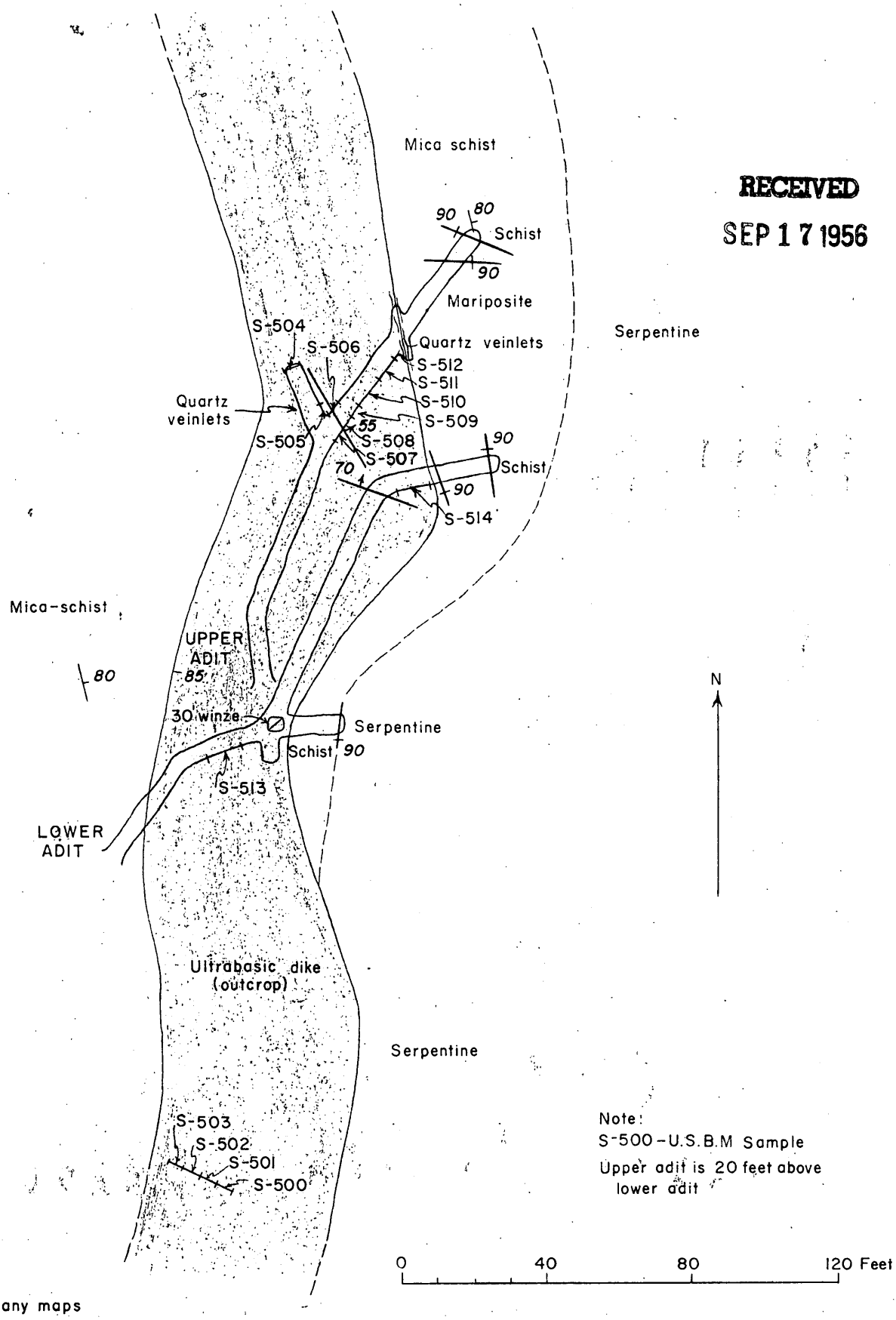
Notary Public in and for said County and State.

RECEIVED
SEP 17 1956



From Company maps

Figure 2. SPECIMEN HILL MINE, MARIPOSA COUNTY, CALIFORNIA

Defense Minerals Exploration Administration
U. S. Department of the Interior
Interior Building
Washington 25, D. C.