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

GEOLOGICAL SURVEY

Mr. Alfred G. Hoyl
Clear Creek Mining Company
Los Lagos Office
Bellinaville, Colorado 80474

Re: OME-6398 (Gold-Silver)
Clear Creek Mining Company
Lake Central Project
Clear Creek County, Colorado

Dear Mr. Hoyl:

This will acknowledge receipt of your letter of November 2, 1965, advising that you do not wish to withdraw the subject application.

We cannot hold an application open indefinitely; however, we shall be glad to give further consideration to your application when you have completed your negotiations to obtain financial backing. In this connection, in order to meet the financial requirements under the regulations, the mining companies which you have in mind must be able to qualify for participation in the program.

In view of the length of time since filing your application, it will be necessary for you to submit a new application, MME Form 40, when you are in a position to meet our requirements. It will not be necessary to resubmit the other material previously furnished, but copies of new bank correspondence will be required. If you have a different program of exploration than previously submitted, new support data, maps, and cost estimates must be included.

With reference to the third paragraph of your letter, you have been misinformed regarding participants in the program not being able to obtain performance bonds. A considerable number of the participants have obtained such bonds.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

FEJohnson/gla (11-9-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region III
120M

PHONE AREA CODE 303-258-3354
FROM DENVER DIAL "O"
ASK FOR ENTERPRISE 481

CONTRACT ENGINEERING COMPANY

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

November 2, 1965

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

Re: OME-6398 (Gold-Silver)
Clear Creek Mining Company
Lake Central Project
Clear Creek County, Colorado

Dear Mr. Johnson:

We have received your letter of October 15, 1965, and wish to advise that we very definitely do not wish to withdraw our application.

We have gone over the assistance program with Robert Bolmer and Hugh Connors of the Denver office in some detail and have worked out a tentative program which would seem satisfactory to us and to OME.

We were advised by the Denver office and by our bonding company that no one has ever been successful in obtaining a bond for an OME assistance program inasmuch as it is for ten years, and no bonding company will issue a performance bond for this length of time.

It was our understanding that if we guaranteed the loan and obtained a substantial company to join with us who would also guarantee the loan, the bonding would not be necessary.

We have pointed out that we own the key portions of the property and that we can certainly guarantee to hold it for the ten year period. If the project is successful, it should, of course, pay off before the ten years are up.

In the light of the above, we have been negotiating with three substantial mining companies to join with us in completing the Lake Central Project. We have every reason to believe that we can get adequate backing to properly complete it.

Withdrawing the application at this time would certainly jeopardize our long and determined efforts to date. The project has merit, and I am sure that OME will want to see it through to a successful conclusion.

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

November 2, 1965

We regret the time it is taking to obtain a substantial financial partner, and do not wish to be forced into a hurried arrangement but will make every effort to present OME with a strong financial backing adequate to guarantee the success of the assistance program as soon as possible. As far as demand for metals and prices are concerned, time is working in favor of the project.

We ask for your continued support and assistance in bringing the Lake Central Project to a positive conclusion.

Sincerely,

CLEAR CREEK MINING COMPANY

Alfred G. Hoyl

Alfred G. Hoyl

AGH/dh
cc: Hugh M. Connors
Robert L. Bolmer
Office of Minerals Exploration, Region III
Federal Center, Building 20
Denver, Colorado 80225

PHONE AREA CODE 303-258-3354
FROM DENVER DIAL "O"
ASK FOR ENTERPRISE 481

CONTRACT ENGINEERING COMPANY

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE
ROLLINSVILLE, COLORADO 80474

May 28, 1965

Mr. Robert L. Bolmer
United States Bureau of Mines
Federal Center
Denver, Colorado 80225

Subject: OME-6398 (Gold-Silver)
Lake Central Project
Clear Creek County, Colorado

Dear Bob:

Enclosed is an inventory for the Lake Central Project which shows most of the equipment we have for the project. Some of the equipment may need to be replaced; however, the pricing shown should cover it.

Some of the equipment is new and some of it we purchased used. Wherever we bought used equipment, I have shown the purchase price. I have not given any prices for the supplies and spare parts, etc.

I have also shown the costs of our ventilation hole, service raise, main haulage, and present compressed air source. These items, of course, are essential to maintain and depreciate against work done at the project.

You will note in our cost breakdown that we certainly did not consider the full value of the equipment we have in order to operate the project nor depreciation, but used a figure which would reflect the portion the exploration program would bear to the whole project.

It is interesting to note that the salvage value of the equipment in the event our exploration program is unsuccessful would be very low.

To illustrate this, I am enclosing a letter I received from Western States Machinery in which they only offered to pay $17,000 for the removable equipment and supplies as per the enclosed inventory. Needless to say I thought it would be much better to hold the equipment at the mine rather than try to sell it back in 1961.

If you need further information, please give me a call.

Yours very truly,

CONTRACT ENGINEERING COMPANY

Alfred G. Hoyl

Alfred G. Hoyl

AGH/dh
Enclosures

W S M **Western States Machinery Co.** CONSTRUCTION AND MINING

2400 WEST 7TH AVENUE
DENVER 4, COLORADO
TAbor 5-7191

December 8, 1961

Mr. Alfred G. Hoyt
Contract Engineering Company
1727 Boulder Street
Denver 11, Colorado

Dear Al:

In answer to your letter of December 7, we will pay $17,000 for the equipment and supplies as per your list of inventory dated January 13, 1960 less those items which you have ruled out as being definitely gone.

We will leave this equipment in its present location until April 1, 1962, with the understanding that during this period you will provide the necessary watchman to see that the equipment is not disturbed, pay any taxes which may become due during this period or prior to this period, and pay the insurance for coverage under our All Risk Floater Policy. The rate is $.032 per $100 valuation, per month. This covers us for practically any damage or loss except for flood. Please advise what valuation you wish to establish for the equipment, if any, in excess of $20,000.

At any time between now and April 1, 1962, we will sell the equipment back to you for the agreed upon price of $20,000 plus applicable taxes. If you have not arranged to purchase the equipment prior to April 1, 1962, it is our understanding that we will be free to pick up the equipment and sell it as we are able to locate buyers.

It is our further understanding that you can and will convey clear title to us upon all of this equipment upon receipt of the $17,000.

Please let us hear from you as to further action which we should take.

Very truly yours,

Leigh M. Jones, President
WESTERN STATES MACHINERY CO.

LMJ:vke
cc:
W. E. Penn
A. G. Setter

LAKE CENTRAL PROJECT

CLEAR CREEK MINING COMPANY, [redacted], COLORADO

INVENTORY, [redacted]

ITEM	NO.
HAULAGE	
Spare Battery w/case, Type [illegible], 1½ ton Loco	1
Air Tramper, (Hank Engr. [illegible])	½
Battery Charger, [illegible] 673-[illegible]	
[illegible] Volts, 1[illegible] Amps., [illegible]	
Ser. [illegible] 2453 Var #[illegible]	1
[illegible] Elec. Co. Charger Regulator	
Type [illegible]-1-40-A5 Ser C10511	1
[illegible] Generator-[illegible] 25 hp, 14 kw, 112 V	1
Atlas Type A 6 Ton Loco #1957	1
[illegible] Type J 1½-Ton Loco #3230	1
[illegible]	1
Cargo Rack	1
Man Trip Car (Cross Seats)	1
Field Telephone EE 91	5
Man Trip Lateral Seats	1
20 Cu. Ft. Card Cars	10
Bat Wing Rerailers	2
5 ton Pab. Jacks	2
Dragy (Card) 91 Cu. Ft.	8
MINING	
Cross Heads	1
2.5" x 6' Sandvik Interset Drill [redacted]	11
Slusher Bucket (36")	1
Ingersoll Rand Air Slusher	1
Elmco 21, Serial #[illegible]71	1
[illegible] 32 B	2
Atlas Copco Falcon Stoper, RHD - 46 - 35	
Serial 693166	
693[illegible]	
693061	3
Cleveland Jack Legs, Model No. / Serial No.	
S 10 AL 1 / 2172	
S 10 AL / 5806	
S 10 AL 1 / 56 RM 7038	
S 10 AL / 56 RM 5010	4
Ingersoll Rand Stoper A [illegible] N [illegible] #403360	4
Timber carts 5' 8"	2
Rail Tongs	3
Copco Clover Type [illegible], Size 250, #15398	3
2 Man Crosscut Saw	2
Cutting Torch, Comb. Style W225 Gas Weld	1
Gas Weld Acet Reg	1
Gas Weld O_2 Reg	1
Oxweld Welding Torch W 32	1
Blasting Machine, Model CP2L, Serial MB684	1

INVENTORY, JANUARY 13, 1950

KIMLEY, CONTINUED	No.
Hydraulic Roll Reader (Log Roll)	1
Air Motor, Spare Parts Tugger	1
Spare Extension 1/4 Wrench	9
[illegible] Hose	[illegible]
[illegible] Shovels	6
Flame Safety Lamp	2
Hacking Saws	3
Axes	2

SHOPS	
Wheelbarrow, Rubber tire Contractor	1
Le Roi Air Compressor, Model 10CS2, Serial 425 x 16 Complete w/Motor and Switch Gear	[illegible]
Highway Bridge (10 Ton)	1
8" Black & Decker HD Bench Grinder	[illegible]
1½ Ton Yale Chain Blocks	[illegible]
Steel Wall Locker, 24"w x 18"d x 60" h	30 ~ 300
Peal Oil Heater	[illegible]
Edison Type F Cap Lamps	43 ~ 2150.
Lamp Charger MSA 60 Rack	[illegible]
Lamp Charger MSA 12 Rack, Rectifier-Farsteel Serial S 96690, 115/230 V, 30 Cells Sec 45 V 2 Amps, 230 Watts	1
Rheostat MSA Serial 9861	[illegible]
MSA Volt Meter	1
Type F Lamp Opener	1

SUPPLIES	
12" Blower Bag (4 Installed)	325 ft.
Blasting Caps - Non Vent - Electric	
Direct	25
1 Delay	10
2 Delay	20
3 Delay	50
4 Delay	50
5 Delay	20
8 Delay	20
9 Delay	50
10 Delay	150
Hercul #2 Powder Cases	45
Hercules HP 160 Powder Cases	21
Spare Parts, Air Compressor	
Valve Assembly 11A15-342	1
Valve Assembly 13A15-342	1
Bearings, SKF, 7215, BOI	2
1" x 2½" Track Bolts	297
Spare Parts for Controller on Type 4 8-Ton Locomotive	
2 Hole-Plain End 4" Segment Length	32
2 Hole-Plain End 3½" " "	1
#1495676 2 Hole- 2 Dap End 3½" Segment Length	19

(Spare Parts etc., continued on Page 3)

INVENTORY, [illegible] 1, 1952

[illegible]

[illegible] Locomotive,

[illegible] 2½" Segment	2
[illegible] 2" "	5
[illegible] 3 1/4" "	42
[illegible] Rod Point	23
[illegible] 3 [illegible]" Segment [illegible]	7
[illegible]	18
[illegible]	12
Replacement Lens for [illegible]	3
Delco Brushes #5388581	6
Skill Saw Brushes #0 [illegible]	2
Brushes 1/4" x 1" x 2" #3573	23
Brushes (Ohio B-1) 1" x 2" x [illegible]	4
Brushes GE #377 1" x 2" x 2"	1
Brushes Delco #5521034	11
General Electric Co., 37.5 KVA Transformer	
B 6[illegible]	
B 6[illegible]	
D 604033 - [illegible]	3
Kinco Parts	
Kinco 21	
Chain Assembly [illegible]	2
Ring Bolt #[illegible]	1
Nut #[illegible]	1
Centering Roller Group #[illegible]	2
Piston #[illegible]	4
Drive Lever #[illegible]	2
Valve Body #[illegible]	1
Gear-Lever Lock Roller #[illegible]	1
Spring #[illegible]97	4
Repair Kit #[illegible]939	1
Kinco Parts	
Kinco 12	
Centering Roller, 12[illegible]69	1
Repair Kit 1[illegible]	1
Springs 12[illegible]	8
Rod Link Rivet 12[illegible]	4
Parts for Atlas Type A 6-ton Loco	
Brake Shoes #9126	4
Brake Heads #9125	4
Journal Guides #[illegible]1	2
Wheel & Tire	8
Circuit Breaker	1
Supco Stoger Spare Parts	
"O" Rings [illegible]6.2 x 34	2
Side Rods [illegible]0252	2
Side Rod Nuts # [illegible]87	2
Rubber Packing #[illegible]22	12
Packing Feed Cyl. #[illegible]0	2
Washer Spacer Bolt [illegible]	2
Feed Spring #[illegible]25	8

INVENTORY, JANUARY 23, 1960

SUPPLIES, CONTINUED

Cleveland Jack Leg Spare Parts
Cylinder Bushing
Piston Sleeve Ass.
Back Washer
Ball Cup
Large Cup Leather
Small Cup Leather
Foot
Foot Washer
[illegible]
[illegible]
[illegible]
[illegible] Shield Red Cross
[illegible] Cargo Sling
[illegible] Mounted Lugs, [illegible]
[illegible] Tree Cement
[illegible] Aluminum Mirror [illegible]
[illegible] Mirror
[illegible] x 2 Cap Brown
Replacement Lens - Airplane Goggles
Uniform Inverter Complete Goggles
[illegible] Tube Length Flowers
[illegible]
[illegible]
[illegible]
[illegible]
[illegible] Cement [illegible]
[illegible] Rope [illegible]
[illegible]
[illegible] x [illegible] Nickel Spike
[illegible] Canvas Mallet
[illegible] x [illegible] Muslin Bags
[illegible] Ax
[illegible] Gold Pan
[illegible] Bearings
[illegible] Roe 5 Strand, Cent
[illegible] Rope, [illegible] ft.
[illegible] Steel Tier
[illegible] Washers
[illegible] Lamp Bulb, [illegible] Watts
[illegible] Work Washers
[illegible] Work Washers
[illegible] Cut Washers
[illegible] Pipe Nipples
C B Lit Red
[illegible] Lamp Bulbs [illegible]
[illegible] Lamp Bulbs [illegible]
[illegible] Lamp Cargo [illegible]
[illegible] Turkey Bit, [illegible]
Angerool Bend Bit, 1½" Type [illegible]

(Supplies Continued on page [illegible])

INVENTORY, JANUARY 13, 1952

SUPPLIES, CONTINUED	**NO.**
Vanealoy Blk #00, 3"	1
Long Male Blk Adapters	2
Vanealoy R, 2½"	1
5 Gal. Plastic Bucket	1
½ Gal. Penetrating Oil	2
3/4" Blk "T"	5
3/4" Blk 90° Angle	5
3/4" Male Valve, Brass	1
[illegible] x 3/8" Bushing	4
1" Plugs	3
3/4" Blk Unions	6
2" Plugs	2
3/4" Water Spade	3
½" Plastic Globe Valve	1
1" Plastic Globe Valve	1
1½" Blk. Plug Valves	2
3" Blk. Plugs	[illegible]
3" x 2" Blk. Bull Reducer	2
2" Telsoe Coupling	[illegible]
4" Marman Pipe Patches	[illegible]
#6 1½ Volt Battery	4
½" x 6" Lag Screws	4
Blasting Machine, 90V B Battery	[illegible]
½ x 8" Machine Bolts	[illegible]
10" Rigid Hook Jaw	[illegible]
10" Rigid Heel Jaw	[illegible]
36" Rigid Hook Jaw	[illegible]
36" Rigid Heel Jaw	[illegible]
1½# Single Jack	4
Nails	6
Sangamo Ampere Hour Meter [illegible]	[illegible]
Victaulic "T"	3
1½" Hose Spud	1
1½" Wing Nut & Stem	1
4" Aluminum Splicing Sleeve	1
3/4" x 8" Aluminum Guide Grinding Stone	1
Timken 4 pt. Carbide 1½" bit	[illegible]
Timken 4 pt. Carbide 1 5/8" bit	[illegible]
1½# oz. Cart. Lubriplate	17
Sets Browne Bushings 3" ID x 6"	2
Spare Dolly Wheel (91 cu. ft. cars)	1
Timken #3982 Roller Bearing	2
Jay Connector #8036 M & F	1
12" Tin Snips	1
Long Shovel Handles	6
R. R. Pick Handles	2

Miscellaneous

Alemite Dyn-O-Loader #7185	1	75.00
Grease Gun Model 1043	1	5.00
~~[illegible]~~	1	
		80.00

INVENTORY, JANUARY 13, 1960

HOISTING & VENTILATION

ITEM	NO.
MACHINERY	
Hoist House	1
Head Frame	1
Butterfield Rotary [illegible] Blower Series [illegible], 18 x 30, Serial No. [illegible] - Converted to	1
Westinghouse Motor, Type [illegible], 150 H.P., 400 V 60 Cycle, 3 Phase, Serial No. [illegible]	1
Roots Blower, Size 4, Serial No. [illegible]	1
Rebuilt Denver Engineering Hoist with cable, and motor, Westhorn 15 HP, Type [illegible]	1
G. E. Transformer, 1.5 KVA, [illegible] 240/480 primary, 120/240 secondary	1
16' Electric baseboard heater	1
Franklin Heatair, 1650 W heater, Cat. No. 198 BT	1
Wall Locker	1
SUPPLIES	
14 oz. cartridges lubricate [illegible]	4
Grinding Wheels, 8 x 3/4 x 1, [illegible] -VR	10
MISCELLANEOUS	
V belt Sheave, 8 groove, [illegible]" diameter	1
Flat Pulley, 12" base, [illegible]" diameter	1
Pinion Gears, 20" root diameter, 40 teeth	2

[illegible] Cased & equipped for ventilation 16" diam x 1000' [illegible] Raise, equipped with one pass cage etc. — $559,000.00

[illegible] 35,000.00

[illegible] of Tunnel [illegible] — 24,530.00

[illegible] 9,350.00

[illegible] 1,760.00

Total [illegible]

[illegible] Pipe - 1 [illegible].00

[illegible] 66.00

60.00

[illegible] 19,920.98

[illegible] 119,680.00

[illegible] 320.98

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

MAY 2 5 1965

White

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

OME
DEPARTMENT OF THE INTERIOR
MAY 23 1965
REGION III
DENVER, COLORADO

Subject: OME-6398 (Gold-Silver)
Clear Creek Mining Company
Lake Central Project
Clear Creek County, Colorado

In reply to your inquiry of May 21, 1965, transmitting the Applicant's letter of May 19, we would definitely need a Performance Bond. The lessors will not sign Consents to Lien and in this particular case, we wouldn't be warranted to waive them. Confidentially, Clear Creek Mining Company is a wholly-owned subsidiary of a Canadian company, the major part of the stock of which is held by another Canadian company. You know of our recent experiences with collecting royalties from companies based in Canada. Our policy generally now is that all Canadian companies and all American subsidiaries of Canadian companies will have to furnish Performance Bonds. With regard to guaranties, they would have to be furnished by substantial American companies. In this particular case, as we wrote you before, it does not appear that we can give a contract. A new applicant might be found who is eligible.

Ownership changed hands

Not true

Hemizelay

We would want to avoid participating in any work at the point "A" designated by the Applicant. Basically, it is development work to come in under old stopes and could be better done by raising as you mentioned in your memorandum of February 15, 1965. We spent considerable time in determining the suggestions of what work the Government might participate in, as outlined in our February 25 memorandum, in order to avoid various conflicts.

George C. Selfridge

Features of this letter agreed to Al Hoyt by phone on 6/1/65 also discussed in detail with him in person on 6/3/65. RHB.

Bldg. 20, Denver Federal Center
Denver, Colo. 80225

May 21, 1965

Memorandum

To: George C. Selfridge, Chief
Division of Exploration Operations
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: OME-6398 (Gold-Silver)
Clear Creek Mining Company
Lake Central Project
Clear Creek County, Colorado

Enclosed are a letter from the subject Applicant, a copy of a letter from Whitman Best, and a map titled Section - 1 Lake Central Project.

Will you please advise.

Hugh M. Connors

Attachments

H.M.C. (5-21-65)
cc: File
Chron

PHONE AREA CODE 303-258-3354
FROM DENVER DIAL "O"
ASK FOR ENTERPRISE 481

CONTRACT ENGINEERING COMPANY

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE

ROLLINSVILLE, COLORADO 80474

May 19, 1965

United States Department of the Interior
Office of Minerals Exploration, Region III
Federal Center, Building 20
Denver, Colorado 80225

Attention: Hugh M. Connors, Acting Field Officer

Re: OME-6398 (Gold-Silver)
Clear Creek Mining Company
Lake Central Project
Clear Creek County, Colorado

Gentlemen:

Regarding our several conversations on the subject application, we are enclosing two copies of a letter we have received from our insurance agency which takes care of our bonding requirements, and two copies of our Section 1, Vertical Section on the Belman-Doves Nest-Comstock Vein.

The bonding companies which have bonded us in the past are unwilling to write a bond for an OME loan since the bond would be in effect for a ten year period.

Clear Creek Mining Company and Contract Engineering Company, however, guarantee the loan under the terms of the contract and feel that we have enough properties absolutely essential to the project which we own outright, such as the mill site and the ventilation hole site to insure us control of the property for the ten year period.

We are also considering bringing in a larger company to participate in the project with us in the event we are successful in obtaining OME assistance. We would also get the new company to guarantee the loan.

In the Lake Central Project we feel the Comstock-Doves Nest area is extremely important. In our application we have proposed exploration on the Sayre Level and exploration on a level 800 ft. above the Sayre Level. With the proposed raising there would still be a 500 ft. section between these levels unexplored, (Points A and B on the enclosed Section 1).

Our application included sinking to Point A, and we understand

that this part of our request may not be granted. In this event, we would complete the sinking to Point A ourselves but would hope that OME would assist in the drifting and raising at this level.

We feel very strongly that the timing is right to complete the exploration on the Lake Central Project. We also feel that we must have an adequate program in order to obtain a successful conclusion. If we do too little, we would not obtain enough information to justify the further development expense of bringing the project into production.

We are considering 1,000 ft. of virgin ground in a very promising area, and we should have some exploration on at least two levels to justify the extensive development which would be required after the exploration.

We hope that this information will be sufficient to enable a contract to be worked out agreeable to OME and ourselves. If further information is required, we shall be glad to provide it.

Sincerely,

CLEAR CREEK MINING COMPANY &
CONTRACT ENGINEERING COMPANY

Alfred G. Hoyl

Alfred G. Hoyl

AGH/dh
Enclosures: 2 Copies of Letter
2 Copies of Section 1

WHITMAN BEST AGENCY

1863 WAZEE ST. DENVER, COLORADO

May 7, 1965

Clear Creek Mining Company
C/O Mr. Alfred Hoyl
Los Lomas Ranch
Golden, Colorado

ATTENTION: MR. HOYLE

I have consulted with several surety companies, and they are unwilling to write a bond in connection with a OME loan, principally because it is required that the bond be in effect for a ten year period. In any event, they would require a very substantial financial statement from a large corporation that had been in business for some time.

The companies I have contacted would not commit themselves for a ten year period.

Sincerely,

Whitman Best

Whitman Best

PHONE AREA CODE 303-258-3354
FROM DENVER DIAL "O"
ASK FOR ENTERPRISE 481

CONTRACT ENGINEERING COMPANY

Engineering, Development, Equipment for the Mineral and Construction Industries

LOS LAGOS OFFICE
ROLLINSVILLE, COLORADO 80474

March 18, 1965

Mr. Robert L. Bolmer
United States Bureau of Mines
Federal Center
Denver, Colorado 80225

Subject: OME-6398 (Gold-Silver)
Lake Central Project
Clear Creek County, Colorado

Dear Bob:

Enclosed are our detailed breakdowns of costs which I obtained from C. P. Tremlett of Federal Resources, Camp Bird. I used some of this material in preparing my own costs.

Rocky shows a raising cost of approximately $72.00 per ft., and a drifting cost of approximately $52.00 per ft. These costs are based on a much larger crew with more work and more headings so are somewhat lower than mine. The costs were based on recent work at the Camp Bird which was entirely exploratory in nature.

As to our own work on the Lake Central project, starting April 1, 1959, when we started the Sayre Level, through July of 1960, we spent a total of $199,196.87. We accomplished a total of 2,010 ft. of drifting and raising. This resulted in a cost per ft. of $99.10. This would include the total work done on the Sayre Level plus 100 ft. of drifting on the West Lake drift at the tunnel level.

Taking a shorter period from March 4, 1960, through July of 1960, in which our OME work was done on the Sayre Level, we spent a total of $63,373.69. We accomplished 914 ft. of drifting and raising, the cost per ft. being $69.34. I believe we reduced our costs in the latter part by virtue of having the Sayre Level fairly well organized.

The prices we were working on on our previous OME loan were very low, and one of the reasons why we were unable to continue with the project.

We have a tough job ahead of us on the Sayre Level in completing an adequate exploration program, and although we hope to improve our efficiency, it is doubtful that we will be able to do better than $70.00 per ft. for raising and $60.00 per ft. for drifting. If we can stay with these prices, we will be doing a very efficient job.

I hope the figures will be of help to you in your cost considerations, and I shall be glad to go over them in detail with you upon my return the nineteenth of April.

Yours very truly,

CLEAR CREEK MINING COMPANY

Alfred G. Hoyl

Alfred G. Hoyl

AGH/dh
Enclosures

RAISE COST

4x8 in clear
5x9 in wall

Raises - 2 - 350 each - 2 compt. 6x12 Driven on two shifts
Average advance 4' per round
Average round 5 per week

				$ Per Foot
LABOR				
Miners - Contract				
Raise Contract	0-75' =	18.50	1,387.50	
	75'-150' =	21.00	1,575.00	
	150'-325' =	24.00	4,200.00	
			7,162.50/325	22.038
Fan installation and hookup $150/325				0.462
Blasting Line - One electrician 2 hours per 100' 325/100 = 3.25 x 2 = 6.5 hr. x 2.45/325				0.049
Chutes/$150 ea./325				0.462
Muck and tramming Initial cut out 12' x 20 x 6 = 1440 @ 8¢/325				0.354
Nippers - one per shift = 2 325 -20 = 305/20 = 15.25 weeks 15.25 x 40 x 1.95/325 = 3.66 x 2				7.320
SUPERVISION				
Based on man hours. Normal crew underground 90 men including raise crew. Raise 6 men. 48/720 = 6.67% (See drift) $2,300 x 6.67% = 153.41/86.60 4.33 weeks/mo. x 20 = 86.60'				1.771
ENGINEERING				
Survey and Measure 1 day per month (See drift) 52.27/86.60				0.604
Geologist 2 days per month, 22-day month @550/mo.				0.321
Sampling at 5 ft. intervals both nips (See drift) 86.60/5 x 2 = 34.64 34.64/10 = 3.464 x 8 x 2.25/86.60				0.720
Assaying 34.64 x 55¢/86.60 x 5				1.100
OFFICE AND ADMINISTRATION				
Clerical - Based on man hours (See drift) 6/110 = 5.45% 1610 x 5.45%/86.60				1.013
SUPPLIES				
Powder - Based on 36 fired holes per round at 10 sticks per hole with a box count of 190 per box @$11.25 per box. 360/190 = 1.895 x 11.25/4 =				5.330
Shoot with #6 cap, fuse and ignitor cord.				
#6 caps - .0249 x 36			.8964	
8' fuses - .0129/ft. x 36 x 8			3.715	
10' ignitor fuse - .0129			.129	
200' cord- .0132/ft.			2.640	
37 ignitor caps - .0203			.751	
			8.1314/4	2.033

				$ Per Foot
Bits				
(See drift) 37 x 6 = 222/75 x 3.75/4				2.775
Steel				
(See drift) 37 x 6 x 3.049/4				1.692
Timber				
Chute - Posts 8x8		16' = 85.33 bd. ft.		
X brace		4' = 21.33		
Sill		4' = 21.33		
Bulkhead		20' =106.66		
Sides 3x10		36' = 90.00		
Bottom		24' = 60.00		
Gates		6' = 15.00		
		399.65 x 65¢/325		0.080
Set/5'			13F	
Caps	4x8	7'	37.33	
Posts	6x6	10'	30.00	
Lagging	3x10	35'	87.50	
Sills	6x6	5'	15.00	
Slide	1x8	10'	6.67	
Sides	3x6	10'	15.00	
			191.50	2.490
Ladders, rails 6¢/ft. rungs 7¢ ea.			labor 50¢/5'	0.300
Nails 6#/5' @13.04 cwt.				0.156

AIR AND WATER LINES

(See drift) Air - 4" Steel tubing with victaulic coupling at 20' intervals. Tiw with 1" valve every 50'.		
4" Steel tubing	0.650	
4" Vic. coupling	0.119	
4" to 1" reducing ties	0.190	
1" Throttle valve	0.103	1.062
Water - 2" steel tubing with victaulic coupling at 20' intervals. Tie with 3/4" valve every 50'.		
2" Steel tubing	0.350	
2" Vic. coupling	0.058	
2 to 3/4 reducing tie	0.076	
3/4" Throttle valve	0.087	0.571
2" Gate valve		
4" Gate valve 92/325		0.283
Add 6 couplings for ties 4"	14.22	
Add 6 couplings for minus 10' length	14.22	
Add 6 " " ties 2"	6.96	
Add 6 " " minus 10' length	6.96	
Add for manifold 2, 1" air valve	9.50	
2, 3/4 water valve	8.10	
	59.96/325	0.184

POWER

(See drift) Air and power in raise the same as drift - Lugger replaces mucker 148.80/86.60	1.718
Fan 10HP = 10/1055 = .947% x 2400/86.60	0.262

	$ Per Foot
Repair Parts (See drift) 2 drills 37 x 6 = 222 x 2c = 4.44/4	1.110
1 lugger 700 ft. $\frac{1}{2}$ - 6 x 19 wire rope 18.1c/ft. = 126.70/325	0.390
Hoses (See drift) $123/325	0.378
Oil (See drift)	0.102
Hand Tools (See drift) 144.08/325	0.443
Vent line - 350' of 10"	0.870
Hanger wire and tarred joints Western Machinery	0.050
EQUIPMENT (See drift)	
Drills $188/86.60	2.171
Lugger - Cable capacity of a min. of 750' $1640 x 10% = 164/86.60	1.894
TM 6 350 x 10% = 35/86.60	0.404
LABOR TO PULL MUCK	
2 men - 3 hr. per day @ $1.95 11.70/4 (Using Drift Equipment)	2.926
Freight, incidentals, handling, hoisting, haulage of supplies	1.000
TAXES	
Sales Tax 2% of supplies Supplies 24.913	0.498
Compensation (3.58% x 1.29) Labor 36,706 x 4.6182%	1.695
Unemployment (1.6%)	0.587
Social Security (3)	1.101
Insurances (Blue Cross and Life) $7.65 x 6 men = 45.90 $3.75 x 6 men = 22.50 68.40/86.60	0.790
Lugger Installation $50/325	0.154
Lugger cut out 7 x 6 x 6 at $3.50/ft. 81/325	0.249
	$71.962

DRIFT COST

	$ Per Foot
LABOR	
Miner - Contract 14.50 per ft. to break, muck, and install track, pipe and vent tube	$14.500
Fan Installation and hookup $150/1950	0.077
Drift Cleanup and ditch -2 muckers/$1.85ea./100'/day 1950/100 = 19.5 days x $1.85 x 8 x 2 = $577.20/1950	0.296
Blasting Line - One electrician 2 hour per 200 ft. 1950/200 = 9.75 hr./2.45/1950 x 2	0.025
Charging rack for loco. battery $150/1950	0.077
SUPERVISION	
Based on man hours Normal crew underground 90 men inclusive of drift crew. Drift 4 men. 32/720 = 4.45% Super. $750/mo. Foreman 550 2 shift bosses 1,000 2,300 x 4.45% = $102.35/155.88 4.33 weeks per month x 36' = 155.88	0.657
ENGINEERING	
Survey and Measure 1 day per month Engineer $650 Helper 500 $1,150 22 days per month = $52.27 per day 52.27/155.88	0.335
Geologist - 2 days per month @$550 per month 22 day month	0.321
Sampling at 5 ft. intervals 155.88/5 = 31 samples per month Samples at $2.25 per hour - 10 samples per day 31/10 = 3.1 days x 8 x 2.25 55.80/155.88	0.358
Assaying 31 samples/55¢ = 17.05/155.88 x 5	0.545
OFFICE AND ADMINISTRATION	
Clerical - Based on man hours Mine (Plus drift) 90 men Mill 16 " Shop 4 " 110 or 4/110 = 3.64% Warehouse 400 Steno 260 Clerk 400 Office Mgr. 550 $1,610 x 3.64% = 58.604/155.88	0.376

$ Per Foot

SUPPLIES

Powder - Based on 29 holes per round at 10 sticks per hole with a box count of 190 sticks per box
$11.125 per case
290/190 = 1.53 x $11.125 = 17.02/4' = 4.255

Caps - 29 Caps

1 - 1 delay	/24.35		
1 - 2 "	/25.00		
1 - 3 "	/25.75		
1 - 4 "	/26.50		
3 - 5 "	/27.25		
6 - 6 "	/28.00		
2 - 7 "	/28.75		
6 - 8 "	/29.50		
2 - 9 "	/30.25		
2 -10 "	/31.00		
2 -11 "	/31.75		
2 -12 "	/32.50	8.368/4'	2.092

Bits - Portland T-C one pass Calculated at 75'/bit
30 holes x 6' = 180/75 = 2.4 bits x $3.75/4' 2.250

Steel - 4' and 6' based on present Copco price of
4' - $12.73 and an average of 200'/steel with
6' - 15.87 2 retapers at $2.00 ea.
Assume 3' per 4' steel and the same for 6'

4'	6'
$12.73 initial cost	$15.87 initial cost
4.00 retaper	4.00 retaper
$16.73	$19.87
16.73/600 = 2.788	19.87/600 = 3.312

2.788
3.312
6.100/2 = 3.050¢/ft. of hole drilled x 180' = $5.490/4' 1.373

Track - 30 rail at $140 FOB Mine
Rail - 1950' x 2 x 30/3' or 19.5 tons x $140 = $2,730/1950 1.400

Ties - 2' centers 1950/2 = 97.5 ties 4" x 6" x 30"
2.5 x ½ x 4 = 5 x 97.5 x $68 = 331.50/1950 0.170

Spikes - 975 ties x 4 = 3900/625 x $16.60 =
103.584/1950 0.053

Fish Plates and Bolts - 1950' of track normally 30' rail or 130 joints. Increase to 170 for curves, switches, etc. $1 per pair. Bolts $4 per pair or $12.75
$182.75/1950 0.094

AIR AND WATER LINES

Air - 4" steel tubing with victaulic fittings at 20' intervals.
Tie with 1" valve every 200'.

4" Steel tubing	@ .65	0.650	
4" Vic Coupling	@ 2.37/20'	0.119	
4" to 1" reducing ties	@ 8.83/200'	0.045	
1" Throttle Valve	@ 4.75x10/1950	0.025	0.839

			$ Per Foot
Water 2" steel tubing with victaulic coupling at 20' intervals. Tie with 3/4 valve every 200'.			
2" Steel tubing	@ .35	0.350	
2" Vic coupling	@1.16/20'	0.058	
2" to 3" reducing tie	@3.51/200'	0.018	
3/4" Throttle valve	@4.05x10/1950	0.021	0.447
2" Gate valve at take off	12.00		
4" Gate valve " " "	80.00		
	92.00/1950		0.047
Add for 10 coupling for reducing T's, 4"		23.70	
Add for 10 " " minus 20' length		23.70	
Add for 10 " " ties 2"		11.60	
Add for 10 " " minus 20' length		11.60	
Add for manifold 2, 1" air		9.50	
2, 3/4 water		8.60	
		88.20/1950	0.046

POWER

Air - Two drills - ½ shift = 200 cu ft.
Mucking machine - ½ shift = 200 cu ft.
or 200 cu ft. for one shift

Mine Power - $2,400 per month

Compressor Underground	400 HP	
" Surface	250	
Trolley	100	
Slusher	130	
Hoists	75	
Fans	50	
Miscellaneous	50	
	1,055 HP	
650/1055 = 62% x 2400 = $1488		
Say total of 20 air machine or assign 10% to heading or 148.80/155.88		0.955
Fan 15HP 15/1055 = 1.42% x $2400 = 34.08		0.175
Repair Parts -		
2 Drills/2¢/ft. drilled ea. 180 = 3.60/4		0.900
1 Musking machine 20¢/ft.		0.200
Vent Line - 20"		
Western Machinery/foot		2.260
Hangers, wire and tarred joints		0.050

EQUIPMENT

Based on monthly rental of 10% of new cost.

Mucking Machine $3,570 new cost 357.00 (Rent per month)/155.88		2.290
2 Drills $1,881 " $188/155.88		1.206
Locomotive charger, 2 battery boxes and loco.		
Loco -	$5,000.00	
2 Box -	1,000.00	
2 Batteries	1,796.75 (25 cell)	
Charger -	917.00 (3KW)	
	$8,713.75 871.375/155.88	5.973

			$ Per Foot
Fan TM8 - $740 - 74/155.88			0.475
Cars - Our old rocker bottom valued at $200 ea. and 6 cars, 5 to the train and 1 spare. $1,200 = 120/155.88			0.770
Hand Tools - Write off complete cost			
Shovels	6 @ 4.02	24.12	
Picks	6 @ 4.63	27.78	
Pipe Wrench	6 @ 5.41	32.46	
Crescent Wrench	6 @ 3.73	22.38	
Axes	4 @ 5.36	21.44	
Hammers	3 @ 5.30	15.90	
		144.08/1950	0.074
Hoses - Write off cost at 65 ¢/foot air, 45c/foot water			
120 air -	78.00		
100 water -	45.00		
	$123.00/1950		0.063
Oil - 82¢/gal. Drills 1 pt./machine/rd. Mucker 2/pt/ " / rd.		.41/4'	0.102
Track Switches			
Every 500' -	3		
Frogs & throws -	$100 ea.	$300.00	
Tract (for supplies) -	50 ft.	251.10	
		$551.10/1950	0.283

LABOR FOR ABOVE

Cut Out 60 x 6 x 7 = 2,520 @ 15c =	$378.00	
Labor of installation per switch	100.00	
Track at $1.50/ft./50 ft.	75.00	
	$553.00 x 3/1950	0.851

TAXES

Sales Tax 2% of supplies	0.550
Labor $16,425, Compensation $16,425x(3.58%x1.29)	0.759
Unemployment 16,425 x 1.6	0.263
Social Security - 3%	0.493
Blue Cross & Life Insurance 4 men $45.60/155.88	0.293

CAMP

Heating		
Auto & Watchman		
Vacations		
General	$3.04 per day/4	0.760
Freight, incidentals, handling, hoisting, haulage of supplies		1.800
		$52.178

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

FEB 8 1965

Memorandum

To: Acting Field Officer, Region III

From: Chief, Division of Exploration Operations

Subject: OME-6398 (Gold-Silver)
Clear Creek Mining Company
Lake Central Project
Clear Creek County, Colorado

The subject application is referred to Region III for comment.

Our review of the subject application, Docket OME-6022 especially the final reports, and the literature suggested the following problems:

1. Should a contract be given now for gold or silver to continue work that was previously considered copper-lead-zinc?

2. Because of the spotty values and narrow widths, do the economics and tonnage potential warrant a contract?

3. If a contract is granted, what should be the percentage participation; and

4. Should a Consent to Lien be accepted from the Applicant when it does not own the property?

In answer to the last, a Consent to Lien or Subordination Agreement is to be signed by someone who either owns a property or has a lien thereon. In this particular case, either Consents to Lien will have to be secured from all the lessors or the Applicant will have to furnish a Performance Bond.

After study, it was thought that OME should not participate in any additional work along the Belman vein to the west where work was done under OME-6022 (Copper-Lead-Zinc).

As proposed by the Applicant, OME might participate in some work along the Lake vein as shown by the map marked, "Section - 2 Lake Central Project." This work might be staged and would not

be a continuation of work done under the former OME contract. Thought should be given to the prior results as to the amount of drifting that should be done eastward before raising to see if there is an increase in values with elevation. Probably a single longer raise near the face of the proposed drift would give more information than two shorter raises. Such a raise would in part crosscut the rake of the indicated "ore" shoot much in the same fashion as the drift.

Work might also be done on the West Doves Nest-Comstock-Doves Nest trend as indicated on Section - 1 Lake Central Project, possibly in stages with a raise or two to check possible increase in value.

We do not believe that OME should participate in the Comstock shaft sinking and the work therefrom because of the nature of the work and the type of open end actual cost contract which could present a lot of difficulties. Should the work at depth be successful, it would be better to ultimately raise into the area than to sink.

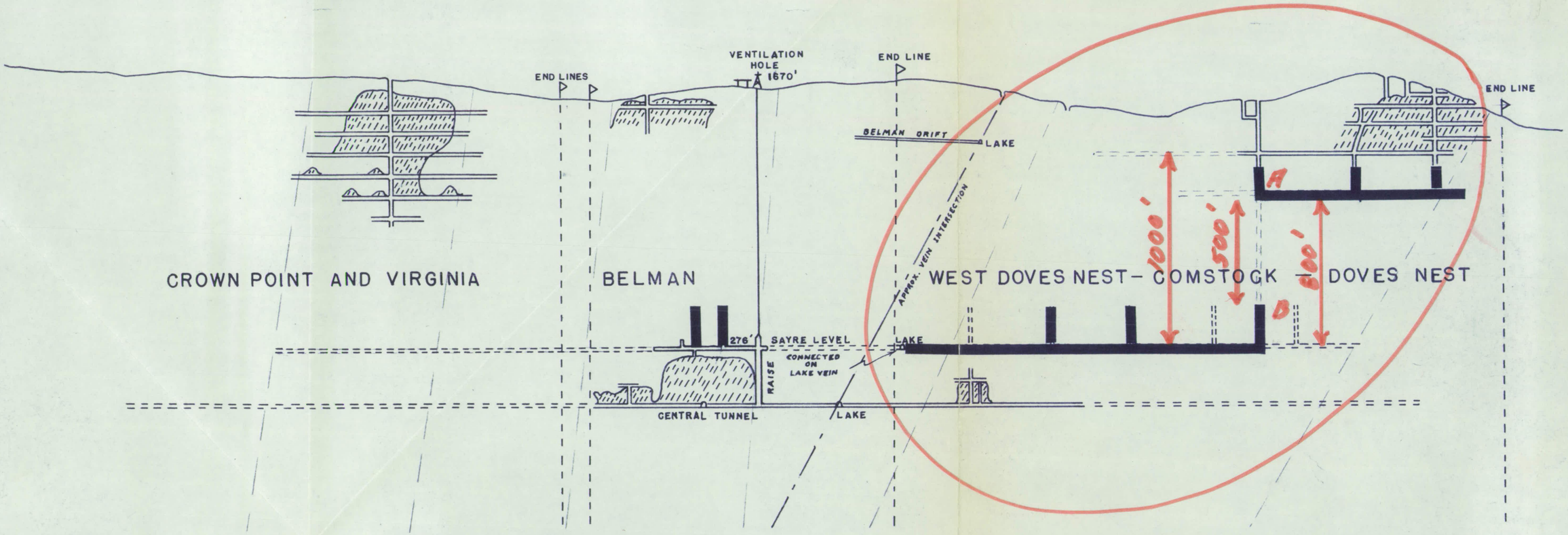
In regard to Government participation in a possible contract, it is thought that 62½ percent would be the maximum allowable.

Was the Bureau of Mines able to come up with anything promising on recoveries from ores of the types found on this property?

Will you please study the matter and give us your comments thereon, including any alternatives that you think should be considered.

George C. Selfridge

Enclosures



SECTION - 1

LEGEND

STOPED AREAS
INFERRED ORE
EXISTING DEVELOPMENT — NEW
PROPOSED DEVELOPMENT
PROPOSED EXPLORATION

TOLERANCES (EXCEPT AS NOTED)	LAKE CENTRAL PROJECT		
DECIMAL ±	VERTICAL LONGITUDINAL PROJECTION	SCALE 1 INCH = 400'	DRAWN BY A.G.H. / APPROVED BY
FRACTIONAL ±	TITLE BELMAN-DOVES NEST-COMSTOCK VEIN		
ANGULAR ±	DATE 6-28-61	DRAWING NUMBER CONTRACT ENGINEERING CO.	

K+E 195LFE-6 ALBANENE ® ENGINEERS' STANDARD FORM
MADE IN U.S.A. 25055