DMA Form 1

DEFENSE MINERALS ADMINISTRATION
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DMA Docket No. 1871

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EXPLORATION LOAN

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Routing Slip

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

224 New Customhouse
Denver 2, Colorado

March 17, 1952

BY

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Field Team, DMEA, Region IV

Subject: DMA Docket 1871, Final Report, Galtie Boy Mines, Inc., Hercules Mine, San Juan County, Colorado

Enclosed are the original and three copies of the Final report pertaining to DMA-1871, Galtie Boy Mines, Inc. and the original and one copy of DMA Form 3b. We are also enclosing a copy of the letter of denial to the applicant.

3 Bs
memorandum
R. R. J.A.

for W. H. King
J. H. East, Jr.

A. H. Koschmann
A. H. Koschmann

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1952

1871 - Galtie Boy Mines, Inc. Hercules Mine (lead-zinc) Red Mt. Mining District, San Juan County. February 8, 1952 - An engineering report is being prepared.

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

224 New Customhouse
Denver 2, Colorado

March 14, 1952

Mr. Carl H. Peterson, Secretary
Galtie Boy Mines, Inc.
Mercantile Bldg.
1031 - 15th Street
Denver 2, Colorado

Dear Mr. Peterson:

Your application for exploration aid in the amount of $48,910.00, DMA-1871, on the Hercules Mine in San Juan County, Colorado, has received careful consideration.

The physical condition of the property at this time prevents an examination which might prove the existence of mineralization. Because of this lack of definite information and concrete geologic evidence which cannot be obtained at this time, the application for aid is denied.

If, after making the shaft and mine workings accessible for examination and sampling, you still believe the project has merit, and if you care to submit a revised application we will consider it.

Very truly yours,

for O. H. King
J. H. East, Jr.
Field Team, Region IV

A. H. Koschmann
A. H. Koschmann
Field Team, Region IV

HMC:bh
cc: Secretary to the Operating Comm.

Mining Division
Region IV

March 18, 1952

Memorandum

To: Field Team, Region IV

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1871, Galtie Boy Mines, Inc., Hercules Mine, San Juan County, Colorado

Enclosed are original and seven copies of the "Engineering Report" by Scott W. Hagen, Jr., Mining Engineer, covering the Hercules Mine of Galtie Boy Mines, Inc.

The proposal submitted by the applicant is based on copies of old newspaper clippings to substantiate the existance of mineralization in the Hercules Mine workings.

W. S. Burbank of the U. S. Geological Survey has approved the project as a geological possibility. However, the examining engineer believes that if the Corporation is able to participate in assistance totalling $46,910.00, they should first make the shaft and mine workings accessible for examination and sampling.

We concur with the examining engineers' recommendations that the present loan request be denied or held in abeyance until a more reliable basis for exploration work is presented.

W. H. King
W. H. King

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1952

Reviewed by
DMEA OPERATING COMMITTEE
3-28-52
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
March 11, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division

Subject: DMA 1871, Galtie Boy Mines, Inc. (Hercules Mine), Red Mountain District, San Juan County, Colorado

Please find enclosed the original and seven copies of Scott W. Hasen, Jr.'s "Summary, Conclusions, and Recommendations" and "Engineering Report" on the above docket.

As indicated by the "Review of Application for Exploration Assistance" accompanying the brochure, W. S. Burbank has approved the application geologically and no exception is taken to his statement that the Hercules project appears to be a legitimate and worthwhile exploration. However, as Hasen stresses, the corporation, if it is able to participate in a loan totalling $48,910.00, divided into two phases of which the first pointed toward making the shaft and mine workings accessible for examination and sampling, at an estimated over-all cost of $7,300.00, can well afford to complete that phase at its own expense. After that is done, if the applicant still considers the project as meritorious as at present, with analysis based solely on hearsay reports, reapplication for a Defense Minerals Exploration Administration loan to follow out the second phase can be made.

I concur with Hasen's recommendation that the present loan request be denied or held in abeyance until a sounder basis for the exploration is presented.

The brochure provided by the Region IV Field Team with their instructions of January 18, 1952, to prepare an engineering report is also enclosed.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMA 1871, Galtie Boy Mines, Inc.

Hercules Mine

San Juan County, Colorado

Lead-Zinc-Copper

Scott W. Hazen, Jr., Mining Engineer
Bureau of Mines

March 10, 1952

DMA 1871

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By Scott W. Hazen, Jr.
Mining Engineer
Bureau of Mines

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Scott W. Hazen, Jr.

The Galtie Boy Mines, Inc., submitted an original exploration loan application for $22,789.00, Defense Minerals Administration Docket 1871, on June 29, 1951. Later, on January 10, 1952, the loan request was revised by the applicant, proposing two phases of exploration for the Hercules shaft. Phase one was to include unwatering, rehabilitation of the shaft and drifts, with mapping, sampling, and geologic study of the workings. This phase is estimated to cost $7,300.00, with Government participation amounting to $3,650.00. The applicant signified the corporation is financially prepared to furnish its share of an additional $41,610.00, or a total of $48,910.00, to carry on a second phase of exploration to consist of shaft sinking, drifting, or raising, whichever is considered advisable after the outcome of phase one is known.

The proposal submitted by the applicant is a complete gamble with only copies of old newspaper clippings to substantiate the existence of mineralization in the Hercules mine workings. A surface examination cannot be made at this time due to severe winter conditions.

The two claims leased by the applicant are not contiguous. The Galtie Boy Mines, Inc., should control the adjoining property to cover the extension of any ore found.

The corporation should be financially able to spend some of its funds to assemble and submit reliable factual information rather than vague hearsay evidence of the existence of mineralization.

It is recommended that the loan either be denied at this time or be held in a pending status until the Galtie Boy Mines, Inc., if it so desires, completes phase one at its own expense or makes the mine workings safe and accessible for examination. At such time, the property can be more accurately evaluated and a decision made as to its merit for a Defense Minerals Exploration Administration loan.

DMA 1871

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

Engineering Report

By Scott W. Hazen, Jr.
Mining Engineer
Bureau of Mines

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

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ILLUSTRATIONS

Figure — Follows Page

1. Location map, Galtie Boy Mines, Inc., Hercules mine . 2
2. Claim map, Galtie Boy Mines, Inc., Hercules mine 2

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

ENGINEERING REPORT

By

Scott W. Hazen, Jr.

INTRODUCTION

The Galtie Boy Mines, Inc., submitted an original loan application for $22,789.00, Defense Minerals Administration Docket 1871, on June 29, 1951. The project proposals were based entirely on old newspaper reports of high-grade silver-lead ore in the Hercules shaft workings. The major portion of the loan was to be spent for equipment with a small amount allotted for pumping, shaft rehabilitation, and drifting. The Washington office of the Defense Minerals Exploration Administration requested that the Region IV Field Team contact the applicant and suggest the submission of a more realistic proposal. Accordingly, on January 10, 1952, the Galtie Boy Mines, Inc., submitted a revised proposal containing two phases. The first phase, estimated to cost $6,410.00, was to unwater the Hercules shaft, rehabilitate the shaft and drifts, and then map, sample, and make a geologic study of the workings. If results of the first phase indicated it was justifiable, phase two would be started. The exploration work to be performed in the second portion of the project is to be decided upon after the completion of phase one. The applicant signified the corporation is financially prepared to participate on a fifty percent basis for lead-zinc in a program totaling $48,910.00.

LOCATION

The Hercules shaft is located on the Hercules claim, U. S. Survey No. 18626, in T. 42 N., R. 7 W., N. M. P. M. (fig. 1). The property consisting of two standard patented mining claims is in Prospect Gulch, a tributary of Cement Creek, about 8 miles north of Silverton, San Juan County, Colo. (fig. 2). Other mines in the vicinity include the Galena Queen, Lark, Henrietta, and Joe and John. The mine is at an altitude of about 11,500 feet and severe winter weather usually prevents all-winter operation.

HISTORY AND PRODUCTION

No authentic information is known concerning the operations of the Hercules shaft. Early newspaper records, 1901-1902, indicate some production of high-grade silver-lead ore.

OWNERSHIP AND EXTENT

The Hercules mining claim and the J. S. P. mining claim are owned by the estate of V. H. Steele, James S. Henderson, administrator, 209 Equitable Building, Denver, Colo. Henderson is also a stockholder and director of the Galtie Boy Mines, Inc., and,as the administrator of the V. H. Steele estate, has given a 10-year lease and option on the two claims, Hercules and J. S. P. The lease requires twenty labor shifts per month from June to October of each year, beginning October 1951.

The two claims are not contiguous, being separated by the Burleigh claim. The original ownership map submitted by the applicant shows open ground adjacent to the Hercules claim. In 1947, V. H. Steele filed location on several claims to cover

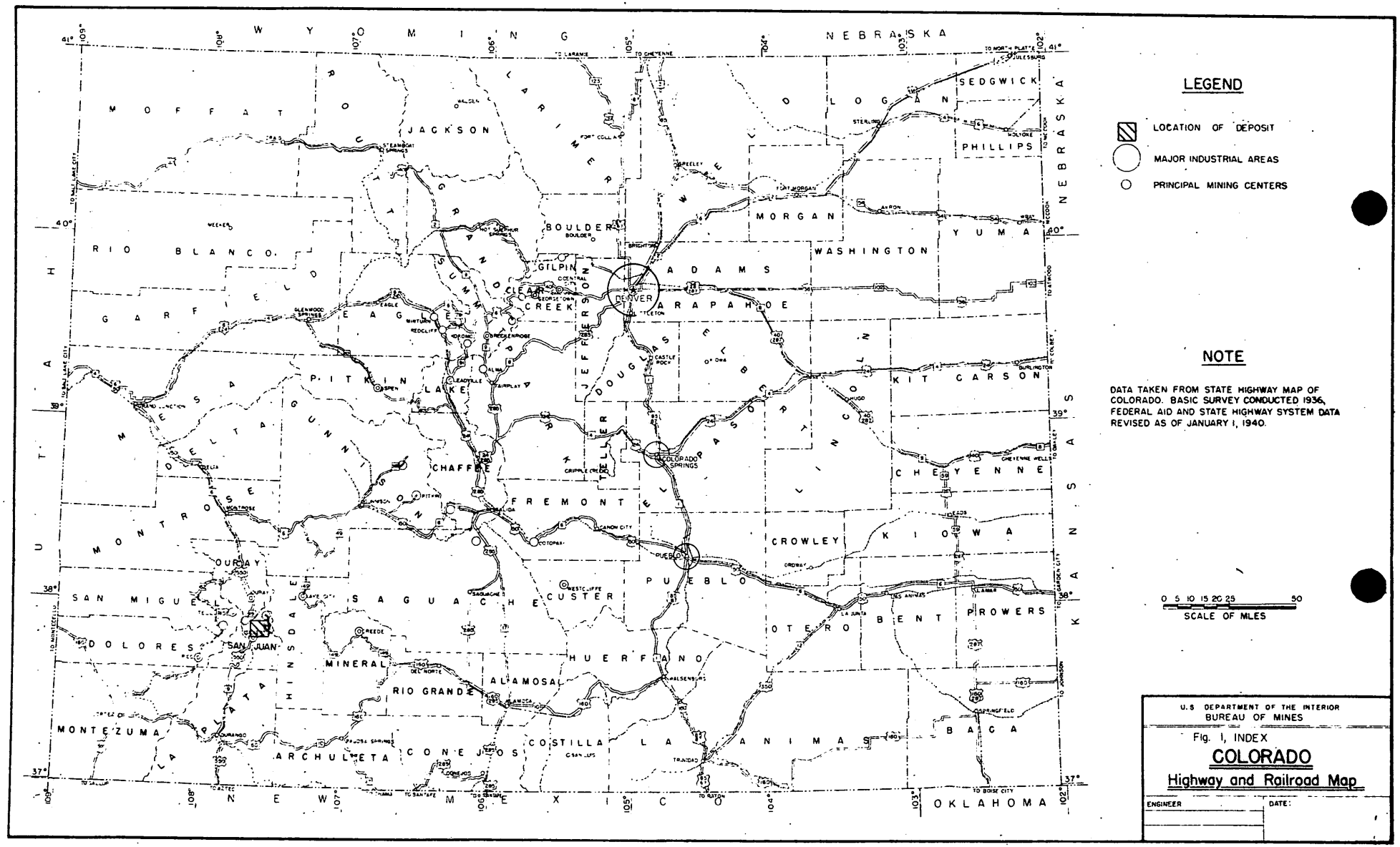

FIG. 1 LOCATION MAP GALTIE BOY MINES INC. HERCULES MINE. DMA 1871

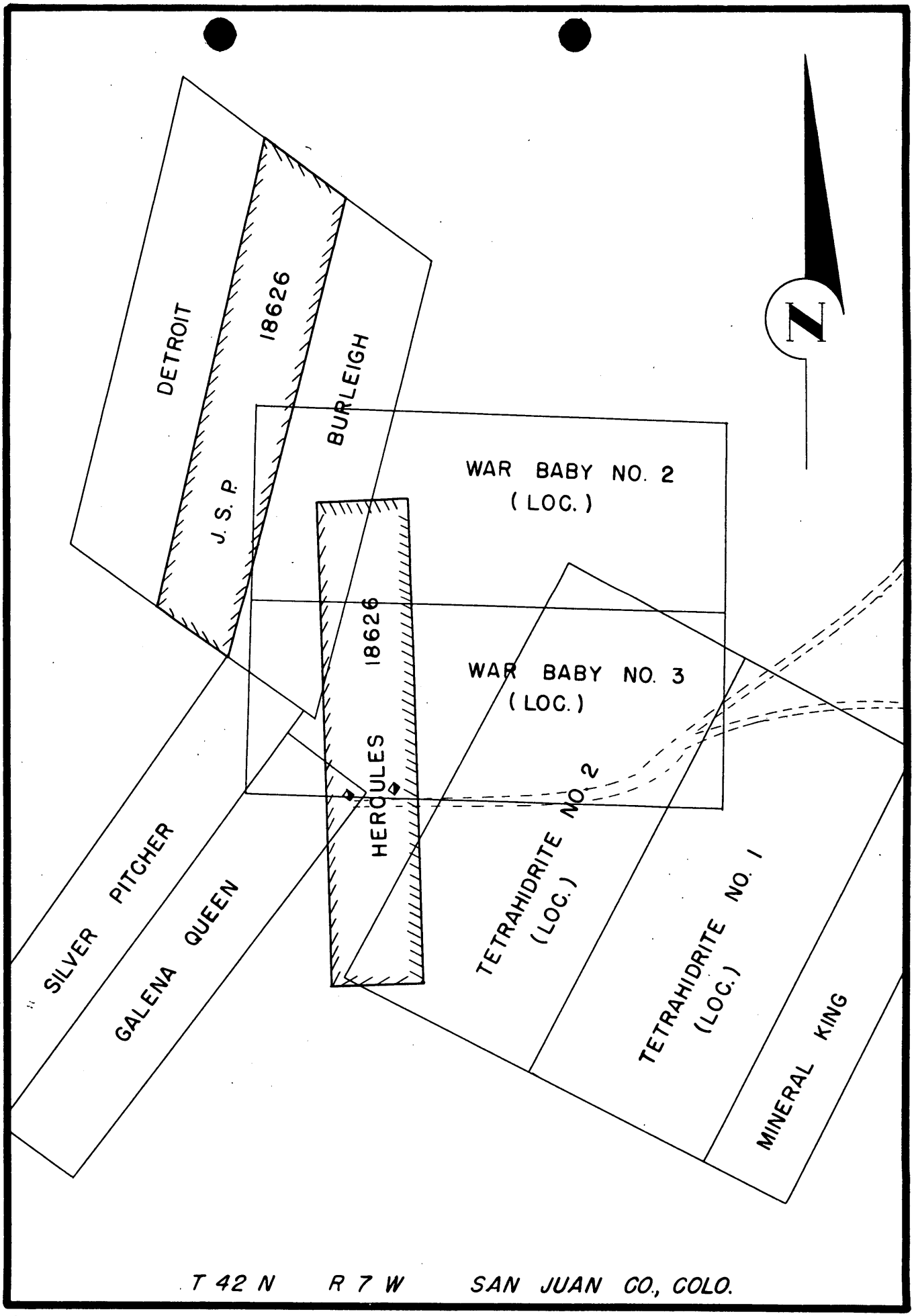

FIG. 2 CLAIM MAP GALTIE BOY MINES INC. HERCULES MINE DMA 1871

open ground in the vicinity. A revised map showing these located claims has been submitted by the applicant; four copies are attached. These located claims are now controlled by the U. S. Oil and Development Corporation which has practically the same directorship as the Galtie Boy Mines, Inc. It seems advisable to have leases and subordination agreements on the adjacent located claims in order to cover any extension of mineralization which might be found on the Hercules. The applicant, Galtie Boy Mines, Inc., has indicated it is buying tax title to the Burleigh claim. Some of the located claims may, at present, be included in leases on the U. S. Oil and Development Corporation's Henrietta mine, DMA 606, contract I-DMA-E29, and on the Joe and John mine, DMA 1870.

DESCRIPTION OF THE DEPOSITS

No specific information is available on the ore thought to be present in the Hercules property. Generally, the ore deposits in the vicinity are found in lens-shaped chimneys. They are of short length, 20 - 50 feet, and may be quite wide in places. Usually the outcrops are covered by overburden or concealed by strong alteration at surface. The adjacent Galena Queen mine is producing from a high-grade chimney of silver-lead-zinc ore. The body is reportedly 30 feet long and 10 or more feet wide. Its depth is not known. The Lark mine produced in excess of $800,000.00 from a chimney which has continued to several hundred feet in depth.

An ore body found in the Henrietta mine consists of boulder-like pieces of ore randomly dispersed in a deposit resembling a

chimney. The pieces of ore are high grade and from 2 to 6 or more feet in largest dimension but are scattered with no apparent connection to each other. The intervening rock is only sparsely mineralized. Such a deposit is usually not commercial. There is a general series of northerly striking fissures and fracture zones crossing Prospect Gulch. Small lenses of ore have been found in other mines along these fracture zones. Mining in the area consists of following these mineralized breaks until a lens or chimney of commercial size and grade is located.

MINABLE ORE RESERVES

No ore reserves can be estimated as there is no information available to use as a basis for their calculations.

PRESENT STATUS

The Hercules mine has not operated for nearly 50 years. No surface plant exists nor a headframe for hoisting, and the shaft and mine workings are full of water. Some drop in the water level was noted when the adjoining Galena Queen was being operated in 1951. The shaft is thought to be 125 feet or more in depth. There is some evidence that drifting has been done from the shaft both to the north and south. The condition of the shaft and drifts is unknown.

PROPOSED EXPLORATION

The Galtie Boy Mines, Inc., in the revised application proposes to unwater and rehabilitate the Hercules shaft and drifts and map, sample, and make a geologic study of the underground

workings as phase one of the program. The applicant is then prepared to do additional exploration in the form of shaft sinking, drifting, raising, or any other exploratory work considered justifiable from the results of the appraisal after phase one. If no more work is considered warranted, the project will be terminated after the completion of phase one. The proposals and requirements for phase two cannot be outlined until the completion of phase one.

ESTIMATED COST OF PROJECT

The condition of the shaft and drifts is unknown and only a guess can be made as to the cost for rehabilitation work. Revised cost estimates have been made for phase one based on three months' time for completion. This may be more or may be less than the amount needed. The total cost estimated for phase one is $7,300.00. The Government's share on a fifty percent basis for lead-zinc will be $3,650.00.

Until the results of phase one are studied, no definite plan can be made for phase two. Costs of drifting will be at least $40.00 per foot plus the shaft overhead costs of hoistman, buildings, supervision, et cetera. Raising costs will be about the same. Shaft sinking will be at least $125.00 per foot and perhaps more if the ground is bad. If much work is to be done, a modified skip pocket should be cut in the shaft to store one drift round. Ventilation will be required. Electric power should be installed. Equipment should be rented rather than purchased.

Costs, Phase One

Fixtures and Improvements		
a) Facilities	None	
b) Buildings		
Small hoist house, lumber, supplies, material	$ 200.00	
c) Fixtures		
Electric power line, approximately 2,250 feet	150.00	
Headframe, A type, for shaft	200.00	$ 550.00
Operating Equipment		
a) Purchased	None	
b) Rented		
2 Shaft buckets and dolly, $25.00 a month, 3 months	$ 75.00	
May be desirable to use mine car in place of one dolly; substitution should be allowed.		
1 Electric-driven pump for unwatering shaft, $40.00 a month, 3 months	120.00	
1 Gasoline-powered hoist, $120.00 a month, 3 months	360.00	
c) Furnished by operator	None	$ 555.00
Rehabilitation and Repairs		
a) Facilities	None	
b) Buildings	None	
c) Installations	None	
c) Fixtures	None	

Labor

1 Hoistman at base rate of $2.00 per hour, with overtime allowed at time and one-half		
Total: 60 regular time shifts	$ 960.00	
12 overtime shifts	288.00	
2 Miners at base rate, maximum of $2.00 per hour, to include shaft rate, with overtime allowed at time and one-half		
Total: 120 regular shifts	1,920.00	
24 overtime shifts	576.00	
1 Carpenter at base rate of $2.00 per hour, with overtime allowed at time and one-half		
Total: 10 regular shifts	160.00	
2 overtime shifts	48.00	
1 Mechanic at base rate of $2.00 per hour, with overtime allowed at time and one-half		
Total: 10 regular shifts	160.00	
2 overtime shifts	48.00	$4,160.00

Supervision

To be furnished by contractor, no charge.	None	

Supplies

a) Timber		
550 linear feet stulls at $0.50 per foot	$ 275.00	
7,000 board feet, 2-inch rough lumber at $65.00 per thousand	455.00	
150 feet of ladders at $1.50 a foot	225.00	
Ties	25.00	
b) Explosives	50.00	
c) Repair parts	50.00	
d) Other		
Gasoline and oil	150.00	
Small tools	130.00	
Hoist cable	50.00	
150 feet of 2-inch pipe for pumping	125.00	
Mine rail	100.00	1,635.00

Power		
Electric, for pump		$ 100.00
Transportation		
Freight		100.00
Insurance		
a) Compensation	$ 125.00	
b) Social Security	75.00	200.00
Grand total		$7,300.00

CONCLUSIONS AND RECOMMENDATIONS

The proposal submitted by the Galtie Boy Mines, Inc., is a complete gamble with nothing more than copies of old newspaper clippings submitted by the applicant to substantiate the existence of mineralization in the Hercules mine workings. The old newspaper reports were only hearsay evidence when they were printed. No evidence is given to show that the Hercules mine dump contains ore which would be some indication of mineralization underground. A surface examination cannot be made at this time.

The two claims leased by the applicant are not contiguous. If commercial ore was found in the Hercules mine, there is no assurance the ore occurs along the length of the claim rather than across the shorter dimension. The Galtie Boy Mines, Inc., should control the adjoining property to cover the extension of any ore found.

The applicant originally applied for a loan totaling $22,789.00. The revised application indicates the corporation has sufficient money available to furnish half of a $48,910.00

loan. Galtie Boy Mines, Inc., can, therefore, afford to spend a part of this money to submit facts rather than vague, hearsay evidence of mineralization. It may be possible that by using company equipment a preliminary examination of the Hercules mine workings can be made with an expenditure about equivalent to the corporation's half of the estimated cost of phase one. This would not allow rehabilitation of the mine but may allow sufficient investigation to decide if the applicant wants to spend more money on the project.

It is recommended that the loan either be denied at this time or be held in a pending status until the Galtie Boy Mines, Inc., if it so desires, completes phase one at its own expense or makes the mine workings safe and accessible for examination. At such time, the property can be more accurately evaluated and a decision made as to its merit for a Defense Minerals Exploration Administration loan.

[redacted]
Denver 2, Colorado

March 17, 1952

[redacted]

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Field Team, DMEA, Region IV

Subject: DMA Docket 1571, Final Report, Golden Bay Mines, Inc., Emerald Mine, San Juan County, Colorado

Enclosed are the original and three copies of the Final Report pertaining to DMA-1571, Golden Bay Mines, Inc. and the original and one copy of DMA Form 2b. We are also enclosing a copy of the letter of denial to the applicant.

for W. H. King
J. H. King, Jr.

A. H. Koschmann
A. H. Koschmann

[redacted]

cc

cc: WHKrewer w/copy of final report
AHKoschmann " " " "
DMA Final Report
cc: A.H.Koschmann (2)
DMA Docket, Chron.

RECEIVED
MAR 24 1952

Mining Division
Region IV

March 18, 1952

Memorandum

To: Field Team, Region IV

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1871, Galtie Boy Mines, Inc., Hercules Mine, San Juan County, Colorado

Enclosed are original and seven copies of the "Engineering Report" by Scott W. Hazen, Jr., Mining Engineer, covering the Hercules Mine of Galtie Boy Mines, Inc.

The proposal submitted by the applicant is based on copies of old newspaper clippings to substantiate the existance of mineralization in the Hercules Mine workings.

W. S. Burbank of the U. S. Geological Survey has approved the project as a geological possibility. However, the examining engineer believes that if the Corporation is able to participate in assistance totalling $48,910.00, they should first make the shaft and mine workins accessible for examination and sampling.

We concur with the examining engineers' recommendations that the present loan request be denied or held in abeyance until a more reliable basis for exploration work is presented.

W. H. King
W. H. King

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAR 24 1952

Reviewed by
DMEA OPERATING COMMITTEE
3-28-52
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
March 11, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division

Subject: DMA 1871, Celtic Bay Mines, Inc. (Hercules Mine), Red Mountain District, San Juan County, Colorado

Please find enclosed the original and seven copies of Scott W. Hazen, Jr.'s "Summary, Conclusions, and Recommendations" and "Engineering Report" on the above docket.

As indicated by the "Review of Application for Exploration Assistance" accompanying the brochure, W. S. Burbank has approved the application geologically and no exception is taken to his statement that the Hercules project appears to be a legitimate and worthwhile exploration. However, as Hazen stresses, the corporation, if it is able to participate in a loan totalling $48,910.00, divided into two phases of which the first pointed toward making the shaft and mine workings accessible for examination and sampling, at an estimated overall cost of $7,300.00, can well afford to complete that phase at its own expense. After that is done, if the applicant still considers the project as meritorious as at present, with analysis based solely on hearsay reports, reapplication for a Defense Minerals Exploration Administration loan to follow out the second phase can be made.

I concur with Hazen's recommendation that the present loan request be denied or held in abeyance until a sounder basis for the exploration is presented.

The brochure provided by the Region IV Field Team with their instructions of January 18, 1952, to prepare an engineering report is also enclosed.

W. M. Traver, Jr.

W. M. Traver, Jr.

enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMA 1871, Galtie Boy Mines, Inc.

Hercules Mine

San Juan County, Colorado

Lead-Zinc-Copper

Scott W. Hazen, Jr., Mining Engineer
Bureau of Mines

March 10, 1952

DMA 1871

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

Summary, Conclusions, and Recommendations

By Scott W. Hazen, Jr.
Mining Engineer
Bureau of Mines

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

By Scott W. Hazen, Jr.

The Galtie Boy Mines, Inc., submitted an original exploration loan application for $22,789.00, Defense Minerals Administration Docket 1871, on June 29, 1951. Later, on January 10, 1952, the loan request was revised by the applicant, proposing two phases of exploration for the Hercules shaft. Phase one was to include unwatering, rehabilitation of the shaft and drifts, with mapping, sampling, and geologic study of the workings. This phase is estimated to cost $7,300.00, with Government participation amounting to $3,650.00. The applicant signified the corporation is financially prepared to furnish its share of an additional $41,610.00, or a total of $48,910.00, to carry on a second phase of exploration to consist of shaft sinking, drifting, or raising, whichever is considered advisable after the outcome of phase one is known.

The proposal submitted by the applicant is a complete gamble with only copies of old newspaper clippings to substantiate the existence of mineralization in the Hercules mine workings. A surface examination cannot be made at this time due to severe winter conditions.

The two claims leased by the applicant are not contiguous. The Galtie Boy Mines, Inc., should control the adjoining property to cover the extension of any ore found.

DMA 1871

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

Engineering Report

By Scott W. Hazen, Jr.
Mining Engineer
Bureau of Mines

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

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ILLUSTRATIONS

Figure — Follows Page

1. Location map, Galtie Boy Mines, Inc., Hercules mine . 2
2. Claim map, Galtie Boy Mines, Inc., Hercules mine 2

GALTIE BOY MINES, INC.
HERCULES MINE
SAN JUAN COUNTY, COLORADO

ENGINEERING REPORT

By

Scott W. Hazen, Jr.

INTRODUCTION

The Galtie Boy Mines, Inc., submitted an original loan application for $22,789.00, Defense Minerals Administration Docket 1871, on June 29, 1951. The project proposals were based entirely on old newspaper reports of high-grade silver-lead ore in the Hercules shaft workings. The major portion of the loan was to be spent for equipment with a small amount allotted for pumping, shaft rehabilitation, and drifting. The Washington office of the Defense Minerals Exploration Administration requested that the Region IV Field Team contact the applicant and suggest the submission of a more realistic proposal. Accordingly, on January 10, 1952, the Galtie Boy Mines, Inc., submitted a revised proposal containing two phases. The first phase, estimated to cost $6,410.00, was to unwater the Hercules shaft, rehabilitate the shaft and drifts, and then map, sample, and make a geologic study of the workings. If results of the first phase indicated it was justifiable, phase two would be started. The exploration work to be performed in the second portion of the project is to be decided upon after the completion of phase one. The applicant signified the corporation is financially prepared to participate on a fifty percent basis for lead-zinc in a program totaling $48,910.00.

LOCATION

The Hercules shaft is located on the Hercules claim, U. S. Survey No. 18626, in T. 42 N., R. 7 W., N. M. P. M. (fig. 1). The property consisting of two standard patented mining claims is in Prospect Gulch, a tributary of Cement Creek, about 8 miles north of Silverton, San Juan County, Colo. (fig. 2). Other mines in the vicinity include the Galena Queen, Lark, Henrietta, and Joe and John. The mine is at an altitude of about 11,500 feet and severe winter weather usually prevents all-winter operation.

HISTORY AND PRODUCTION

No authentic information is known concerning the operations of the Hercules shaft. Early newspaper records, 1901-1902, indicate some production of high-grade silver-lead ore.

OWNERSHIP AND EXTENT

The Hercules mining claim and the J. S. P. mining claim are owned by the estate of V. H. Steele, James S. Henderson, administrator, 209 Equitable Building, Denver, Colo. Henderson is also a stockholder and director of the Galtie Boy Mines, Inc., and,as the administrator of the V. H. Steele estate, has given a 10-year lease and option on the two claims, Hercules and J. S. P. The lease requires twenty labor shifts per month from June to October of each year, beginning October 1951.

The two claims are not contiguous, being separated by the Burleigh claim. The original ownership map submitted by the applicant shows open ground adjacent to the Hercules claim. In 1947, V. H. Steele filed location on several claims to cover

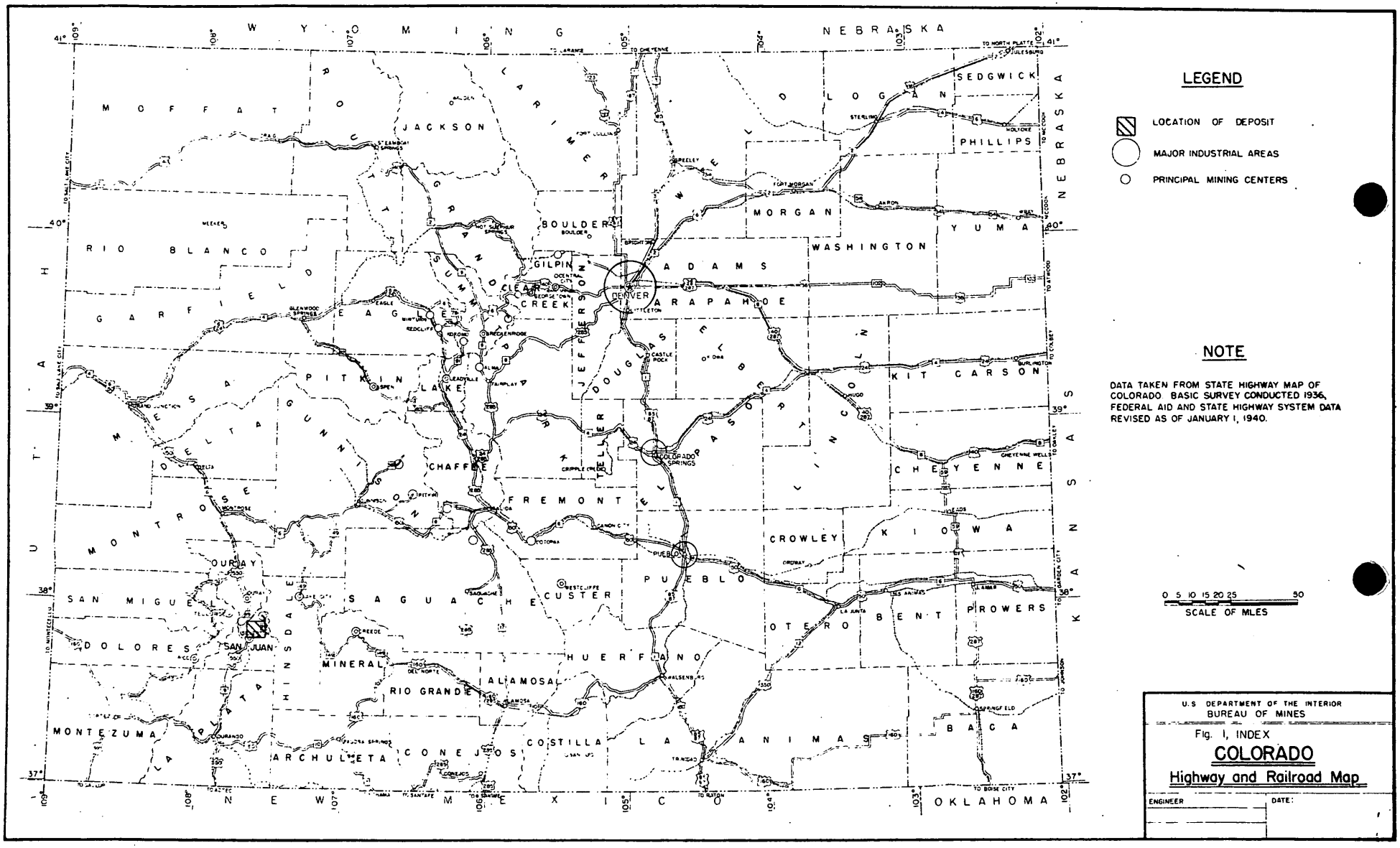

FIG. 1 LOCATION MAP GALTIE BOY MINES INC. HERCULES MINE. DMA 1871

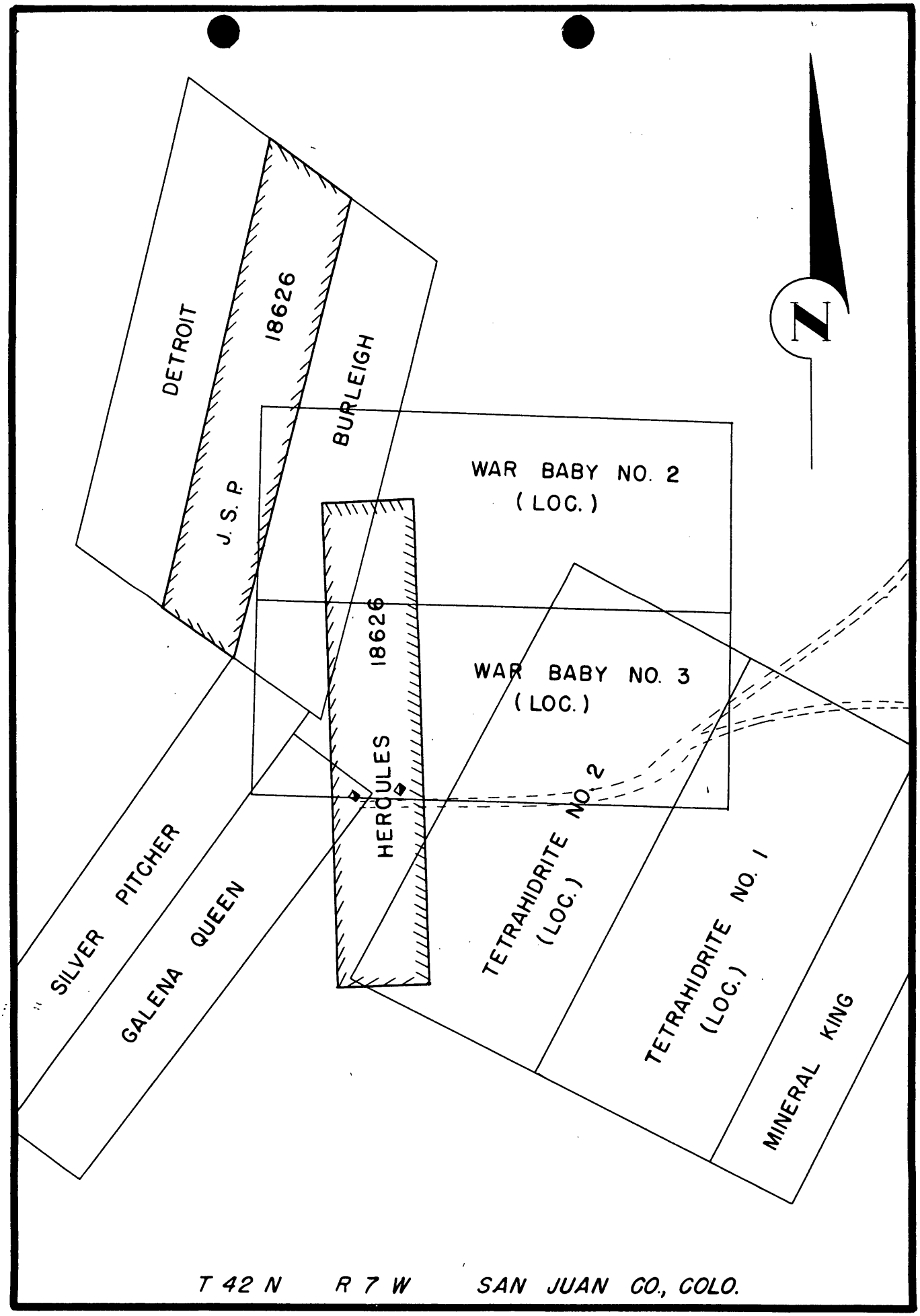

FIG. 2 CLAIM MAP GALTIE BOY MINES INC. HERCULES MINE DMA 1871

open ground in the vicinity. A revised map showing these located claims has been submitted by the applicant; four copies are attached. These located claims are now controlled by the U. S. Oil and Development Corporation which has practically the same directorship as the Galtie Boy Mines, Inc. It seems advisable to have leases and subordination agreements on the adjacent located claims in order to cover any extension of mineralization which might be found on the Hercules. The applicant, Galtie Boy Mines, Inc., has indicated it is buying tax title to the Burleigh claim. Some of the located claims may, at present, be included in leases on the U. S. Oil and Development Corporation's Henrietta mine, DMA 606, contract I-DMA-E29, and on the Joe and John mine, DMA 1870.

DESCRIPTION OF THE DEPOSITS

No specific information is available on the ore thought to be present in the Hercules property. Generally, the ore deposits in the vicinity are found in lens-shaped chimneys. They are of short length, 20 - 50 feet, and may be quite wide in places. Usually the outcrops are covered by overburden or concealed by strong alteration at surface. The adjacent Galena Queen mine is producing from a high-grade chimney of silver-lead-zinc ore. The body is reportedly 30 feet long and 10 or more feet wide. Its depth is not known. The Lark mine produced in excess of $800,000.00 from a chimney which has continued to several hundred feet in depth.

An ore body found in the Henrietta mine consists of boulder-like pieces of ore randomly dispersed in a deposit resembling a

workings as phase one of the program. The applicant is then prepared to do additional exploration in the form of shaft sinking, drifting, raising, or any other exploratory work considered justifiable from the results of the appraisal after phase one. If no more work is considered warranted, the project will be terminated after the completion of phase one. The proposals and requirements for phase two cannot be outlined until the completion of phase one.

ESTIMATED COST OF PROJECT

The condition of the shaft and drifts is unknown and only a guess can be made as to the cost for rehabilitation work. Revised cost estimates have been made for phase one based on three months' time for completion. This may be more or may be less than the amount needed. The total cost estimated for phase one is $7,300.00. The Government's share on a fifty percent basis for lead-zinc will be $3,650.00.

Until the results of phase one are studied, no definite plan can be made for phase two. Costs of drifting will be at least $40.00 per foot plus the shaft overhead costs of hoistman, buildings, supervision, et cetera. Raising costs will be about the same. Shaft sinking will be at least $125.00 per foot and perhaps more if the ground is bad. If much work is to be done, a modified skip pocket should be cut in the shaft to store one drift round. Ventilation will be required. Electric power should be installed. Equipment should be rented rather than purchased.

Costs, Phase One

Fixtures and Improvements		
a) Facilities	None	
b) Buildings		
Small hoist house, lumber, supplies, material	$ 200.00	
c) Fixtures		
Electric power line, approximately 2,250 feet	150.00	
Headframe, A type, for shaft	200.00	$ 550.00
Operating Equipment		
a) Purchased	None	
b) Rented		
2 Shaft buckets and dolly, $25.00 a month, 3 months	$ 75.00	
May be desirable to use mine car in place of one dolly; substitution should be allowed.		
1 Electric-driven pump for unwatering shaft, $40.00 a month, 3 months	120.00	
1 Gasoline-powered hoist, $120.00 a month, 3 months	360.00	
c) Furnished by operator	None	$ 555.00
Rehabilitation and Repairs		
a) Facilities	None	
b) Buildings	None	
c) Installations	None	
c) Fixtures	None	

Labor

1 Hoistman at base rate of $2.00 per hour, with overtime allowed at time and one-half			
Total:	60 regular time shifts	$ 960.00	
	12 overtime shifts	288.00	
2 Miners at base rate, maximum of $2.00 per hour, to include shaft rate, with overtime allowed at time and one-half			
Total:	120 regular shifts	1,920.00	
	24 overtime shifts	576.00	
1 Carpenter at base rate of $2.00 per hour, with overtime allowed at time and one-half			
Total:	10 regular shifts	160.00	
	2 overtime shifts	48.00	
1 Mechanic at base rate of $2.00 per hour, with overtime allowed at time and one-half			
Total:	10 regular shifts	160.00	
	2 overtime shifts	48.00	$4,160.00

Supervision

To be furnished by contractor, no charge. None

Supplies

a) Timber		
550 linear feet stulls at $0.50 per foot	$ 275.00	
7,000 board feet, 2-inch rough lumber at $65.00 per thousand	455.00	
150 feet of ladders at $1.50 a foot	225.00	
Ties	25.00	
b) Explosives	50.00	
c) Repair parts	50.00	
d) Other		
Gasoline and oil	150.00	
Small tools	130.00	
Hoist cable	50.00	
150 feet of 2-inch pipe for pumping	125.00	
Mine rail	100.00	1,635.00

Power		
Electric, for pump		$ 100.00
Transportation		
Freight		100.00
Insurance		
a) Compensation	$ 125.00	
b) Social Security	75.00	200.00
Grand total		$7,300.00

CONCLUSIONS AND RECOMMENDATIONS

The proposal submitted by the Galtie Boy Mines, Inc., is a complete gamble with nothing more than copies of old newspaper clippings submitted by the applicant to substantiate the existence of mineralization in the Hercules mine workings. The old newspaper reports were only hearsay evidence when they were printed. No evidence is given to show that the Hercules mine dump contains ore which would be some indication of mineralization underground. A surface examination cannot be made at this time.

The two claims leased by the applicant are not contiguous. If commercial ore was found in the Hercules mine, there is no assurance the ore occurs along the length of the claim rather than across the shorter dimension. The Galtie Boy Mines, Inc., should control the adjoining property to cover the extension of any ore found.

The applicant originally applied for a loan totaling $22,789.00. The revised application indicates the corporation has sufficient money available to furnish half of a $48,910.00

loan. Galtie Boy Mines, Inc., can, therefore, afford to spend a part of this money to submit facts rather than vague, hearsay evidence of mineralization. It may be possible that by using company equipment a preliminary examination of the Hercules mine workings can be made with an expenditure about equivalent to the corporation's half of the estimated cost of phase one. This would not allow rehabilitation of the mine but may allow sufficient investigation to decide if the applicant wants to spend more money on the project.

It is recommended that the loan either be denied at this time or be held in a pending status until the Galtie Boy Mines, Inc., if it so desires, completes phase one at its own expense or makes the mine workings safe and accessible for examination. At such time, the property can be more accurately evaluated and a decision made as to its merit for a Defense Minerals Exploration Administration loan.

OFFICE OF THE ADMINISTRATOR

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

224 New Customhouse
Denver 2, Colorado

January 18, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Docket 1871, Carl H. Peterson, Galtie Boy Mines, Inc.

Enclosed are three copies of a revised proposal of the above application for exploration assistance. This revision is in accordance with the recommendation by the Washington office when the brochure was submitted on December 11, 1951.

The enclosed revision may be attached to the copies of the original application being held in the Washington Office.

W. H. King

W. H. King, for
J. H. Eest, Jr.

Enclosure

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
JAN 22 1 29 PM '52

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

224 New Customhouse
Denver 2, Colorado

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W. H. King
W. H. King, for
J. H. East, Jr.

DEFENSE MINERALS ADMINISTRATION WASHINGTON, D. C.
JAN 28 '52
JAN 22

Enclosure

JHE:ld

cc: Docket, chron.
Koschmann
Traver

PHONE ACOMA 4324

GALTIE BOY MINES, INC.
PRODUCERS OF COPPER, LEAD AND ZINC
MERCANTILE BUILDING
1031 FIFTEENTH STREET
DENVER 2, COLORADO

January 10, 1952

Mr. J. A. East,
Regional Director,
Bureau of Mines, Region IV.
224 New Customs Building,
Denver, Colorado.

Dear Mr. East.

The following exhibits are to replace paragraphs No. 21 and No. 23 of the original application for an exploration loan pursuant to mineral Order No. 5 under Defense Production Act of 1950 by the Galtie Boy Mines, Inc., 210 Mercantile Building, 1031 -- 15th Street, Denver, 2, Colorado.

Very truly yours,

GALTIE BOY MINES INC.

By Carl H. Peterson
Carl H. Peterson, Secretary.

JO/dfb

JAN 28 1 28 AM '52

PARAGRAPH NO. 21.

The proposed work of this project is:

(1) To open the Hurcules Mine Shaft, make the shaft and a reported 80 feet of drifting near the bottom, accessible to sampling and mapping.

(2) Sampling, assaying and mapping showing a justification the Company is willing and prepared to enter into a development program to cost not more than $42,500.00. This program to consist of drifting, cross-cuting, raising or shaft sinking.

(3) The proposed program to start in April of 1952 and be continuous except in case of adverse weather conditions. The contract to run for two years but can be terminated at any time that it is deemed that adequate development work has been done.

PARAGRAPH NO. 23.
First Part of Project.

(a)	Shaft Labor	
	2 Shaft Miners 90 Shifts @$16.00.....	$ 1,440.00
	1 Helper & Cat Oper. 45 Shifts @$16.00..	720.00
(b)	Pumping	
	Rental of small electric Pump.....	100.00
	Purchase 2000 ft 2 Conductor No. 8 Rubber Covered Wire, Power from Southern Colorado Power Company.....	90.00
	200 Ft of 2 inch Pipe @75¢ Ft.....	150.00
(c)	Timbering	
	Purchase of 550 Linear Feet Stulls @50¢ per foot..	275.00
	Purchase of 7000 Bd.Ft. 2" Lumber @65.00 per thou..	455.00
	Purchase of 180' Ladders & Install @$1.50 per foot..	270.00
(d)	Hoist & Headframe	
	Small "A" frame, Cable & Bucket.....	500.00
	Rent D-8 Cat using wench for hoist 270 Hr. @ $3.00 Per Hour.....	810.00
(e)	Bottom of Shaft and Drifts.	
	100 possible shifts for cleaning bottom of shafts and drifts.....	1,600.00
	(Item C may not have to be used to accomplish the first section of this program.	
	TOTAL.....	$6,410.00

Second Part of Project.

Development work as set out in Part 2 of paragraph No. 21 is to include participation in Purchase of Adequate Compressors, Hoist, Hoist House, Electric Power, Pipe, Rail and Ventilation for the work that is done....$42,500.00

TOTAL OF BOTH PROJECTS.....$48,910.00

.....

January 10, 1952

Mr. J. A. West,
Regional Director,
Bureau of Mines, Region IV.
224 New Customs Building,
Denver, Colorado.

Dear Mr. West.

The following exhibits are to replace paragraphs No. 21 and No. 23 of the original application for an exploration lease pursuant to mineral Order No. 5 under Defense Production Act of 1950 by the Celtic Boy Mines, Inc., 210 Mercantile Building, 1031 -- 15th Street, Denver, 2, Colorado.

Very truly yours,

CELTIC BOY MINES INC.

By Carl R. Peterson
Carl R. Peterson, Secretary.

JO/dfb

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	200 Ft of 2 inch Pipe @75¢ Ft.....	150.00
(c)	Timbering	
	Purchase of 550 Linear Feet Stulls @50¢ per foot..	275.00
	Purchase of 7000 Bd.Ft. 2" Lumber @65.00 per thou..	455.00
	Purchase of 180' Ladders & Install @$1.50 per foot..	270.00
(d)	Hoist & Headframe	
	Small "A" frame, Cable & Bucket.....	500.00
	Rent D-8 Cat using wench for hoist 270 Hr. @ $3.00 Per Hour.....	810.00
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	100 possible shifts for cleaning bottom of shafts and drifts.....	1,600.00
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TOTAL OF BOTH PROJECTS.....$48,910.00

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January 10, 1952

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Regional Director,
Bureau of Mines, Region IV.
224 New Customs Building,
Denver, Colorado.

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Very truly yours,

GALTIE BOY MINES INC.

By Carl H. Peterson
Carl H. Peterson, Secretary.

JO/dfb

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(2) Sampling, assaying and mapping showing a justification the Company is willing and prepared to enter into a development program to cost not more than $42,500.00. This program to consist of drifting, cross-cuting, raising or shaft sinking.

(3) The proposed program to start in April of 1952 and be continuous except in case of adverse weather conditions. The contract to run for two years but can be terminated at any time that it is deemed that adequate development work has been done.

PARAGRAPH NO. 23.
First Part of Project.

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Rent D-8 Cat using wench for hoist 270 Hr. @ $3.00 Per Hour..... 810.00

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.....

FILE COPY
SURNAME:

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

200

DEC 18 1951

Memorandum

To: J. H. Bast, Jr., Executive Officer, DMEA Field Team, Region IV.

From: R. E. Adams, Acting Administrative Officer, Defense Minerals Exploration Administration.

Subject: DMA Docket 1871, Carl H. Peterson, Baltic Boy Mines, Inc.

This will acknowledge your memorandum dated December 14, 1951, stating that you did not receive a copy of Form MF-105 or other information submitted by the applicant.

There is, therefore, enclosed a copy of the application and other pertinent papers submitted by the applicant.

B.N.
12-18

Robert E. Adams
Acting Administrative Officer

Enclosures 8

READAMS/hb

Copy to: Administrator's Reading File
Region IV
DMEA file

BN

OFFICE OF THE ADMINISTRATOR

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

Reply by Adams 12/18/51

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 16 1951

December 14, 1951

Memorandum

To: C. O. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket 1871, Carl H. Peterson, Galtie Boy Mines, Inc.

We have received the review of the above application for exploration assistance, but have not received a copy of Form MF-103 or other information submitted by the applicant.

Kindly send the remainder of this brochure so that the application may be processed.

Paul T. Allsman

P. T. Allsman, for
J. H. East, Jr.

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

224 New Customhouse
Denver 2, Colorado

December 14, 1951

Memorandum

To: C. C. Mittendorf, Director, Production Expansion Division
Defense Minerals Administration

From: Executive Officer, DMA Field Team, Region IV

Subject: DMA Docket 1871, Carl H. Peterson, Galtie Boy Mines, Inc.

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Kindly send the remainder of this brochure so that the application may be processed.

P. T. Allsman, for
J. H. East, Jr.

JHS:ld

cc: DMA docket, chron.
Koschmann
Traver

PBD file

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

1871

DEC 11 1951

Mr. J. H. East, Jr.
Executive Officer, Field Team
Region IV
224 New Customhouse
Denver 2, Colorado

Dear Sir:

We attach "Review of Application for Exploration Assistance"

on:

Applicant Mr. Carl H. Peterson, Galtie Boy Mines, Inc.
Mercantile Building, 1031 15th St., Denver 2, Colorado.
Docket No. 1871

Commodity Lead, zinc, copper

Amount $

Please expedite the consideration of this application with particular reference to the points raised in the attached "Review".

Very truly yours,

~~Executive~~ Chairman
~~Secretary, Executive~~
Operating Committee

For Bureau of Mines

For Geological Survey

McKnight
Bishop

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

DEC 11 1951

Mr. J. H. East, Jr.
Executive Officer, Field Team
Region IV
224 New Customhouse
Denver 2, Colorado

Dear Sir:

We attach "Review of Application for Exploration Assistance" on:

Docket No. 1871

Commodity Lead, zinc, copper

Applicant Mr. Carl H. Peterson, Galtie Boy Mines, Inc.
Mercantile Building, 1031 15th St., Denver 2, Colorado

Please expedite the consideration of this application with particular reference to the points raised in the attached "Review."

Very truly yours,

/s/ Frank E. Johnson
Chairman
~~Executive~~ Committee
Operating

/s/ Lowell B. Moon
For Bureau of Mines

/s/ J. P. Thayer
For Geological Survey

6/5/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. 1871

Commodity Lead, zinc, copper

Total Amount $22,789

Govt. Participation 50% $11,395

1. Name and Address of Applicant Mr. Carl H. Peterson, Galtie Boy Mines, Inc., Mercantile Building, 1031 15th St., Denver 2, Colorado

2. Location of Property Hercules Mine, Red Mt. Mining District, San Juan County, Colorado (Sec. 19, T. 42 N. and R. 8 W.)

3. Mineral or metal Lead-zinc Is it listed in Section 9 of MO-5?

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good Yes, see attached memo

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project? (If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes (question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Yes

Does the lease have sufficient time to run to cover a future productive period? Yes

*question numbers are those of MF-103

4. (a) The geological aspects of this application have been reviewed by W. S. Burbank, Geological Survey. He has done extensive work in the San Juan area and the manuscript of this study is presently being prepared for publication. The following summary presents Burbank's conclusions regarding the merit of the proposed work at the Hercules Mine.

The Hercules is situated at the head of Prospect Gulch in a highly mineralized part of the Red Mountain district of San Juan County.

The country rocks are entirely andesitic and latitic volcanic formations. The Hercules claim lies essentially in line with a series of northerly striking fissures and fracture zones that pass through the Kansas City and Henrietta groups on the south side of Prospect Gulch and through the east slope of Red Mountain No. 3 on the north side of the Gulch. Individual fractures of this series are very difficult to trace in this area owing to strong rock alteration and surface debris.

The old news reports that the Hercules was exploring a northerly break suggests that at least one of these breaks actually follows through the claim.

The larger ore bodies on such "breaks" in this area occur mainly in chimney forms, locally (as in the nearby Lark Mine) forming wide vertically alined lenses or cigar shaped bodies of high-grade ore containing galena, sphalerite, enargite, gray copper and silver minerals. The base metal content of such bodies is substantial. Many of these bodies, as was true of the Lark, fail to crop out, the upper limits of the shoots never having reached the surface. Prospecting for them is thus done chiefly by following mineralized "breaks" until a mineable chimney is found. There is likely to be a number of small ore shoots, or chimneys of this kind on individual "breaks". Prior to actual exploration, therefore, it is difficult to predict the location and value of individual ore bodies.

In view of the situation of the Hercules claim along a line of breaks passing through their Henrietta property and the occurrence of good ore bodies of this kind in nearby properties

such as the Lark and Galena Queen, the Hercules project appears to be a legitimate and worthwhile exploration.

It may be noted that should a strong ore "break" be found extending northward toward the J.S.P. claim, there is at present no arrangement for crossing the Burleigh claim. This should not be a deterrent at this stage for preliminary exploration of some 1500 feet of ground along the length of the Hercules claim.

Reference: In Bulletin 182, U.S.G.S. p. 240.

Ransome says:

> "Active prospecting was in progress in 1900 in the neighborhood of the Galena Queen, many of the shallow openings showing some ore".

7. Are subordination agreements necessary? Yes

a) MF-201? _____

b) MF-202 Yes, it is attached

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Probably

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes, in summertime

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Walter Bentley, the proposed consultant has had considerable experience.

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? No

If not, are there sufficient data given so that you can describe the project? In general terms, yes If so, attach a draft. Attached

b) Is there an adequate map or sketch of the proposed work? No

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

EXHIBIT A

Project Description

Lack of information on the size of shaft, condition of timber, amount of water to be pumped; as well as lack of definite information on the depth of shaft, the width and grade of the ore are factors that allow project description in general terms only.

Project is as follows:

(1) Set up transformers and secure power from nearby power line.

(2) Set up head-frame, build engine room, install double drum hoist, pump, compressor. Buy rock drills, track, pipe, etc.

(3) Pump water from shaft and mine workings. Repair shaft timbers.

(4) Drift on the vein to determine extensions of the ore body.

Cost Estimate (based on applicants answers to Q 23 on MF-103)

Building Headframe, ore bin, hoist and engine room.	$ 3,500
Equipment: Transformers, power line, hoist, compressor pump, jackhammers, air receiver, cable.	$ 13,214
Pumping out shaft and repairing shaft timber.	$ 4,150
Drifting: Balance would only permit 55 ft @ $35.00.	$ 1,925
	$22,789

These costs show that very little exploration will be obtained for the money spent, and that applicant will have considerable equipment on hand at projects end. Program is unsound.

Recommendations:

Field team should get in touch with the applicant and applicants consulting engineer and work out a program that will give exploration for the money rather than equipment.

Those who sunk the shaft in 1901 and 1902 apparently had little difficulty with water, which suggests that dewatering will be a simple job requiring little equipment or power. It is suggested that project be revised on the following lines:

Phase I

Construction of small head frame and engine room, installation of rented gasoline powered single drum hoist and compressor and rented air powered pump, preferably piston type.

Dewater shaft and SAMPLE and ASSAY vein matter exposed in shaft; making timber repairs where needed.

Ore bins, transformers, double drum hoists, etc are not needed. Phase II will be contingent upon success of Phase I as evaluated by Defense Minerals Administration Field Team.

Phase II

Drifting on best showings indicated in Phase I, maintaining map with ore width and grade data as determined by measurement and sampling. If Phase I costs $9,800 , as seems probable, there will remain $12,989 for Phase II which at $35.00 per foot will permit 370 feet of drifting.

Is this part a worthwhile exploration project?_____

d) Are the cost estimates detailed? No

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? Yes in general terms If so, attach a draft.

e) Are the cost estimates reasonable? ~~No. Too little exploration per dollar~~ spent.

f) Should more information be requested from applicant?_____

g) Is a field examination necessary to complete Exhibit A? Field team should work with applicant to get information necessary. See attached recommendation.

11. Exhibit B (question 23-d)*

a) Is it applicable?_____

b) If so, are sufficient data furnished?_____ If so, attach a draft.

c) Is a field check needed?_____

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable?_____

b) Sufficient data?_____ If so, attach a draft.

c) Are rents and charges reasonable?_____

d) Is a field check needed?_____ _____

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data?_____

b) Is the schedule adequate for the work proposed?_____

c) Is the schedule excessive for the work proposed?_____

d) Are the proposed wages and salaries reasonable?_____

e) Is a field check needed?_____

14. Exhibit E (question 23-c)*

a) Is it applicable? _____

b) Sufficient data? _____

c) Reasonable? _____

d) Field check needed? _____

15. In your judgment, can the proposed work be done in the proposed time? _____

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.
See attached memo of Geological recommendation-E.L.N.

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question? See attached recommendation for revision by field team in conference with applicant - O.M. Bishop - 11-30-51

Reviewed by: E. L. Newcomb 11-29-51
GS

O. M. Bishop 11-30-51
B.M.

Date 12-5-51

INT.-DUP. SEC., WASH., D.C. 99009

FILE COPY
SURNAME:

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

July 25, 1951

G.E.C.

Mr. Carl H. Peterson, Secretary
Galtie Boy Mines, Incorporated
Mercantile Building 1031 15th St.
Denver 2, Colorado

Subject: DMA-1871
Re: Exploration Loan - Hercules Mine

My dear Mr. Peterson:

Receipt is acknowledged of your application and attachments of June 27, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1871 and referred to Mr. Thomas Billings, Chief, Lead-Zinc Branch on July 24, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1871.

Sincerely yours,

LANDON F. STROBEL
7/25

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: Strobel
File
Billings
Lyon

July 25, 1951

Mr. Carl H. Peterson, Secretary
Galtie Bay Mines, Incorporated
Mercantile Building 1031 15th St.
Denver 2, Colorado

Subject: DMA-1871
Re: Exploration Loan -
Hercules Mine

My dear Mr. Peterson:

Receipt is acknowledged of your application and attachments of June 27, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1871 and referred to Mr. Thomas Billings, Chief, Lead-Zinc Branch on July 24, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1871.

Sincerely yours,

LANDON F. STROBEL

Landon F. Strobel
Executive Secretary

L. F. Strobel:jc
cc: ✓Strobel
File
Billings
Lyon

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. Dm A 1871

Date received 7-23-51

Participation

Celtic Boy Mines Inc.
Lorenzello Building
1051 - 15th Street
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 23 1951
LANDON H STROBEL
Executive Secretary

Name and address of applicant

Date June 27 1951

FILL IN THIS BLOCK

Date of application June 27, 1951

Estimated cost

Mineral or metal Lead, Zinc & copper

Percentage of Government participation 50-50

Location of mine Silverton, Colorado, San Juan County, Red Mountain Mining District.

See attached application

Date of filing MF-100

DMA Docket Number, if available 1871

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

[illegible] (Name of company)

By M R Green (Signature of authorized official)

June 07, 1951 (Date)

M. R. Green, President (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

June 20, 1951

Mr. J. A. East,
Regional Director,
Bureau of Mines, Region IV,
234 New Custom Building,
Denver 2, Colorado.

Dear Mr. East.

1. The following list of exhibits has been made in conformity with Form M-103 as loaned from your office which is an application for exploration project loan pursuant to Mineral Order 5 under Defense Production Act of 1950.

Loan application for the Galtie Boy Mines Inc., on the Hercules mine in Prospect Basin, San Juan County, Colorado, by:

Galtie Boy Mines Inc.,
810 Mercantile Building,
1031 - 15th Street,
Denver 2, Colorado.

All questions on Form M-103 from 1 to 24 inclusive have been answered in detail and any further explanation would be repetition.

Very truly yours,

GALTIE BOY MINES INC.

By Karl H. Peterson
Karl H. Peterson, Secretary

U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES ADMINISTRATION

Application for aid for an Exploration Project pursuant to Mineral Order 5, under Defense Production Act of 1950.

Gaitie Boy Mines Inc.
210 Mercantile Building,
Denver 2, Colorado

Date of Application,	June 25, 1951
Mineral or Metal,	Lead, zinc and silver.
Location of mine,	Silverton, San Juan County, Colorado.
Estimated cost,	$22,789.00
Percentage of government participation,	50-50
Date of filing P-100	OPA Docket Number

1. The applicant is a corporation.

2. Blank.

3. President, Walter W. Bentley 215 East 11th Ave, Denver, Colorado.
Treasurer, W. R. Green, 1243 Columbine St, Denver, Colorado
Secretary, Carl H. Peterson, 4307 Tejon, Denver, Colorado.

Directors of the corporation are:

Walter W. Bentley, 215 East 11th Avenue, Denver, Colorado.
W. R. Green, 1243 Columbine, Denver, Colorado
Carl H. Peterson, 4307 Tejon, Denver, Colorado.
Robert C. Brown, 4307 Tejon, Denver, Colorado
James S. Henderson, 209 Equitable Bldg., Denver, Colorado.

The five largest stockholders of the corporation are:

Walter W. Bentley, 215 East 11th Avenue, Denver, Colorado.
W. R. Green, 1243 Columbine, Denver, Colorado.
Carl H. Peterson, 4307 Tejon, Denver, Colorado.
Robert C. Brown, 4307 Tejon, Denver, Colorado
James S. Henderson, 209 Equitable Bldg., Denver, Colorado.

4. Walter W. Bentley will be the consulting engineer. He has had wide experience as a mining engineer. He was with Anaconda Copper Company 20 years, and with U.S. Bureau of Mines 4 years, and was with American Smelter & Refining Company for one year as resident engineer for the state of Colorado.

5. Gaitie Boy Mines Inc. are the lessee with purchase agreement. See lease and purchase agreement attached.

6. Blank.

7. The attached lease and purchase agreement is in good standing. See attached Subordination Agreement.

8. This is a newly formed corporation and has not been operating, therefore we cannot furnish financial or profit and loss statements. However we have the money to match the Government on a 50-50 basis.

9. The corporation is financially prepared to furnish its portion of the funds requested in Section 9 of Mineral Order 5.

10. (a) See attached maps showing the Hercules and the J.S.P. claims which are colored in purple.

Also attached is a map showing the relative location of the Hercules to the other mines in the district. The purple dot inside the circle marked Henrietta is the approximate location of the Hercules mine.

(b) The Hercules mine is S.D.M.S. No. 10026 and is located in Section 19 Township 42 Northe and Range 9 West, N.M. P.M.

11. As far as we know this has always been known as the Hercules mine.

12. The Hercules mine is located approximately eight miles almost due North of the town of Silverton. It is located on an extension of the Lark road which branches off the main county road running up Cement Creek from Silverton to Gladstone. This road leaves the Cement Creek road approximately one mile below Gladstone and runs along the hillside of Prospect Gulch to the Joe & John, Lark and Henrietta mines and extends on to the Hercules mine and also connects to the Galena Queen shaft. The distance from Cement Creek road to the Hercules mine is approximately two and one-half (2-1/2) miles. The road up Cement Creek is a county road in fair condition. The county road to the Lark mine hasbeen put in good condition this Spring. The road from the Lark mine to the Hercules is passable and is being used by the Galena Queen but is not in good condition.

13. Prospect Gulch runs within approximately 400 feet of the shaft and would furnish all requirements for water at all seasons of the year. Power will be obtained from the Western Colorado Power Company whose high line runs within a few hundred feet of the property. The rate will be the prevailing rate of that district.

14. There are no buildings on the structure, or equipment on the property. The shaft hasbeen timbered and it will be impossible to tell just how much of this timbering will have to be renewed until the water has been pumped out and a thorough examination made.

15. The ore will be hauled by truck from the mine to the Shenandoah-Dives Mill which will be a distance of about 8-1/2 or 9 miles. The ore will be milled by the Shenandoah-Dives Milling Company.

16. (a) We are unable to secure any engineer's reports or other information as to the production of the Hercules mine but we are attaching extracts from the Silverton Standard and Miner which were written at the time the development wasbeing made on the Hercules. These are self explanatory and give the supported assays of the ore as it was being taken out at that time.

(b) The Galena Queen is now operating and we were advised last week that they were taking some very high grade ore from this mine which joins the Hercules and the shaft of the Galena Queen is some 200 feet from the shaft of the Hercules. The Lark mine number 3 tunnel is approximately 2000 feet from the Hercules. The Lark mine had a production of approximately $800,000 from the year 1945 to 1949. The attached map is a photostatic copy of an extract from a Government publication which shows the relative location of the mines in the Silverton quadrangle.

16. (c) We are unable to obtain any private reports of engineer's on this property and at the present time the shaft is partially filled with water and it is impossible to make an examination. The purpose of this exploration is to unwater the shaft and make a complete examination and exploration of this property.

17. This mine is not in production.

18. We are unable to furnish information as to the reserves as there has been no drifting on the vein and therefore no ore developed, however, as this is in a good mineralized district and is situated between the Galena Queen shaft and the shafts of the Lark mine, there is every reason to believe that there is a large reserve of high grade ore on this property.

19. Blank.

20. This exploration will be for lead, zinc and copper; vein type deposit.

21. The proposed work to be done on this project is to unwater the shaft, re-timber and bring the shaft into useable condition and to drift on the vein to determine the extension of the ore body.

This will probably require three or four months time to complete.

22. The Hercules is in a well mineralized district; is well established from the fact that the Galena Queen, Lark, Joe & John and the Henrietta are all located within a radius of less than one-half mile.

23.

(a) 1-helper, 1 mechanic, 2 shaft men, (b) will be supervised by superintendent of Galtie Boy Mines.	$ 4,320.00
(a) Timber	2,200.00
Gallows frame	300.00
(d) Installation of ore bin	1,000.00
Electric power line	1,500.00
Transformers & capacitators	1,000.00
(e) 3 inaline buckets @150 each	450.00
2 Jack hammers @425 each	850.00
2 Jack legs @192 each	384.00
10 sets steel	600.00
1 double drum hoist	3,200.00
1 water pump	600.00
1 - 250 pound compressor	5,000.00
(f) None	
(g) None	
(h) 4-1/2 tons 20-pound rails	340.00
500 pounds powder	100.00
Fuse	15.00
Caps	5.00
300 foot 4-inch pipe	120.00
100 feet 3-inch pipe	75.00
1 air receiver	150.00
200 feet [illegible]-inch cable	100.00
	$22,759.00

24. If this project can be started before the snow fall sets in it can be completed in three or four months, if not, it will have to lap over into the next year and be completed when the snow melts off next summer.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

GALTIE BOY MINES INC. By Carl H. Peterson
Carl H. Peterson

June 20 1951
Date

Secretary

HERCULES LODE FIRST CLAIM

U.S. Survey No. 10626

STANDARD, September 14, 1901.

At a depth of 87 feet in a shaft on the Hercules, a claim of the Red Mountain Mining Company's group in Prospect Basin, a fine body of lead and copper ore was recently encountered. This shaft, which by the way is developing some fine territory, will be sunk 30 feet more before drilling on the vein will commence.

MINER, September 16, 1901

Hercules of Prospect basin, the best developed property of the Stony Pass Mining Co., commenced shipping Monday, last, at the rate of twelve tons per day. The product of the mine, which is an excellent quality of gray copper and steel galena, is being hauled to the shipping platform of the S.G. Northern railroad, a distance of one and one-half miles, by Contractor Whitlock. It is stated by those who know that the Hercules is shipping an ore body of at least twenty-three feet wide, seven or eight feet of which is shipping ore of a good pay quality, the balance being adapted to concentration.

MINER, October 18, 1901

The Hercules in Prospect Basin is producing some very rich ore. The shaft is down 112 feet, and there is a streak of lead from 3 to 5 feet wide that shows exceptional values, and lying along side of this is a large vein that assays 12% copper, 21 oz. silver and .06 gold. Three carloads have been shipped.

STANDARD, November 2, 1901.

A. A. Brown of the Red Mountain Mining Company is getting out a shipment of ore from the Hercules, Cement Creek, for the Kendrick-Gelder smelter. He is loading it at the old Fisher Mill.

STANDARD, April 12, 1902

The Hercules property is now being developed by shaft. This shaft has now attained a depth of 134 feet. At a depth of 95 feet from the collar this shaft came into a body of high grade lead ore. A trial shipment made at that time (last fall) returned 52 per cent lead and 9 ounces in silver. This ore was taken out in sinking the shaft and was shipped without sorting. The vein at the present depth has widened to 12 feet and is gradually growing richer as depth is gained. The character of the ore is also changing, the lead going out and copper, silver and gold coming in. One side of the vein in the bottom of the shaft from recent returns gave over one hundred dollars per ton, or 24 per cent copper and 70 ounces silver.

Owing to the late ess of the season when this ore was incountered and the impracticability of building accommodations for a force of men, work was suspended on the Hercules last fall, but the company expects to put in a steam hoist as soon as spring operations begin, run levels to open the ore bodies and immediately put the property among the list of continuous producers, thus adding a dividend payer to its assets.

STANDARD, August 16, 1902

The Hercules situated on the northern rim of Prospect Basin and owned and operated by the Mammoth Tunnel & Mining Company, is the latest property in the upper Cement Creek-Red Mountain Country to be opened into what promises to be a great mine. The Hercules is a few hundred feet to the right of the Mammoth Tunnel line and is the only claim of the group that must be surface developed by shaft. To this end a shaft 125 feet deep has been sunk on the vein and after 12 feet of drifting north the workmen Sunday morning shot into a body of steel galena which has later known to be four feet wide or practically solid ore. Wednesday morning Russell Fuller, who has charge of the interests of Manager Brown while in the east, telegraphed the latter at Pittsburg informing him of the Company's good luck and Mr. Brown is expected home immediately. While the shaft was in a comparatively small streak of good ore all the way down, toward the bottom it was lost and its rediscovery in the drift shows that the ore body is dipping back toward the line of the shaft. The Hercules vein is an extension of

the Crown Point vein and the big body of ore just uncovered is worth 170 ounces in silver, $6 in gold and about 40 per cent in lead. It much resembles some of the rich mineral formerly found in the Yankee Girl and Guston.

MINER, August 22, 1902

The body of rich steel galena recently encountered in the Hercules, Prospect Basin, of the Mammoth Tunnel & Mining Co., holds its own nobly, with a material increase in bulk on the down grade, the ore backing up and pitching for the shaft. A steam or gasoline hoist will soon be in place and the shaft put down three or four hundred feet below its present status, ground broken out and stoping commenced in good earnest. Immediately following Manager Brown's return from the east, the work of pushing ahead to an early completion the great Mammoth Tunnel will be in order.

Standard, August 30, 1902

The good find of ore in the south drift from the bottom of the 100 foot shaft on the Hercules in Prospect Basin last week is improving with every shot. Word also comes from the mine this week that in the north drift an excellent body of shipping ore was encountered, the ore being a solid grey copper. The news of this find will be hailed with joy by the stockholders of the Mammoth Tunnel & Mining Company in Pittsburg, where A. A. Brown, president of company, has been for the past month arranging matters for some big work on their property.

STANDARD, September 16, 1902

Chunks of gray copper and steel galena from the recent find in the north drift of the Hercules, Prospect Basin, Mammoth Tunnel & Mining Company's property, gave returns of from $6 to $10 gold, 650 to 823 ounces silver, and 30 to 45 percent lead.

No. 90B. MINING LEASE AND OPT[illegible]—Short Form.
—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1846 Stout St., Denver, Colo.

THIS INDENTURE, Made this 29th day of June in the year of our Lord one thousand nine hundred and Fifty-one between James S. Henderson, administrator of the estate of V. H. Steele of the first part, and Galtie Boy Mines, Inc., a Colorado corporation of the second part, WITNESSETH, that the said party of the first part, for and in consideration of the rents, covenants and agreements hereinafter expressed to be paid, kept and performed by the said parties of the second part, has leased, let and demised, and by these presents does lease, let and demise unto the said parties of the second part, the following described premises, situate, lying and being in Red Mountain Mining District, in the County of San Juan and State of Colorado, to-wit:

Those two patented mining claims known as the Hercules and the J. S. P., U.S.M.S. No. 18626, and being in Section 19, Township 42N, and Range 8 West.

TO HAVE AND TO HOLD THE SAME, for the purpose of mining, for the term of ten years from the date hereof, unless sooner terminated under any of the provisions herein contained, with no power to assign this lease or any interest thereunder, or to sublet the whole or any part of said premises except upon the written consent of the party of the first part.

And the said party of the second part, for and in consideration of the leasing of said premises, covenants and agrees with said party of the first part to commence work on said premises on or before October 1, 1951 and thereafter to work the same continuously, in a thorough and workmanlike manner, employing at least two men underground,

and working at least twenty shifts each calendar month from the month of June to October of each year to keep the same securely timbered, drained and clear of loose rock and rubbish; to keep accurate accounts, and to render annual statements to said party of the first part, his agent or attorney, showing the amount and character of work done, and to pay to said party of the first part, its agent or attorney, as rental for said premises royalty upon all ore taken and sold therefrom as follows, to-wit:

Ten per cent (10%) of the net mill or smelter returns of all ore produced and shipped from the above demised premises

And it is expressly understood and agreed by and between the parties hereto, that the said party of the first part reserves the property and right of property in and to all ores extracted from said premises during the term hereof, and that all settlements for royalty shall be made upon the assay value of the mineral in the ore that may be taken from said premises less the actual cost of railroad transportation and treatment; and the sampling works, mill, smelter, or ore buyer purchasing any such ore shall retain the amount of the royalty herein stated and shall pay the same to the party of the first part at each settlement for ore purchased.

And the said party of the second part furthermore covenants and agrees that the said party of the first part his agent or attorney, shall have the right at any and all times to enter upon and descend into any and all parts of said premises to inspect the same, make surveys thereof, or take samples therefrom, and that the said party of the second part will render to him all the assistance in their power in so doing. And the said party of the second part furthermore covenants and agrees to occupy and hold all side veins, spurs, feeders, cross-lodes, parallel lodes, or mineral deposits of any kind which may be discovered by the said party of the second part or by any person working under or in any manner, by working within or from the aforesaid premises, as the property of the said party of the first part and as part of the premises demised, and to not allow any person not in privity with the parties hereto to take or hold possession of said premises or any part thereof under any pretense whatever, and to pay in due season all taxes and assessments levied against said demised premises on account of the production of ore under this lease.

And the said party of the second part furthermore covenant and agree that in case of failure in any respect to keep and fulfill any one or more of the covenants or agreements herein expressed or implied, then, and in that case it shall be lawful for the said party of the first part, his agent or attorney, to declare said term ended, and with or without process of law to enter upon and take possession of said premises, and in such case, and also at the expiration of this lease by limitation, said party of the second part agree to surrender, yield and deliver to said party of the first part quiet and peaceable possession of said premises in good condition, and that time shall be of the essence hereof, and that all the covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and lawful assigns of the respective parties hereto.

And in consideration of the party of the second part having fully complied with all of the terms and provisions hereof, the said party of the second part is hereby given the right to purchase said property for the sum of Ten Thousand (10,000) Dollars, payable as follows on or before ten (10) years from the date hereof and all royalties that are received by the party of the first part hereunder are to be applied upon the said purchase price and upon payment in full, the party of the first part will make, execute, acknowledge and deliver a good and sufficient mining deed conveying said property to the party of the second part, free and clear of all encumbrances except No exceptions as shown by abstracts of title therefor to be furnished by the party of the first part to the party of the second part. In the event that this lease be forfeited, surrendered or terminated for any cause, the right to purchase shall thereafter cease and if the party of the second part does not make payment as hereinbefore mentioned at or before the time when the same ought to be made according to the terms hereof, the party of the first part may at any time after such failure to pay declare this lease and option forfeited and terminated and shall have the right to retain any and all payments that may be made hereunder as liquidated damages.

IN WITNESS WHEREOF, The parties hereto have executed these presents the day and year first above written.

ATTEST:

Carl H. Peterson

Carl H. Peterson, Secretary

Estate of V. H. Steele [SEAL]

By James S. Lindeman [SEAL]
Administrator

[SEAL]

CALTIE BOY MINES INC [SEAL]

By Walter M. Beasley [SEAL]
President

[SEAL]

MINING LEASE

FROM

.....

TO

.....

STATE OF COLORADO,
County of..... } ss.

I hereby certify that this instrument was filed for record in my office, at..... o'clock.....M., on the.....day of ....., A. D. 19....., and is duly recorded in book....., page.....

.....
Recorder.

By .....
Deputy.

Fees, $.....

5-51 THE BRADFORD-ROBINSON PTG. CO., DENVER

RECEIVED * DENVER * GAILLE FOX

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of _____, State of _____, described in a certain Exploration Project Contract dated _____, 195_, between _____, the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated _____, _____, does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

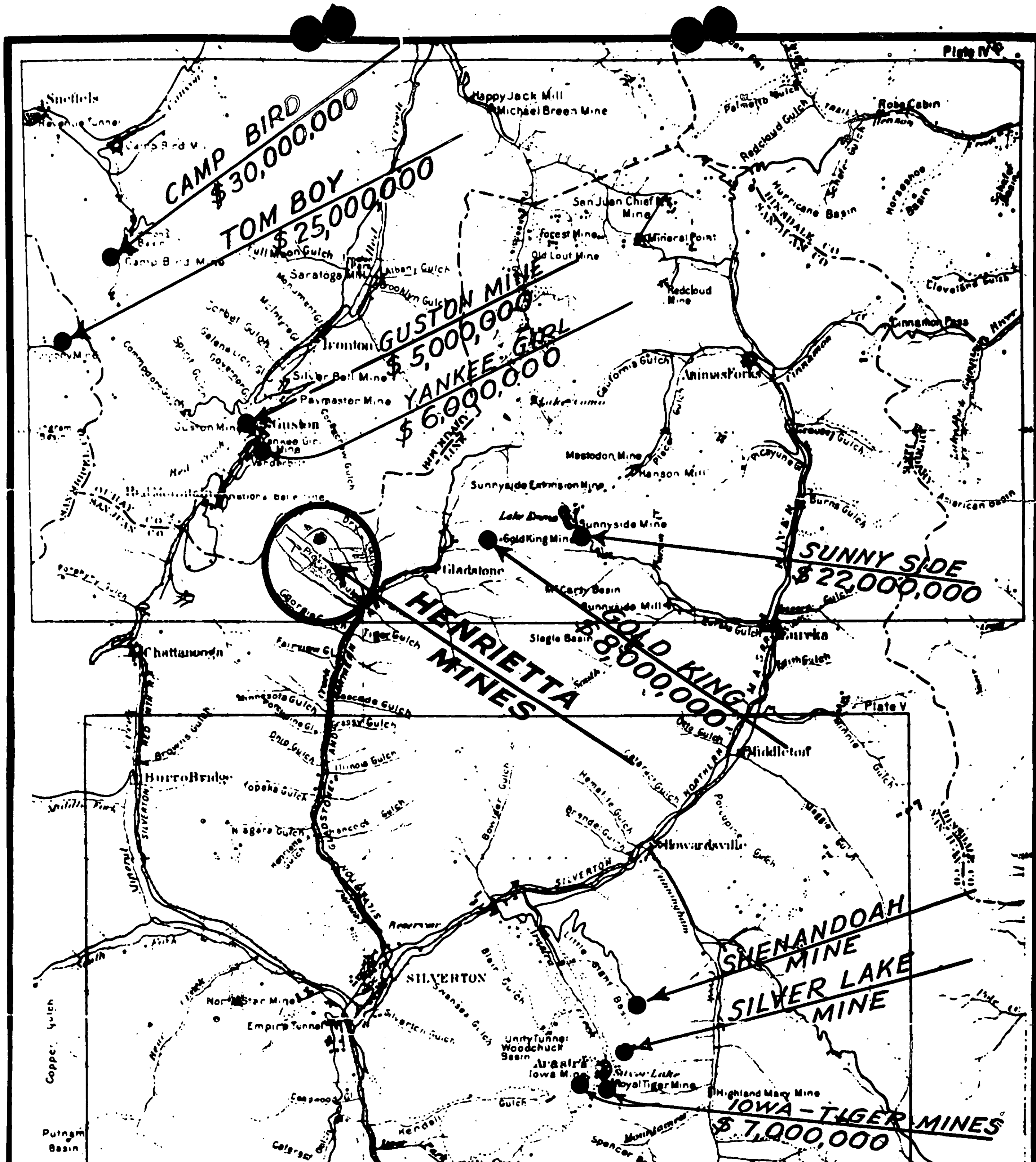
This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this _____ day of _____, 195_

_____

By _____

U. S. GOVERNMENT PRINTING OFFICE 940768



The above map is a photostatic copy of a portion of the Silverton Quadrangle of the United States Geological Survey. The circle, dots, arrows, figures and names of mines have been added to show the location and production of some of the leading mines in the vicinity of our Henrietta Mine.

The production estimates have been secured from the best sources that we could find, partly from the Bureau of Mines of the State of Colorado and partly from the Denver office of the U. S. Bureau of Mines. We do not guarantee them but some who are thoroughly acquainted with the district estimate the production much higher.

We believe that it is possible for the Henrietta group of mines to equal or exceed the production of some of the mines shown on the map, and the officers of the company intend to use every means within their power to bring the mines to the highest state of production.

Some who are well informed estimate that the San Juan mining district in which the Henrietta Mine is located has produced more than $500.000.000.00 in minerals since the discovery of gold there in 1858.

PHOTO-COPY
BY PICK
FOR EXTRA COPIES, CALL KE. 2876
MAY 29 1951
PICK PHOTOGRAPH & BLUEPRINT CO
1013 - 17th ST. DENVER, COLO
CERTIFIED ON REQUEST

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1871

Date received 7-23-51

Participation

[illegible]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 23 1951
LANDON F. STROBEL
Executive Secretary

Name and address of applicant

Date [illegible]

FILL IN THIS BLOCK

Date of application [illegible]

Estimated cost

Mineral or metal [illegible]

Percentage of Government participation [illegible]

Location of mine [illegible]

[illegible]

Date of filing MF-100

DMA Docket Number, if available 1871

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:

    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

    (*b*) State briefly the known history and production of adjoining and neighboring properties.

    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

    (*a*) Describe the ore or mineral deposits briefly.

    (*b*) Submit available maps and assay data.

    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

    (*b*) Supervisors, by numbers and positions, with salaries of each.

    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

    (*f*) Cost of rental for equipment which the operator proposes to rent.

    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

(Name of company)	By W K Green (Signature of authorized official)
(Date)	(Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

June 29, 1951

Mr. J. A. East,
Regional Director,
Bureau of Mines, Region IV,
224 New Custom Building,
Denver 2, Colorado.

Dear Mr. East.

1. The following list of exhibits has been made in conformity with Form MF-103 as issued from your office which is an application for exploration project loan pursuant to Mineral Order 5 under Defense Production Act of 1950.

Loan application for the Galtie Boy Mines Inc., on the Hercules mine in Prospect Basin, San Juan County, Colorado, by:

Galtie Boy Mines Inc.,
210 Mercantile Building,
1031 - 15th Street,
Denver 2, Colorado.

All questions on Form MF-103 from 1 to 24 inclusive have been answered in detail and any further explanation would be repetition.

Very truly yours,

GALTIE BOY MINES INC.

By Carl H. Peterson
Carl H. Peterson, Secretary

U.S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Application for aid for an Exploration Project pursuant to Mineral Order 5, under Defense Production Act of 1950.

Galtie Boy Mines Inc.
210 Mercantile Building,
Denver 2, Colorado

Date of Application,	June 29, 1951
Mineral or Metal,	Lead, zinc and silver.
Location of mine,	Silverton, San Juan County, Colorado.
Estimated cost,	$22,789.00
Percentage of government participation,	50-50
Date of filing DF-100	DMA Docket Number

1. The applicant is a corporation.

2. Blank.

3. President, Walter W. Bentley 215 East 11th Ave, Denver, Colorado.
Treasurer, W. R. Green, 1243 Columbine St, Denver, Colorado
Secretary, Carl H. Peterson, 4307 Tejon, Denver, Colorado.

Directors of the corporation are:

Walter W. Bentley, 215 East 11th Avenue, Denver, Colorado.
W. R. Green, 1243 Columbine, Denver, Colorado
Carl H. Peterson, 4307 Tejon, Denver, Colorado.
Robert C. Brown, 4307 Tejon, Denver, Colorado
James S. Henderson, 209 Equitable Bldg., Denver, Colorado.

The five largest stockholders of the corporation are:

Walter W. Bentley, 215 East 11th Avenue, Denver, Colorado.
W. R. Green, 1243 Columbine, Denver, Colorado.
Carl H. Peterson, 4307 Tejon, Denver, Colorado.
Robert C. Brown, 4307 Tejon, Denver, Colorado
James S. Henderson, 209 Equitable Bldg., Denver, Colorado.

4. Walter W. Bentley will be the consulting engineer. He has had wide experience as a mining engineer. He was with Anaconda Copper Company 20 years, and with U.S. Bureau of Mines 4 years, and was with American Smelter & Refining Company for one year as resident engineer for the state of Colorado.

5. Galtie Boy Mines Inc. are the lessee with purchase agreement. See lease and purchase agreement attached.

6. Blank.

7. The attached lease and purchase agreement is in good standing. See attached Subordination Agreement.

8. This is a newly formed corporation and has not been operating, therefore we cannot furnish financial or profit and loss statements. However we have the money to match the Government on a 50-50 basis.

9. The corporation is financially prepared to furnish its portion of the funds requested in Section 9 of Mineral Order 5.

10. (a) See attached maps showing the Hercules and the J.S.P. claims which are colored in purple.

Also attached is a map showing the relative location of the Hercules to the other mines in the district. The purple dot inside the circle marked Henrietta is the approximate location of the Hercules mine.

(b) The Hercules mine is U.S.M.S. No. 18626 and is located in Section 19 Township 42 Northe and Range 8 West, N.M. P.M.

11. As far as we know this has always been known as the Hercules Mine.

12. The Hercules mine is located approximately eight miles almost due North of the town of Silverton. It is located on an extension of the Lark road which branches off the main county road running up Cement Creek from Silverton to Gladstone. This road leaves the Cement Creek road approximately one mile below Gladstone and runs along the hillside of Prospect Gulch to the Joe & John, Lark and Henrietta mines and extends on to the Hercules mine and also connects to the Galena Queen shaft. The distance fromCement Creek road to the Hercules mine is approximately two and one-half (2-1/2) miles. The road up Cement Creek is a county road in fair condition. The county road to the Lark mine hasbeen put in good condition this Spring. The road from the Lark mine to the Hercules is passable and is being used by the Galena Queen but is not in good condition.

13. Prospect Gulch runs within approximately 400 feet of the shaft and would furnish all requirements for water at all seasons of the year. Power will be obtained from the Western Colorado Power Company whose high line runs within a few hundred feet of the property. The rate will be the prevailing rate of that district.

14. There are no buildings on the structure, or equipment on the property. The shaft hasbeen timbered and it will be impossible to tell just how much of this timbering will have to be renewed until the water has been pumped out and a thorough examination made.

15. The ore will be hauled by truck from the mine to the Shenandoah-Dives mill which will be a distance of about 8-1/2 or 9 miles. The ore will be milled by the Shenandoah-Dives Milling Company.

16. (a) We are unable to secure any engineer's reports or other information as to the production of the Hercules mine but we are attaching extracts from the Silverton Standard and Miner which were written at the time the development wasbeing made on the Hercules. These are self explanatory and give the purported assays of the ore as it was being taken out at that time.

(b) The Galena Queen is now operating and we were advised last week that they were taking some very high grade ore from this mine which joins the Hercules and the shaft of the Galena Queen is some 200 feet from the shaft of the Hercules. The Lark mine number 3 tunnel is approximately 2000 feet from the Hercules. The Lark mine had a production of approximately $600,000 from the year 1946 to 1949. The attached map is a photostatic copy of an extract from a Government publication which shows the relative location of the mines in the Silverton quandrangle.

16. (c) We are unable to obtain any private reports of engineer's on this property and at the present time the shaft is partially filled with water and it is impossible to make an examination. The purpose of this exploration is to unwater the shaft and make a complete examination and exploration of this property.

17. This mine is not in production.

18. We are unable to furnish information as to the reserves as there has been no drifting on the vein and therefore no ore developed, however, as this is in a good mineralized district and is situated between the Galena Queen shaft and the shafts of the Lark mine, there is every reason to believe that there is a large reserve of high grade ore on this property.

19. Blank.

20. This exploration will be for lead, zinc and copper; vein type deposit.

21. The proposed work to be done on this project is to unwater the shaft, re-timber and bring the shaft into useable condition and to drift on the vein to determine the extension of the ore body.

This will probably require three or four months time to complete.

22. The Hercules is in a well mineralized district; is well established from the fact that the Galena Queen, Lark, Joe & John and the Henrietta are all located within a radius of less then one-half mile.

23.

(a) 1-helper, 1 mechanic, 2 shaft men,	$ 4,320.00
(b) will be supervised by superintendent of Galtie Boy mines.	
(c) Timber	2,200.00
Gallows frame	800.00
(d) Installation of ore bin	1,000.00
Electric power line	1,500.00
Transformers & capacitators	1,000.00
(e) 3 incline buckets $150 each	450.00
8 Jack hammers $115 each	830.00
2 Jack legs $192 each	384.00
10 sets steel	600.00
1 double drum hoist	3,200.00
1 water pump	600.00
1 - 250 pound compressor	5,000.00
(f) None	
(g) None	
(h) 4-1/2 tons 20-pound rails	340.00
500 pounds powder	100.00
Fuse	15.00
Caps	5.00
300 feet 2-inch pipe	120.00
100 feet 3-inch pipe	75.00
1 air receiver	150.00
200 feet [illegible] inch cable	100.00
	$22,789.00

4. If this project can be started before the snow fall sets in it can be completed in three or four months, if not, it will have to lap over into the next year and be completed when the snow melts off next summer.

CERTIFICATION

The undersigned company, and the official executing this certification on its behlaf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

GALTIE BOY MINES INC.

By Carl H. Peterson
Carl H. Peterson

June 20 1951
Date

Secretary

[illegible]

[illegible] Survey No. 10906

[illegible], September 14, 1901.

At a depth of 87 feet in a shaft on the Hercules, a claim of the Red Mountain Mining Company's group in Grassy Basin, a fine body of lead and copper ore was recently encountered. This shaft, which by the way is developing some fine territory, will be sunk 30 feet more before drifting on the vein will commence.

[illegible], September 16, 1901

Hercules of Frosty Basin, the best developed property of the Stony Dam Mining Co., so-called shipping [illegible], left, on the rule of twelve to a per day. The product of the mine, which is an excellent quality of gray copper and steel galena, is being hauled to the shipping platform of the D.S. Northern railroad, a distance of one and one-half miles, by contractor Whitlock. It is stated by those who know that the Hercules is shipping an ore body of at least twenty-three feet wide, some on or at least of which is shipping ore of a good pay quality, the balance being adapted to concentration.

[illegible], October 18, 1901

The Hercules in Frosty Basin is producing some very rich ore. The shaft is down 118 feet, and there is a stream of lead from 3 to 5 feet wide that shows unmistakable values, and lying along side of this is a large vein that assays 12% copper, 22 oz. silver and .06 gold. Three carloads have been shipped.

[illegible], November 2, 1901.

A. A. Brown of the Red Mountain Mining Company is getting out a shipment of ore from the Hercules, Grassy Creek, for the Humbrick-Holder smelter. He is loading it at the old Fisher mill.

[illegible], April 12, 1902

The Hercules property is now being developed by shaft. This shaft has now attained a depth of 134 feet. At a depth of 88 feet from the collar this shaft came into a body of high grade lead ore. A trial shipment made at that time (last fall) returned 52 per cent lead and 6 ounces in silver. This ore was taken out in sinking the shaft and was shipped without sorting. The vein at the present depth has widened to 12 feet and is gradually growing richer as depth is gained. The character of the ore is mine hanging, the lead going out and copper, silver and gold coming in. One side of the vein in the bottom of the shaft from recent returns gave over one hundred dollars per ton, or 24 per cent copper and 70 ounces silver.

Owing to the late one of the season when this ore was encountered and the impracticability of building adequate quarters for a force of men, work was suspended on the Hercules last fall, but the company expects to put in a steam hoist as soon as spring operations begin, run levels to open the ore bodies and immediately put the property among the list of continuous producers, thus adding a dividend payer to its assets.

[illegible], August 16, 1902

The Hercules situated on the northern rim of Prospect Basin and owned and operated by the Klondyke Central Mining Company, is the latest property in the upper Bonanza Creek-Bald Mountain Country to be opened into what promises to be a great mine. The Hercules is a few hundred feet to the right of the Klondyke line and is the only claim of the group that must be surface developed by shaft. To this end a shaft 125 feet deep has been sunk on the vein and after 12 feet of drifting north the workmen Sunday morning shot into a body of steel galena which has later known to be four feet wide or practically solid ore. Wednesday morning Russell Fuller, who has charge of the interests of Manager Brown while in the east, telegraphed the latter at Pittsburg informing him of the company's good luck and Mr. Brown is expected here immediately. While the shaft was in a comparatively small streak of good ore all the way down, toward the bottom it was lost and its rediscovery in the drift shows that the ore body is dipping back toward the line of the shaft. The Hercules vein is an extension of

the Crown Point vein and the big body of ore just uncovered is worth 170 ounces in silver, 68 in gold and about 40 per cent in lead. It much resembles some of the rich mineral formerly found in the Yankee Girl and Custer.

[illegible], August [illegible], 1908

The body of rich steel galena recently encountered in the Hercules, Prospect Basin, of the [illegible] Mining Co., holds its own nobly, with a material increase in bulk on the down grade, the ore backing up and pitching for the shaft. A steam or gasoline hoist will soon be in place and the shaft put down three or four hundred feet below its present status, ground broken out and stoping commenced in good earnest. Immediately following Manager Brown's return from the east, the work of pushing ahead to an early completion the great Mammoth Tunnel will be in order.

[illegible] Standard, August 30, 1908

The good find of ore in the south drift from the bottom of the 100 foot shaft on the Hercules in Prospect Basin last week is improving with every shot. Word also comes from the mine this week that in the north drift an excellent body of shipping ore was encountered, the ore being a solid gray copper. The news of this find will be hailed with joy by the stockholders of the Mammoth Tunnel & Mining Company in Pittsburg, where J. A. Brown, president of company, has been for the past month arranging contracts for some big work on their property.

[illegible], September 10, 1908

Shums of gray copper and steel galena from the recent find in the north drift of the Hercules, Prospect Basin, Mammoth Tunnel & Mining Company's property, gave returns of from [illegible] to 210 gold, 650 to 833 ounces silver, and 32 to 48 percent lead.

No. 90B. MINING LEASE AND OPTION—Short Form.
—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1824 Stout St., Denver, Colo.

THIS INDENTURE, Made this 29th day of June in the year of our Lord one thousand nine hundred and fifty-one between James S. Henderson, administrator of the estate of V. H. Steele of the first part, and Galtie Boy Mines Inc., a Colorado corporation, of the second part, WITNESSETH, that the said party of the first part, for and in consideration of the rents, covenants and agreements hereinafter expressed to be paid, kept and performed by the said party of the second part, has leased, let and demised, and by these presents does lease, let and demise unto the said party of the second part, the following described premises, situate, lying and being in Red Mountain Mining District, in the County of San Juan and State of Colorado to-wit:

Those two patented mining claims known as the Hercules and the J. S. P. U.S.M.S. No. 18626, and being in Section 19, Township 42 N, and Range 8 West.

TO HAVE AND TO HOLD THE SAME, for the purpose of mining, for the term of ten years from the date hereof, unless sooner terminated under any of the provisions herein contained, with no power to assign this lease or any interest thereunder, or to sublet the whole or any part of said premises except upon the written consent of the party of the first part.

And the said party of the second part, for and in consideration of the leasing of said premises, covenants and agrees with said party of the first part to commence work on said premises on or before October 1, 1951 and thereafter to work the same continuously, in a thorough and workmanlike manner, employing at least two men underground,

and working at least twenty shifts each calendar month, to keep the same securely timbered, drained and clear of loose rock and rubbish, to keep accurate accounts, and to render current statements to the said party of the first part, his agent or attorney, showing the amount and character of work done, and to pay to said party of the first part, its agent or attorney, as rental for said premises royalty upon all ore taken and sold therefrom as follows, to-wit:

Ten per cent (10%) of the net mill or smelter returns of all ore produced and shipped from the above demised premises.

And it is expressly understood and agreed by and between the parties hereto, that the said party of the first part reserves the property and right of property in and to all ores extracted from said premises during the term hereof, and that all settlements for royalty shall be made upon the assay value of the mineral in the ore that may be taken from said premises less the actual cost of railroad transportation and treatment; and the sampling works, mill, smelter, or ore buyer purchasing any such ore shall retain the amount of the royalty herein stated and shall pay the same to the party of the first part at each settlement for ore purchased.

And the said party of the second part furthermore covenants and agrees that the said party of the first part his agent or attorney, shall have the right at any and all times to enter upon and descend into any and all parts of said premises to inspect the same, make surveys thereof, or take samples therefrom, and that the said party of the second part will render to him all the assistance in their power in so doing. And the said party of the second part furthermore covenants and agrees to occupy and hold all side veins, spurs, feeders, cross-lodes, parallel lodes, or mineral deposits of any kind which may be discovered by the said party of the second part or by any person working under or in any manner, by working within or from the aforesaid premises, as the property of the said party of the first part and as part of the premises demised, and to not allow any person not in privity with the parties hereto to take or hold possession of said premises or any part thereof under any pretense whatever, and to pay in due season all taxes and assessments levied against said demised premises on account of the production of ore under this lease.

And the said party..... of the second part furthermore covenant..... and agree..... that in case..... fail..... in any respect to keep and fulfill any one or more of the covenants or agreements herein expressed or implied, then, and in that case it shall be lawful for the said party..... of the first part, ... agent or attorney, to declare said term ended, and with or without process of law to enter upon and take possession of said premises, and in such case, and also at the expiration of this lease by limitation, said party..... of the second part agree..... to surrender, yield and deliver to said party..... of the first part quiet and peaceable possession of said premises in good condition, and that time shall be of the essence hereof, and that all of the covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and lawful assigns of the respective parties hereto.

And in consideration of the party..... of the second part having fully complied with all of the terms and provisions hereof, the said party..... of the second part is hereby given the right to purchase said property for the sum of Ten Thousand (10,000) .....Dollars, payable as follows on or before ten (10) years from the date hereof .....and all royalties that are received by the party..... of the first part hereunder are to be applied upon the said purchase price and upon payment in full, the party..... of the first part will make, execute, acknowledge and deliver a good and sufficient..... mining .....deed..... conveying said property to the party..... of the second part, free and clear of all encumbrances except No exceptions .....as shown by abstracts of title therefor to be furnished by the party..... of the first part to the party..... of the second part. In the event that this lease be forfeited, surrendered or terminated for any cause, the right to purchase shall thereafter cease and if the party..... of the second part does not make payment as hereinbefore mentioned at or before the time when the same ought to be made according to the terms hereof, the party..... of the first part may at any time after such failure to pay declare this lease and option forfeited and terminated and shall have the right to retain any and all payments that may be made hereunder as liquidated damages.

IN WITNESS WHEREOF, The parties hereto have executed these presents the day and year first above written.

Attest:

Paul H. Peterson

Paul H. Peterson, Secretary.

Estate of V. E. Stecklo .....[SEAL]

By James S. Lundquist .....[SEAL]
Administrator

.....[SEAL]

GALTIE BOY MINING INC. .....[SEAL]

By Walter W. Bentley .....[SEAL]
President

.....[SEAL]

MINING LEASE

FROM

.....

TO

.....

STATE OF COLORADO,
County of..... } ss.

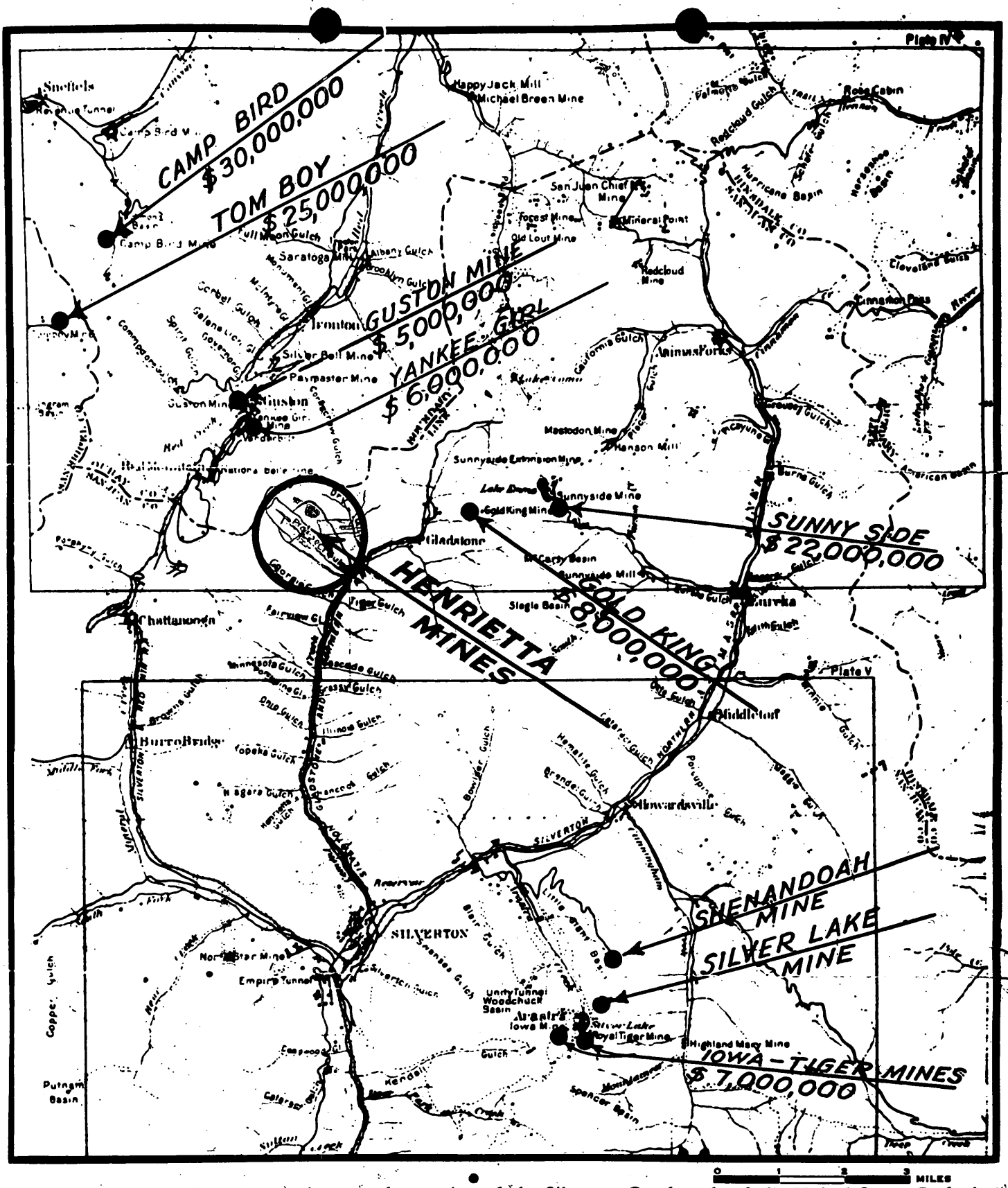
I hereby certify that this instrument was filed for record in my office, at..... o'clock.....M., on the.....day of ....., A. D, 19....., and is duly recorded in book....., page.....

.....
Recorder.

By .....
Deputy.

Fees, $.....

7-45 THE BRADFORD-ROBINSON PTG. CO., DENVER



The above map is a photostatic copy of a portion of the Silverton Quadrangle of the United States Geological Survey. The circle, dots, arrows, figures and names of mines have been added to show the location and production of some of the leading mines in the vicinity of our Henrietta Mine.

The production estimates have been secured from the best sources that we could find, partly from the Bureau of Mines of the State of Colorado and partly from the Denver office of the U. S. Bureau of Mines. We do not guarantee them but some who are thoroughly acquainted with the district estimate the production much higher.

We believe that it is possible for the Henrietta group of mines to equal or exceed the production of some of the mines shown on the map. and the officers of the company intend to use every means within their power to bring the mines to the highest state of production.

Some who are well informed estimate that the San Juan mining district in which the Henrietta Mine is located has produced more than $500,000,000.00 in minerals since the discovery of gold there in 1858.

PHOTO-COPY BY PICK
FOR EXTRA COPIES, CALL KE. 2876
MAY 29 1951
PICK PHOTOGRAPH & BLUEPRINT CO
1015-17th ST. DENVER, COLO
CERTIFIED ON REQUEST

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA 1871

Date received 7-23-51

Participation

[illegible]

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 23 1951
LANDON E. STROBEL
Executive Secretary

Name and address of applicant

Date [illegible]

FILL IN THIS BLOCK

Date of application [illegible]

Estimated cost

Mineral or metal [illegible] copper

Percentage of Government participation [illegible]

Location of mine [illegible], Colorado, [illegible] County, [illegible] District.

See attached application

Date of filing MF-100

DMA Docket Number, if available 1871

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

[illegible] (Name of company)

By W R Green (Signature of authorized official)

[illegible] (Date)

[illegible] (Title)

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.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

June 20, 1951

Mr. J. A. East,
Regional Director,
Bureau of Mines, Region IV,
224 New Customs Building,
Denver 2, Colorado.

Dear Mr. East.

1. The following list of exhibits has been made in conformity with Form MF-103 as issued from your office which is an application for exploration project loan pursuant to Mineral Order 5 under Defense Production Act of 1950.

Loan application for the Galtie Boy Mines Inc., on the Hercules mine in Prospect Basin, San Juan County, Colorado, by:

Galtie Boy Mines Inc.,
210 Mercantile Building,
1031 - 15th Street,
Denver 2, Colorado.

All questions on Form MF-103 from 1 to 24 inclusive have been answered in detail and any further explanation would be repetition.

Very truly yours,

GALTIE BOY MINES INC.

By Carl H. Peterson
Carl H. Peterson, Secretary

Bureau
Denver
JUN 25
Mi
Re

U.S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Application for aid for an Exploration Project pursuant to Mineral Order 5, under Defense Production Act of 1950.

Caltie Boy Mines Inc.
210 Mercantile Building,
Denver 2, Colorado

Date of Application,	June 23, 1951
Mineral or Metal,	Lead, zinc and silver.
Location of mine,	Silverton, San Juan County, Colorado.
Estimated cost,	$22,789.00
Percentage of government participation,	50-50
Date of filing DP-100	DMA Docket Number

1. The applicant is a corporation.

2. Blank.

3. President, Walter W. Bentley 215 East 11th Ave, Denver, Colorado.
Treasurer, W. R. Green, 1243 Columbine St, Denver, Colorado
Secretary, Carl H. Peterson, 4307 Tejon, Denver, Colorado.

Directors of the corporation are:

Walter W. Bentley, 215 East 11th Avenue, Denver, Colorado.
W. R. Green, 1243 Columbine, Denver, Colorado
Carl H. Peterson, 4307 Tejon, Denver, Colorado.
Robert C. Brown, 4307 Tejon, Denver, Colorado
James S. Henderson, 209 Equitable Bldg., Denver, Colorado.

The five largest stockholders of the corporation are:

Walter W. Bentley, 215 East 11th Avenue, Denver, Colorado.
W. R. Green, 1243 Columbine, Denver, Colorado.
Carl H. Peterson, 4307 Tejon, Denver, Colorado.
Robert C. Brown, 4307 Tejon, Denver, Colorado
James S. Henderson, 209 Equitable Bldg., Denver, Colorado.

4. Walter W. Bentley will be the consulting engineer. He has had wide experience as a mining engineer. He was with Anaconda Copper Company 20 years, and with U.S. Bureau of Mines 4 years, and was with American Smelter & Refining Company for one year as resident engineer for the state of Colorado.

5. Caltie Boy Mines Inc. are the lessee with purchase agreement. See lease and purchase agreement attached.

6. Blank.

7. The attached lease and purchase agreement is in good standing. See attached Subordination Agreement.

8. This is a newly formed corporation and has not been operating, therefore we cannot furnish financial or profit and loss statements. However we have the money to match the Government on a 50-50 basis.

9. The corporation is financially prepared to furnish its portion of the funds requested in Section 9 of Mineral Order 5.

10. (a) See attached maps showing the Hercules and the J.S.P. claims which are colored in purple.

Also attached is a map showing the relative location of the Hercules to the other mines in the district. The purple dot inside the circle marked Henrietta is the approximate location of the Hercules mine.

(b) The Hercules mine is U.S.M.S. No. 18626 and is located in Section 19 Township 42 North and Range 8 West, N.M. P.M.

11. As far as we know this has always been known as the Hercules Mine.

12. The Hercules mine is located approximately eight miles almost due North of the town of Silverton. It is located on an extension of the Lark road which branches off the main county road running up Cement Creek from Silverton to Gladstone. This road leaves the Cement Creek road approximately one mile below Gladstone and runs along the hillside of Prospect Gulch to the Joe & John, Lark and Henrietta mines and extends on to the Hercules mine and also connects to the Galena Queen shaft. The distance from Cement Creek road to the Hercules mine is approximately two and one-half (2-1/2) miles. The road up Cement Creek is a county road in fair condition. The ~~xxxxxx~~ road to the Lark mine hasbeen put in good condition this Spring. The road from the Lark mine to the Hercules is passable and is being used by the Galena Queen but is not in good condition.

13. Prospect Gulch runs within approximately 400 feet of the shaft and would furnish all requirements for water at all seasons of the year. Power will be obtained from the Western Colorado Power Company whose high line runs within a few hundred feet of the property. The rate will be the prevailing rate of that district.

14. There are no buildings on the structure, or equipment on the property. The shaft hasbeen timbered and it will be impossible to tell just how much of this timbering will have to be renewed until the water has been pumped out and a thorough examination made.

15. The ore will be hauled by truck from the mine to the Shenandoah-Dives mill which will be a distance of about 8-1/2 or 9 miles. The ore will be milled by the Shenandoah-Dives Milling Company.

16. (a) We are unable to secure any engineer's reports or other information as to the production of the Hercules mine but we are attaching extracts from the Silverton Standard and Miner which were written at the time the development wasbeing made on the Hercules. These are self explanatory and give the purported assays of the ore as it was being taken out at that time.

(b) The Galena Queen is now operating and we were advised last week that they were taking some very high grade ore from this mine which joins the Hercules and the shaft of the Galena Queen is some 800 feet from the shaft of the Hercules. The Lark mine number 3 tunnel is approximately 8000 feet from the Hercules. The Lark mine had a production of approximately $800,000 from the year 1945 to 1949. The attached map is a photostatic copy of an extract from a Government publication which shows the relative location of the mines in the Silverton quandrangle.

16. (c) We are unable to obtain any private reports of engineer's on this property and at the present time the shaft is partially filled with water and it is impossible to make an examination. The purpose of this exploration is to unwater the shaft and make a complete examination and exploration of this property.

17. This mine is not in production.

18. We are unable to furnish information as to the reserves as there has been no drifting on the vein and therefore no ore developed, however, as this is in a good mineralized district and is situated between the Galena Queen shaft and the shafts of the Lark mine, there is every reason to believe that there is a large reserve of high grade ore on this property.

19. Blank.

20. This exploration will be for lead, zinc and copper; vein type deposit.

21. The proposed work to be done on this project is to unwater the shaft, re-timber and bring the shaft into useable condition and to drift on the vein to determine the extension of the ore body.

This will probably require three or four months time to complete.

22. The Hercules is in a well mineralized district; is well established from the fact that the Galena Queen, Lark, Joe & John and the Henrietta are all located within a radius of less then one-half mile.

23.

(a) 1-helper, 1 mechanic, 2 shaft men,	$ 4,320.00
(b) will be supervised by superintendent of Galtie Boy mines.	
(c) Timber	2,200.00
Gallows frame	800.00
(d) Installation of ore bin	1,000.00
Electric power line	1,500.00
Transformers & capacitators	1,000.00
(e) 3 incline buckets @150 each	450.00
2 Jack hammers @[illegible]15 each	830.00
2 Jack legs @192 each	384.00
10 sets steel	600.00
1 double drum hoist	3,200.00
1 water pump	600.00
1 - 250 pound compressor	5,000.00
(f) None	
(g) None	
(h) 4-1/2 tons 20-pound rails	340.00
500 pounds powder	100.00
Fuse	15.00
Caps	5.00
300 feet 2-inch pipe	120.00
100 feet 3-inch pipe	75.00
1 air receiver	150.00
200 feet [illegible] inch cable	100.00
	$22,789.00

24. If this project can be started before the snow fall sets in it can be completed in three or four months, if not, it will have to lap over into the next year and be completed when the snow melts off next summer.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

CELTIC BOY MINES INC.

By Carl H. Peterson
Carl H. Peterson

June 29 1951
Date

Secretary

HERCULES FROM MINE CLAIM

U.S. Survey No. 10026

[illegible], September 14, 1901.

At a depth of 87 feet in a shaft on the Hercules, a claim of the Red Mountain Mining Company's group in Prospect Basin, a fine body of lead and copper ore was recently encountered. This shaft, which by the way is developing some fine territory, will be sunk 30 feet more before drifting on the vein will commence.

[illegible], September 16, 1901

Hercules of Prospect basin, the best developed property of the Stony Pass Mining Co., commenced shipping Monday, last, at the rate of twelve tons per day. The product of the mine, which is an excellent quality of gray copper and steel galena, is being hauled to the shipping platform of the D.G. Northern railroad, a distance of one and one-half miles, by Contractor Whitlock. It is stated by those who know that the Hercules is shipping an ore body of at least twenty-three feet wide, seven or eight feet of which is shipping ore of a good pay quality, the balance being adapted to concentration.

[illegible], October 18, 1901

The Hercules in Prospect Basin is producing some very rich ore. The shaft is down 112 feet, and there is a streak of lead from 3 to 5 feet wide that shows exceptional values, and lying along side of this is a large vein that assays 12% copper, 21 oz. silver and .06 gold. Three carloads have been shipped.

[illegible], November 3, 1901.

A. A. Brown of the Red Mountain Mining Company is getting out a shipment of ore from the Hercules, Cement Creek, for the Hendrick-Gelder smelter. He is loading it at the old Fisher Mill.

STANDARD, April 12, 1902

The Hercules property is now being developed by shaft. This shaft has now attained a depth of 134 feet. At a depth of 95 feet from the collar this shaft came into a body of high grade lead ore. A trial shipment made at that time (last fall) returned 52 per cent lead and 9 ounces in silver. This ore was taken out in sinking the shaft and was shipped without sorting. The vein at the present depth has widened to 12 feet and is gradually growing richer as depth is gained. The character of the ore is also changing, the lead going out and copper, silver and gold coming in. One side of the vein in the bottom of the shaft from recent returns gave over one hundred dollars per ton, or 24 per cent copper and 79 ounces silver.

Owing to the lateness of the season when this ore was incountered and impracticability of building accomodations for a force of men, work was suspended on the Hercules last fall, but the company expects to put in a steam hoist as soon as spring operations begin, run levels to open the ore bodies and immediately put the property among the list of continuous producers, thus adding a dividend payer to its assets.

STANDARD, August 16, 1902

The Hercules situated on the northern rim of Prospect Basin and owned and operated by the Mammoth Tunnel & Mining Company, is the latest property in the upper Cement Creek-Red Mountain Country to be opened into what promises to be a great mine. The Hercules is a few hundred feet to the right of the Mammoth Tunnel line and is the only claim of the group that must be surface developed by shaft. To this end a shaft 125 feet deep has been sunk on the vein and after 12 feet of drifting north the workmen Sunday morning shot into a body of steel galena which has later known to be four feet wide or practically solid ore. Wednesday morning Russell Fuller, who has charge of the interests of Manager Brown while in the east, telegraphed the latter at Pittsburg informing him of the Company's good luck and Mr. Brown is expected home immediately. While the shaft was in a comparatively small streak of good ore all the way down, toward the bottom it was lost and its rediscovery in the drift shows that the ore body is dipping back toward the line of the shaft. The Hercules vein is an extension of

the Crown Point vein and the big body of ore just uncovered is worth 170 ounces in silver, $6 in gold and about 40 per cent in lead. It much resembles some of the rich mineral formerly found in the Yankee Girl and Guston.

[illegible], August 22, 1902

The body of rich steel galena recently encountered in the Hercules, Prospect Basin, of the Mammoth Tunnel & Mining Co., holds its own nobly, with a material increase in bulk on the down grade, the ore backing up and pitching for the shaft. A steam or gasoline hoist will soon be in place and the shaft put down three or four hundred feet below its present status, ground broken out and stoping commenced in good earnest. Immediately following Manager Brown's return from the east, the work of pushing ahead to an early completion the great Mammoth Tunnel will be in order.

Standard, August 30, 1902

The good find of ore in the south drift from the bottom of the 100 foot shaft on the Hercules in Prospect Basin last week is improving with every shot. Word also comes from the mine this week that in the north drift an excellent body of shipping ore was encountered, the ore being a solid grey copper. The news of this find will be hailed with joy by the stockholders of the Mammoth Tunnel & Mining Company in Pittsburg, where A. A. Brown, president of company, has been for the past month arranging matters for some big work on their property.

[illegible], September 16, 1902

Chunks of gray copper and steel galena from the recent find in the north drift of the Hercules, Prospect Basin, Mammoth Tunnel & Mining Company's property, gave returns of from $6 to $10 gold, 680 to 823 ounces silver, and 30 to 45 percent lead.

No. 90B. MINING LEASE AND OPTION—Short Form.
—The Bradford-Robinson Ptg. Co., Mfrs. Robinson's Legal Blanks, 1846 Stout St., Denver, Colo.

THIS INDENTURE, Made this 29th day of June in the year of our Lord one thousand nine hundred and Fifty-one between James S. Henderson, administrator of the estate of V. H. Steele of the first part, and Cattle Boy Mines, Inc., a Colorado corporation of the second part, WITNESSETH, that the said party of the first part, for and in consideration of the rents, covenants and agreements hereinafter expressed to be paid, kept and performed by the said party of the second part, has leased, let and demised, and by these presents does lease, let and demise unto the said party of the second part, the following described premises, situate, lying and being in Red Mountain Mining District, in the County of San Juan and State of Colorado, to-wit:

Those two patented mining claims known as the Hercules and the J. S. P., U.S.M.S. No. 18620, and being in Section 19, Township 40N, and Range 8 West.

TO HAVE AND TO HOLD THE SAME, for the purpose of mining, for the term of ten years from the date hereof, unless sooner terminated under any of the provisions herein contained, with no power to assign this lease or any interest thereunder, or to sublet the whole or any part of said premises except upon the written consent of the party of the first part.

And the said party of the second part, for and in consideration of the leasing of said premises, covenants and agrees with said party of the first part to commence work on said premises on or before October 1, 1951 and thereafter to work the same continuously, in a thorough and workmanlike manner, employing at least two men underground,

and working at least twenty shifts each calendar month from the month of June to October or each year, to keep the same securely timbered, drained and clear of loose rock and rubbish; to keep accurate accounts, and to render annual statements to said party of the first part, his agent or attorney, showing the amount and character of work done, and to pay to said party of the first part, its agent or attorney, as rental for said premises royalty upon all ore taken and sold therefrom as follows, to-wit:

Ten per cent (10%) of the net mill or smelter returns of all ore produced and shipped from the above demised premises

And it is expressly understood and agreed by and between the parties hereto, that the said party of the first part reserves the property and right of property in and to all ores extracted from said premises during the term hereof, and that all settlements for royalty shall be made upon the assay value of the mineral in the ore that may be taken from said premises less the actual cost of railroad transportation and treatment; and the sampling works, mill, smelter, or ore buyer purchasing any such ore shall retain the amount of the royalty herein stated and shall pay the same to the party of the first part at each settlement for ore purchased.

And the said party of the second part furthermore covenants and agrees that the said party of the first part his agent or attorney, shall have the right at any and all times to enter upon and descend into any and all parts of said premises to inspect the same, make surveys thereof, or take samples therefrom, and that the said party of the second part will render to him all the assistance in their power in so doing. And the said party of the second part furthermore covenants and agrees to occupy and hold all side veins, spurs, feeders, cross-lodes, parallel lodes, or mineral deposits of any kind which may be discovered by the said party of the second part or by any person working under or in any manner, by working within or from the aforesaid premises, as the property of the said party of the first part and as part of the premises demised, and to not allow any person not in privity with the parties hereto to take or hold possession of said premises or any part thereof under any pretense whatever, and to pay in due season all taxes and assessments levied against said demised premises on account of the production of ore under this lease.

And the said party of the second part furthermore covenant and agree that in case of failure in any respect to keep and fulfill any one or more of the covenants or agreements herein expressed or implied, then, and in that case it shall be lawful for the said party of the first part, his agent or attorney, to declare said term ended, and with or without process of law to enter upon and take possession of said premises, and in such case, and also at the expiration of this lease by limitation, said party of the second part agree to surrender, yield and deliver to said party of the first part quiet and peaceable possession of said premises in good condition, and that time shall be of the essence hereof, and that all the covenants and agreements herein contained shall extend to and be binding upon the heirs, executors, administrators, successors and lawful assigns of the respective parties hereto.

And in consideration of the party of the second part having fully complied with all of the terms and provisions hereof, the said party of the second part is hereby given the right to purchase said property for the sum of Ten Thousand (10,000) Dollars, payable as follows on or before ten (10) years from the date hereof and all royalties that are received by the party of the first part hereunder are to be applied upon the said purchase price and upon payment in full, the party of the first part will make, execute, acknowledge and deliver a good and sufficient mining deed conveying said property to the party of the second part, free and clear of all encumbrances except No exceptions as shown by abstracts of title therefor to be furnished by the party of the first part to the party of the second part. In the event that this lease be forfeited, surrendered or terminated for any cause, the right to purchase shall thereafter cease and if the party of the second part does not make payment as hereinbefore mentioned at or before the time when the same ought to be made according to the terms hereof, the party of the first part may at any time after such failure to pay declare this lease and option forfeited and terminated and shall have the right to retain any and all payments that may be made hereunder as liquidated damages.

IN WITNESS WHEREOF, The parties hereto have executed these presents the day and year first above written.

ATTEST:

Carl H. Peterson

Carl H. Peterson, Secretary

Estate of V. H. Steele [SEAL]

By James S. Lindsay [SEAL]
Administrator

[SEAL]

GALTIE BOY MINES INC [SEAL]

By Walter W. Bentley [SEAL]
President

[SEAL]

MINING LEASE

FROM

.....

TO

.....

STATE OF COLORADO,
County of..... } ss.

I hereby certify that this instrument was filed for record in my office, at..... o'clock.....M., on the.....day of ....., A. D. 19....., and is duly recorded in book....., page.....

.....
Recorder.

By .....
Deputy.

Fees, $.....

5-51 THE BRADFORD-ROBINSON PTG. CO., DENVER

MF-202

LANDLORD'S SUBORDINATION AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, the undersigned is the owner in fee simple of that certain parcel of ground in the county of [illegible], State of [illegible], described in a certain Exploration Project Contract dated [illegible], 195[illegible], between [illegible], the Lessee of said property, and the United States of America;

NOW, THEREFORE, the undersigned, as Lessor of said property under lease dated [illegible], [illegible], does by these presents subordinate all of his right, title, and interest under the provisions of said lease to the right, title, and interest of the United States of America under the provisions of said Exploration Project Contract, and agrees that the lien and claim of the United States of America under the provisions of said contract shall be prior to the undersigned's rights to rentals or royalties under the terms of said lease; and

The undersigned further agrees that if said leasehold interest should be surrendered or if said lease should terminate at any time prior to the expiration of the rights of the United States of America under said Exploration Project Contract, the undersigned shall assume and does hereby assume all of the obligations of the Lessee under said Exploration Project Contract to make repayment to the United States of America according to the terms of said contract; and

The undersigned agrees to commit no act, nor assert any claim under judicial process or otherwise that may contravene or conflict with the prior lien and claim of the United States of America under the provisions of said Exploration Project Contract.

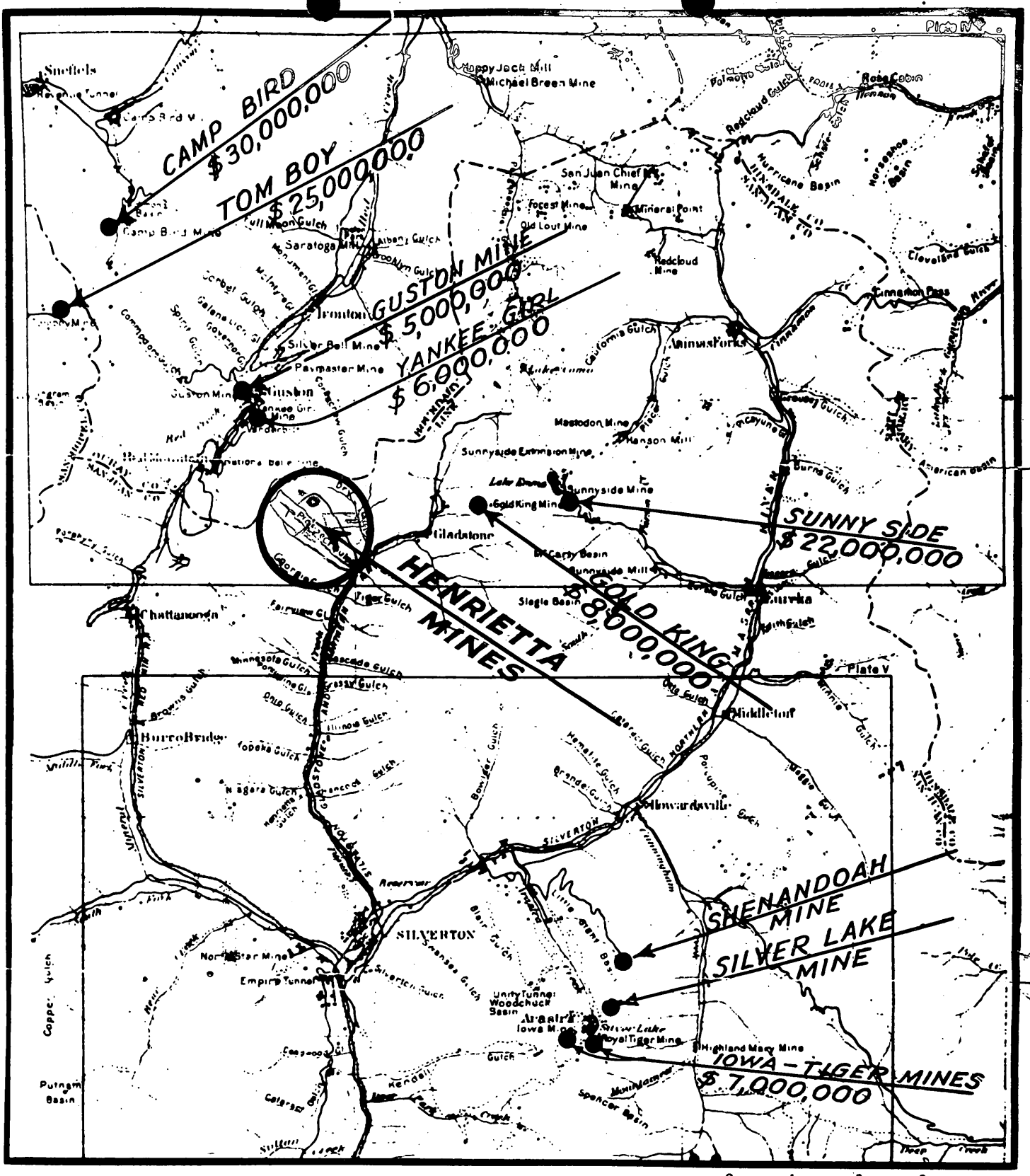
This undertaking and covenant shall be binding upon the heirs, successors, and assigns of the undersigned.

Dated this [illegible] day of [illegible], 195[illegible]

[illegible]

[illegible]

U. S. GOVERNMENT PRINTING OFFICE 940768



The above map is a photostatic copy of a portion of the Silverton Quadrangle of the United States Geological Survey. The circle, dots, arrows, figures and names of mines have been added to show the location and production of some of the leading mines in the vicinity of our Henrietta Mine.

The production estimates have been secured from the best sources that we could find, partly from the Bureau of Mines of the State of Colorado and partly from the Denver office of the U. S. Bureau of Mines. We do not guarantee them but some who are thoroughly acquainted with the district estimate the production much higher.

We believe that it is possible for the Henrietta group of mines to equal or exceed the production of some of the mines shown on the map, and the officers of the company intend to use every means within their power to bring the mines to the highest state of production.

Some who are well informed estimate that the San Juan mining district in which the Henrietta Mine is located has produced more than $500,000,000.00 in minerals since the discovery of gold there in 1858.

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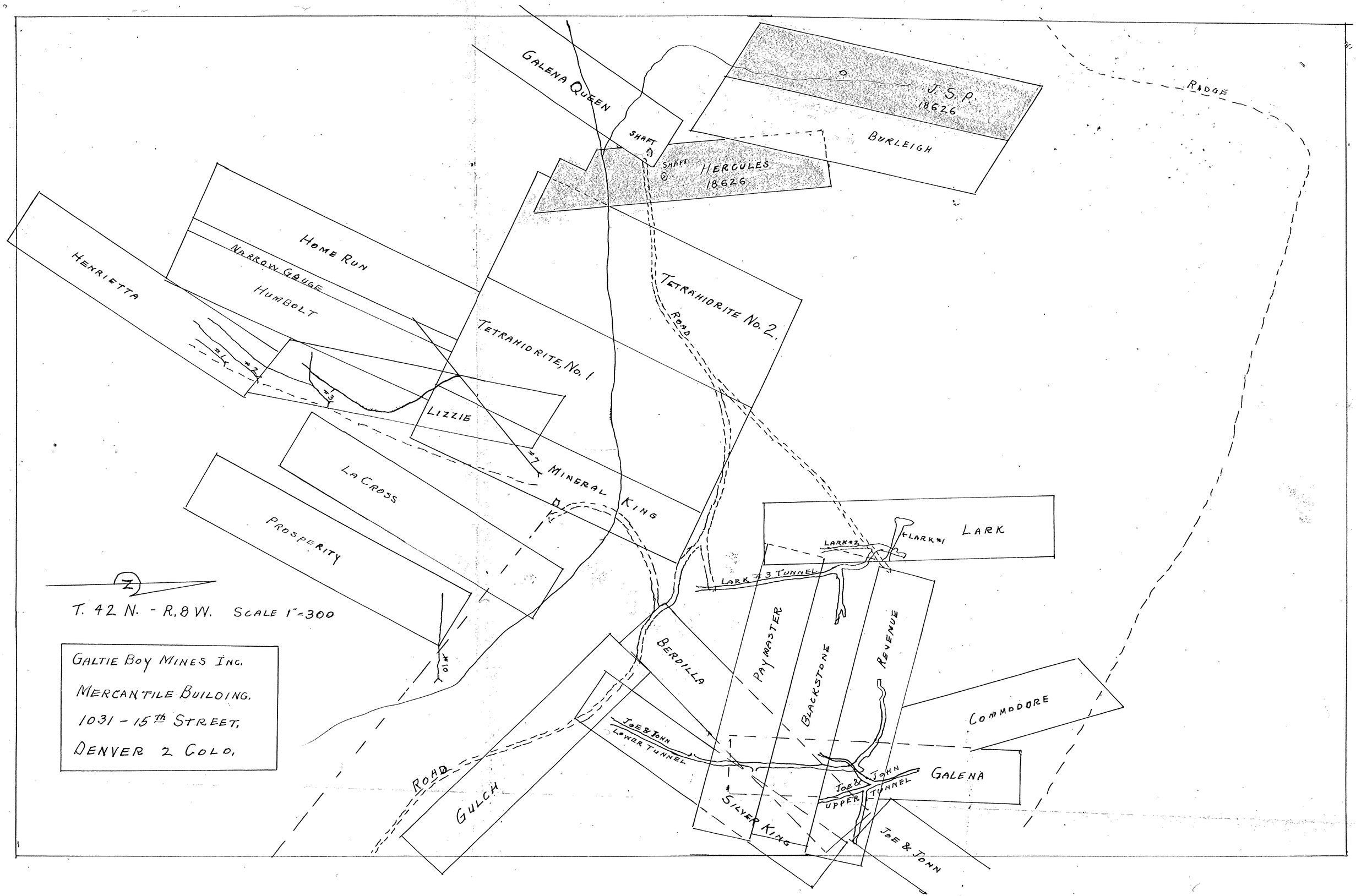
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