DMEA Form 9
Rev. 6/57

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~Defense Minerals Exploration Administration~~
GEOLOGICAL SURVEY

OFFICIAL DOCKET FILE

Idm-E NO._____

OME ~~DMEA~~ NO. 6489

Application
- [x] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

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

Right Side

- [ ] Project summary (final)
- [ ] Work Completed analysis (final)

All other material filed in chronological order including the following reports if checked:

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Final Field Team Report (Tab)
- [ ] Operator's Final Report (Tab)
- [ ] Interim Field Team Reports
- [ ] Operator's monthly reports and all attachments
- [ ] On-site Exam Report (Tab)
- [ ] Settlement Sheets
- [ ] Drill Logs

Additional Folders:

Left Side

Folders No._____: Reports

- [ ] Analysis of Semi-Annual Inspection Reports
- [ ] Project Summary (Interim) by DMEA Engineers

Right Side

- [ ] Field Team Semi-Annual Report for Certified Project
- [ ] Field Team Interim Reports
- [ ] Operator's Monthly Reports with transmittal, narrative and maps.

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

Folders No._____: Settlement Sheets

Folders No._____: Drill Logs

Folders No._____: Royalty material

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225
GEOLOGICAL SURVEY

August 16, 1965

Memorandum

To: Chief, Office of Minerals Exploration
Geological Survey
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: Application for OME Aid (Silver)
Henry E. Kolego
Ransom Lode
San Juan County, Colorado

Attached is the subject application in the amount of $61,237.49. One copy of the application is being retained in our file.

A cursory inspection of the application indicates very low silver assays.

Hugh M. Connors

Hugh M. Connors

H.M.C. (8-16-65)
cc: File
Chron

OFFICIAL COPY
O. M. E.
RECEIVED
AUG 17 1965
INITIALS | CODE

MME Form 40
July 1962

Budget Bureau No. 42-R1368
Approval expires Dec. 31, 1963

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85-701 (72 Stat. 700; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*	APPLICANT DO NOT USE THIS BLOCK
Henry E. Kolego Box 342 Silverton, Colorado	DOCKET NUMBER 6489 DATE RECEIVED 8/17/65 REGION 11 DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*	LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE NAME ADDRESS TITLE
INDIVIDUAL [X] CORPORATION [ ] PARTNERSHIP [ ] OTHER *(Specify)* [ ]	Not Applicable
STATE IN WHICH FIRM IS ORGANIZED	

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE	PROPERTY NAME	LOCATION COUNTY	STATE
Silver	Ransom Lode	San Juan	Colorado
ESTIMATED COST OF PROJECT $ $61, 237.49			

GENERAL INSTRUCTIONS

Before filling out this application, please read the *OME Regulations for Obtaining Federal Assistance in Financing Explorations for Mineral Reserves* (30 CFR Chap. III). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Office of Minerals Exploration, Department of the Interior, Washington 25, D. C., or with the nearest OME Field Office.*

CERTIFICATION

The undersigned, whether as an individual, corporate officer, partner, or otherwise, both in his own behalf and acting for the applicant, certifies that the information set forth in this form and accompanying papers is correct and complete, to the best of his knowledge and belief, and that he would not ordinarily undertake the proposed exploration under current conditions and circumstances at his sole expense.

August 14, 1965
DATED

Henry E Kolego
BY *(Signature)*

TITLE

A wilfully false statement or certification to any Department or Agency of the United States Government is a criminal offense. U. S. Code, Title 18, Sec. 1001.

INFORMATION REQUIRED WITH THIS APPLICATION

1. Financial Eligibility:

(a) Submit evidence of efforts made within 90 days preceding the filing of this application to obtain credit from your bank of account and at least one other banking institution or other private source of credit. Such evidence shall include true copies of correspondence which show: (1) date of loan request, (2) amount and terms requested, (3) proposed use of loan funds, and (4) the replies from credit sources. If the loan was offered under terms which you consider unreasonable, state why you consider them so.

(b) List names and addresses of affiliated, parent, or controlling companies or organizations and state extent and nature of their interest.

(c) State how you propose to furnish your share of the cost of the exploration work.

2. Applicant's Rights in Land:

(a) State your interest in the land and mineral rights, whether owner, lessee, purchaser under contract, or other. If you are not the owner, submit one true copy of the lease, contract, or other document (with address of owner) under which you control the property. Describe all liens, mortgages, or other encumbrances on the land and state book and page number and official place where recorded.

(b) State the legal description (section, township, and range; metes and bounds; patent number of claims) of the land upon which you wish to explore and all adjacent land which you own or control. Describe any part of the land or workings which should not be subject to Government royalty and liens. If the land consists of unpatented claims, state book and page number for each recorded location notice, including amended locations, and official place where recorded. State all the names by which you know the property.

(c) For all land or mineral rights encumbered or not owned, submit five copies of Lien and Subordination Agreements on MME Form 52. If the agreements cannot be obtained, state reasons and provide copies of letters of refusal.

3. Physical Description:

(a) Describe in detail and illustrate with maps or sketches all mining or exploration operations which you know have been or are being conducted upon the land. Include existing mine workings and all production facilities.

(b) State your interest, if any, in operations described in (a).

(c) State, if you know, the past and current production, supporting your statement with copies of settlement sheets, mine records, or published data if available.

(d) Describe known ore reserves, giving quantities and grades and sampling methods used. Support your statement with copies of assay certificates and assay maps if available.

(e) Describe by narrative and maps or sketches the geologic features of the property, including ore minerals, geologic formations if known, and type of deposit (vein, bedded, etc.).

(f) State your reasons for expecting to find ore, and if you have sampled the area you propose to explore, show where the samples were taken, describe sampling methods used, and provide copies of assay certificates.

(g) Send with your application at least *two* copies of all geologic or engineering reports, assay maps, or technologic information which you have, indicating whether you require their return.

4. Accessibility of Property:

(a) To aid the OME representative who may examine the property, state name and address of person who will meet him; give directions for reaching the property; and describe accessibility of property and of any mine workings.

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

5. Exploration Work:

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

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

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

6. Experience:

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

7. Estimate of Costs:

Furnish detailed estimates of the necessary costs *for each item of the work proposed in 5(a)* under the headings listed below with a total for each heading and the estimated total cost of the work. Costs for any work to be performed by an independent contractor should be listed separately under category (a) below. Costs for any work that is not to be performed by an independent contractor should be listed under categories (b) through (g).

(a) Independent contracts. State the total cost of any proposed independent contract for all or any part of the work, and the number of units and the unit cost for each type of work, such as per foot of drilling, per foot of drifting, per hour of bulldozer operations, or per cubic yard of material moved. Cost estimates should be supported by bids from three contractors if possible. (*Note*—If none of the work is to be contracted, write "none" after this item.)

(b) Personal services. The cost of supervision, engineering and geological services, outside consultants, and labor should be itemized by numbers and classes of employees; rates of wages, salaries or fees; and periods of employment. State whether these services are available.

(c) Operating materials and supplies. List items of material and supplies giving quantity and cost of each. Include under this heading power, water, and fuel, and units of equipment and tools costing less than $50 each.

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

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

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

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

INT.-DUP. SEC., WASH., D.C. 11879

Henry E. Kolego
Box 342
Silverton, Colorado

1. (a) Attached hereto are true copies of correspondence of efforts to obtain credit from two banking firms.

   (b) Not applicable. I own 100% of the property.

   (c) Am in the process of obtaining a $15,000 loan.

2. (a) I am the sole owner of the Ransom Mine. There are no Mortgages or liens against the property.

   (b) Ransom Lode Mining claim, Mineral survey number 14368. Township 42 NR 6W N.M.P.M. Eureka Mining District, San Juan County, Colorado. Fortune claim (unpatented) recorded in Book No. 189, pg. 141, reception No. 104207. Tangent claim (unpatented) recorded in Book No. 189, pg. 142, reception No. 104208. San Juan County Court House, Silverton, Colorado. Known only as the above-mentioned claims.

   (c) Not applicable

3. (a) There is at present 500' of drift that must be enlarged from it's 4½'x6½' size to 6'x7'. There are 3 open cuts and a 20' tunnel on the surface on the vein. The property has not been worked since the turn of the century, so the one building on the premises is completely demolished. (See exhibit A)

   (b) I have 100% interest in the property.

   (c) I have no record of past production on the property.

   (d) The vein, 15 to 30 feet wide, runs the entire length of the Ransom claim. Took 3 samples from one of the cuts on the vein, 2 of the samples were taken 10 feet in width on the vein and one was 12 feet in width. Assay sheet (exhibit B) is enclosed. Location of cut where assays were taken is shown on exhibit A. Sample was cut with a four pound single jack and moil.

   (e) The geology here is the San Juan series of eruptions, i.e. the flowing andesites, very little brecciation being visible. The vein is well pronounced, abounding with rhodonite. Vein dip is north. The vein contains Ag, Au, Pb, Cu and Zn. Assay sheet (exhibitB) enclosed.

   (f) The Ransom lode is in the vicinity of the Sunnyside mine which has been a large producer of ores. The outcrop of the vein is visible the entire length of the claim (1500'). Samples were taken on a cut across the outcrop. Assay sheet and map enclosed. (Exhibits A and B). Samples taken with single jack and moil.

Henry E. Kolego
Box 342
Silverton, Colorado

3. (g) Enclosed find two copies of an engineering report. (Exhibit C).

4. (a) Henry E. Kolego, 1015 Mineral, Silverton, Colorado. Follow the highway east of Silverton, to the town site of Eureka; about ½ mile east of Emreka turn abruptly to your left, this portion of the road is rather steep. About a mile up this road to one's right is the Ransom property. About 1100 feet of access road must be built to the portal of the tunnel.

(b) Concentrates to be shipped to Ridgeway, Colorado(rail-head), distance of about 50 miles, thence to the smelter via railroad. Supplies to be purchased in Grand Junction, 122 miles, Ouray, 23 miles and Silverton, 10 miles.

5. (a) The present tunnel is 500 feet long. This cross cut tunnel is 4½' x 6½', and I intend to enlarge it to 6' wide by 7½' high. The first vein cut by the cross cut is 300' from the portal, will drift on it 100' in both directions to sample it. The next vein is 400' from the portal and I intend to drift on it 100' each way to sample it. Will drift 250' to lengthen the cross cut tunnel to cut the third vein. Will drift 50' each way to sample the third vein. The drifts and cross cut shall be 6' wide by 7½' high. The third vein on the surface is from 15 to 30 feet wide.

(b) 1100 feet of access road must be built. Most of the terrain is in slide rock, with possibly 100 feet to be drilled and blasted. A loader to be used to build the road. Can be completed in three days.

(c) Work can be started immediately after the OME contract is executed. (If the contract is executed within a reasonably short period of time, work can be started immediately, if too much time elapses, start of work may have to be postponed until next spring.) Access road can be completed in three days. The enlarging of the cross cut tunnel will progress at the rate of 20' per day (2-8Hr. shifts). Driving drift will progrss at the rate of 10' per day (2-8 hr. shifts). Enlarging of the tunnel will consume approximately 4 weeks. Driving of drifts will consume approximately 13 weeks. The total time to complete the project should be in the vicinity of 4 months. The buildings at the portal of the tunnel can be erected simultaneously while the underground work is being pushed.

6. Resume of my experience is enclosed. (Exhibit D)

Henry E. Koleg
Box 342
Silverton, Colorado

7. (a) None

(b) For slabbing of drift:

		Cost per foot:
6 miners @ $3.00 per hr. - 1 month's work	$ 4032	$
1 mechanic $3.00 per hr. - 1 month's work	672	9.41
1 supervisor " " "	700	1.40
1 accountant " " "	400	80

(c) All items cost over $50.00.

(d)

Rental of compressor-1 month	750	1.50
Dynamite 80 boxes @$15 per box	1200	2.52
Rental of mucking machine 1 month	400	.80
Rental of locomotive for 1 month	550	1.10
Rental of generator for 1 month	500	1.00
Rental of 7 end-dump cars for 1 month	300	.60
Rental of welder for 1 month	100	.20
Rental of mine lamps for 1 month	200	.40
Rental of 2 used jacklegs for 1 month	250	.50
Purchase of drill steel	200	.40
500' aluminum air pipe	500	1.00
500' vent air pipe	500	1.00
3 tons of good used 16# rails	400	.80
4 right and 4 left hand switches @ $37.50	300	.60
1" galvanized water pipe	100	.20
Pipe fittings	735	1.55
455 gal. diesel fuel @ 22¢ per gal.	100	.20
55 gal. diesel engine oil @ $54 per bbl.	54	.15
Purchase of Joy axivane fan (1/3 cost allowed on slabbing)	300	.60
3000 various delays electric blasting caps	300	.60
Payroll taxes, workmen's compensation, etc	$ 400	.80
Total cost of slabbing 500' & cost per ft.	$13943	$28.13

(e) No existing buildings on premises; no movable operating equipment owned by the applicant.

(f) 2 buildings to be constructed, each 40' long and 18' wide. 1 building to be used as a compressor room and shop, the other for storage and a dry room.

Cost of lumber, galvanized sheets for roofing, lead head roofing nails, nails, plus freight	$ 1206.49
Cost of labor--3 carpenters @ $3.00 per hr. for 4 weeks	1728.00
Cost of concrete for concrete slab floor @ $35.00 a yard (to be hauled from Ouray, Colo.)	8050.00
Total cost of 2 buildings	$10984.49

Henry E. Kolego
Box 342
Silverton, Colorado

7. (a) None

(b) Drifting costs: (2 month's period)

		Cost per ft.
11 miners @ $3.00 per hr.--2 months work	$ 7440	$(
1 mechanic @ $3.00 per hr--2 month's work	672	(10.75
1 superintendent & 1 shift boss @ $700 ea.	2800	3.73
1 accountant @ $400-- 2 month's	800	1.06

(c) All items cost over $50.00.

(d) Rental of compressor--2 months	2250	3.00
Dynamite 277 boxes @ $15	4155	5.53
Rental of mucking machine	1200	1.60
Rental of locomotive	1700	2.40
Rental of generator	1500	2.00
Rental of 7 end-dump cars	750	1.00
Rental of mine lamps	600	.80
Rental of 2 used jacklegs	750	1.00
Purchase of drill steel	681	.70
750' of aluminum air pipe	750	1.00
750' of vent pipe	1100	1.40
7 tons of good used 16# rails	900	1.20
1" galvanized water pipe	285	.40
100'-1" heavy duty rubber air hose	375	.50
Pipe fittings, electrical wiring	1700	2.40
1705 gal. of diesel fuel @ $.22 per gal	375	.50
Hauling charges from source to mine	1125	1.50
Piston type air water pump	420	.60
165 gal. diesel engine oil @ $54 bbl.	160	.25
3600 various delays electric blasting caps	1070	1.40
Purchase of Joy axivane fan (2/3 cost allowed on drifting costs)	600	.80
Payroll taxes, etc.	1050	1.36
Water pressure tank	600	.80
Total cost of drifting 750' & cost per ft	$35808	$47.68

(e) No existing buildings on premises; no movable operating equipment owned by the applicant.

Estimated cost of project:

Slabbing of 500' of drift	$13943.00
Drifting of 750' of drift	35808.00
Construction of 2 buildings at portal of tunnel	10984.49
4 days rental of loader @ $16 per hr.	502.00
Estimated cost of project:	$61237.49

Item #1 (a)

Box 342
Silverton, Colorado
June 17, 1965

The First National Bank
901 Main Avenue
Durango, Colorado

Gentlemen:

I am contemplating on opening up a gold, silver, copper mine here in San Juan County, Colorado, and need a loan for rental of mining equipment and also operating capital.

The amount I need is $60,000, and would pay 5% interest. I am offering the mine as collateral. The mine will stand close inspection by a qualified mining engineer.

Please reply at your earliest convenience.

Sincerely yours,

Henry E. Kolego

THE FIRST NATIONAL BANK DURANGO, COLORADO

WILLIAM N. HURD
EXECUTIVE VICE PRESIDENT

June 21, 1965

Mr. Henry E. Kolego
Box 342
Silverton, Colorado

Dear Mr. Kolego:

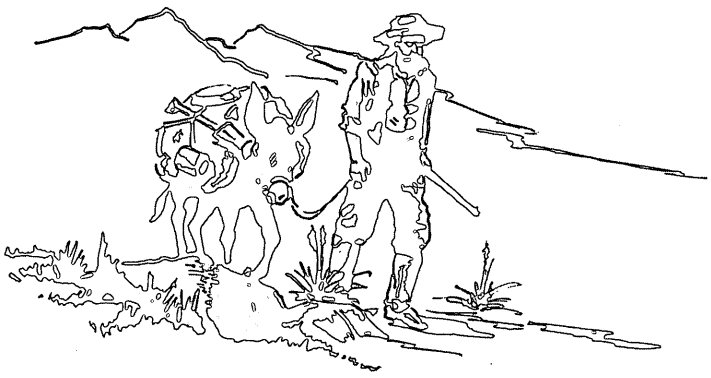
Referring to your letter of June 17, 1965, we are not at the present time loaning on mining equipment.

However, we are glad you wrote us and should we change our policy we will contact you.

Very truly yours,

William N. Hurd
Executive Vice President

WNH:ma



Item #1(a)

Box 342
Silverton, Colorado
May 17, 1965

Mr. Harry A. Lowe, President
The Citizens State Bank
Ouray, Colorado 81427

Dear Mr. Lowe:

I intend to start mining operations on the Ransom mine which I own.

In order to start operations I need capital in the amount of $60,000. I would be willing to pay 5½% interest, payable annually.

The funds would be used to rehabilitate the existing tunnel, drive about 1000 feet of drift, pay rental on mining machinery and equipment, pay salaries, and wages, etc.

The property will stand an exhaustive inspection by a competent mining engineer. The property is a gold and silver prospect, and due to the great demand of gold and silver at the present time it would be a worthwhile investment.

Hoping you will give this matter your utmost consideration, I remain

Very sincerely yours,

Henry E. Kolego

THE CITIZENS STATE BANK

OF OURAY

OURAY · COLORADO

May 18, 1965

Mr. Henry E. Kolego
Box 342
Silverton, Colorado

Dear Mr. Kolego:

In regard to your application for a loan in the amount of $60,000.00 to do exploration work for mining, will say that our bank is not able to make such loans.

Trusting you can obtain financing elsewhere without too much trouble, I am

Yours very truly,

Harry A. Lowe

Harry A. Lowe
President

HAL:m

Exhibit C

Item #3 (g)

RANSOM CLAIM, in the Eureka Mining District, San Juan County, Colorado. Situated in Eureka Gulch, about one mile above and westerly from the town of Eureka.

GEOLOGY: The geology here is the San Juan series of eruptions, i.e. the flowing andesites, very little brecciation being visible. The veins are well pronounced, abounding with rhodonite, which mineralogical deposit is almost universally associated with the productive lodes of this district. A lode covers a distinct vein of mineral. Claims are 1500 feet along the veins with 150 feet of surface ground on either side of the discovery point; this gives a parallelogram 300 x 1500 feet, which extends down indefinitely and constitutes a mining claim which contains an area of ten surface acres.

The RANSOM VEIN, varies from 12 to 25 feet in width, between walls, and its trend up the mountain slope crosses and includes some 400 feet of the "Cashier" and "Emma Dean" veins. This junction of veins has been cut in the Ransom tunnel, at a depth of 400 feet, and here the vein is fully 25 feet in width. From surface indications and observation survey, there is a strong ore chute west about 70 feet along the breast of the tunnel, which promises some shipping ore and an almost inexhaustible supply of concentrating ore, with 400 feet of stoping ground to being work on.

A good road (County Road) leading from Eureka depot to the "Sunnyside Mine" passes within 300 feet of the Ransom tunnel, making connection with railroad very convenient. It is a down hill haul to Eureka.

SILVERTON, the county seat of San Juan County, is 8 miles below Eureka.

Government Geological Experts concede that the San Juan District is the greatest mineralized area of its size known in the world.

C.A.B. HALVORSON, M.E.

July 6, 1906

Henry E. Kolego
Box 342
Silverton, Colorado

Exhibit D

Item #6

RESUME OF MY EXPERIENCE

I started my mining career during school vacation in the summer of 1926. That was at the Moffet tunnel in Colorado. I worked during the summer vacations in the mines and the Cascade tunnel for the Great Northern Railroad in the State of Washington until leaving the Colorado School of Mines in 1928.

After leaving school I have devoted my entire life to the mining industry in the Western United States, Europe, Asia and Africa. During this time I have gained a vast amount of knowledge in the various mining methods used in the non-ferrous mining industry. These methods have covered shaft sinking, raising, stoping, drifting and tunnel work. I also spent five years working in uranium mines, both underground and open pit in various capacities.

While employed with the Minerals Engineering Company in Cameron, Arizona I was the job superintendent and my duties consisted of the following: supervision of our various jobs in the area, mechanical work (helping the mechanic during rush jobs), purchasing agent, taking care of the office work, such as keeping time, taking care of the IP register, filling out the daily progress reports and daily cost reports.

I was employed by The Black Mining Company of Wooster, Ohio in 1956 as a mine superintendent at the Silver Ledge Mine in Silverton, Colorado. However, due to lack of funds the operation was closed down.

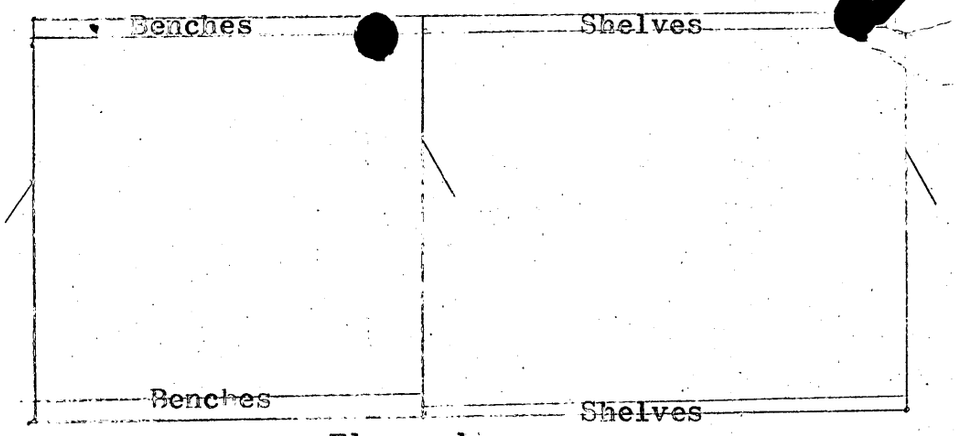
From 1957 to 1962 I worked at the Homestake-Sapin mines in Grants, New Mexico. In recent years I have worked on my own properties to get them into shape, until such times as the prices of metals are high enough to start operations. I feel that time is here now. At present, I am employed as a ball mill operator to gain knowledge of the milling process.

I served in the U.S. Army in the Corps of Engineers for four years in World War II, as a demolition expert as well as in other various capacities.

I have had a great deal of supervisory experience at various properties during my mining career in vertical and incline shafts, tunneling and drifting, stoping both shrinkage and cut and fill, also, timbering, raising and various caving systems, both in this country and abroad.

Henry E. Kolego
Box 342
Silverton, Colorado

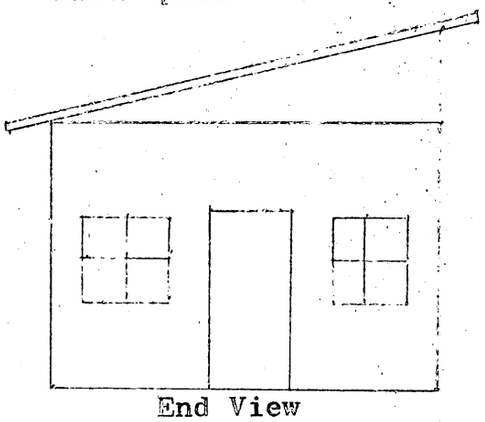
CHANGE (DRY) ROOM AND STORAGE ROOM



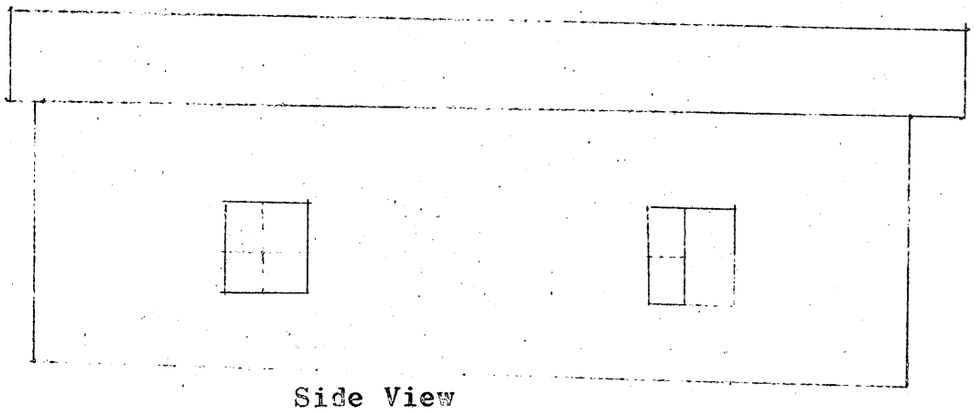
Floor plan

Henry E. Kolego
Box 342
Silverton, Colo.

Item #7 (e)
" #7 (f)



End View



Side View

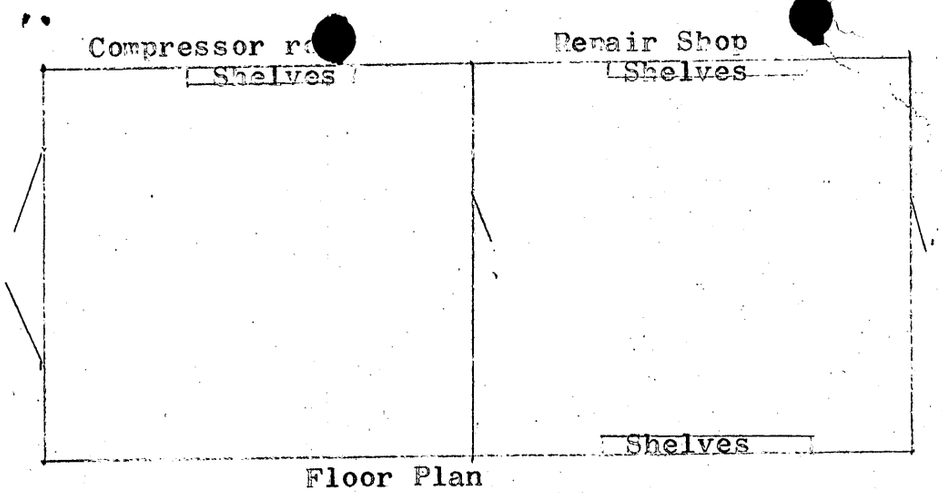
Scale ¼"=2'

6000 total board feet of lumber =	$480.00	total cost of lumber
	80.00	cost of nails 200#ea.of 20 & 40 penny nails
	355.00	for 100 sheets galvan. steel 12
	235.00	for 35 sheets " " 8'
	33.75	for 15 boxes lead head nails
	23.74	freight for galvanized sheets
	$1206.49	total cost of material for buildings
3 carpenters @ $3.00 per hr. for 4 weeks	1728.00	
230 yards @ $35.00 per yard	8050.00	
	$10984.49	total cost of 2 buildings

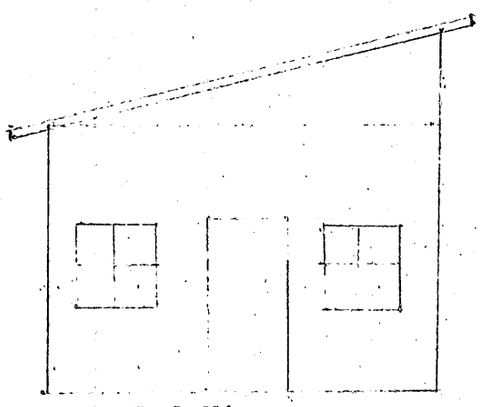
COMPRESSOR AND SHOP BUILDING

Henry E. Kolego
Box 342
Silverton, Colo.

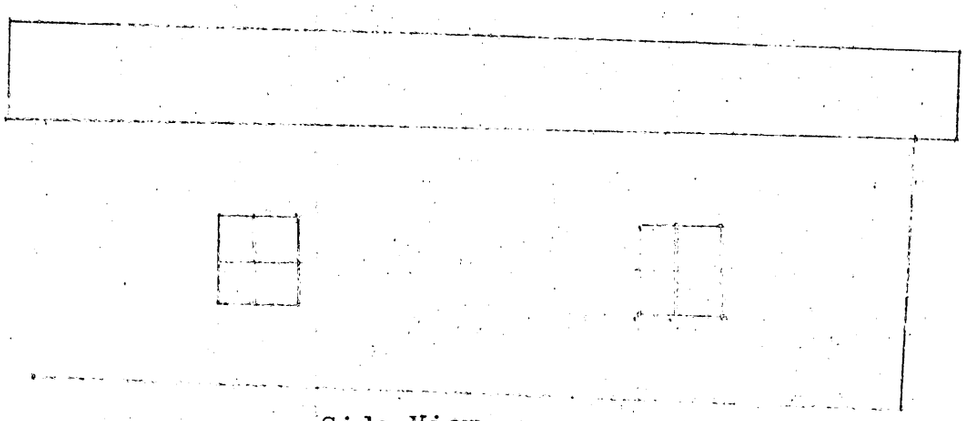
Item #7 (e)
" #7 (f)



Floor Plan



End View



Scale ¼"=2'

Side View

MME FO[redacted]
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/23	Johnson	
	Secretary	
9-27	Weeks	
9-28	Tooby	
9/29	Lucto	
9/30	Lupp	
	Bocher	

OCT 1 1965

Hon. Peter H. Dominick
United States Senate
Washington, D. C. 20510

Dear Senator Dominick:

Your letter of September 8, 1965, to Mr. Frank C. Mummott, Deputy Director, Bureau of Mines, concerning the denied application of Mr. Henry E. Kolego, Silverton, Colorado, for financial assistance in minerals exploration, has been referred to the Geological Survey.

In response to your request, a review of Mr. Kolego's application has been made. This review indicates that the possibility of making a significant discovery of gold and silver on his property appears to be remote. The information available shows that the principal value of the mineralization on the property is in copper, lead, and zinc, which currently are not eligible for exploration assistance, and offers little hope of finding significant silver-gold deposits.

Mr. Kolego was informed under date of September 8, 1965, that if he could furnish any new favorable evidence for qualifying under the program, it would be given prompt and careful consideration.

Sincerely yours,

W. T. Pecora

Director

FEJohnson/bih
9/24/65
cc to: ~~Director's reading file~~
General files
Division file
Director's Chron file
Economic Geology file
OME file
OME reading file
OME Region III

23263

September 22, 1965

Hon. Peter H. Dominick
United States Senate
Washington, D.C. 20510

Dear Senator Dominick:

We acknowledge your letter of September 8, addressed to Frank C. Mummett, Deputy Director, concerning an application for a mineral exploration loan made by Mr. Henry E. Kolego, Silverton, Colorado.

We are forwarding your letter to the Office of Minerals Exploration, which is the agency in the Department of the Interior which handles requests for exploration loans.

Sincerely yours,

CHARLES W. MERRILL
Chief, Division of Minerals

Cc:
Frank E. Johnson, Chief, Office of Minerals Exploration,
Room 4460 Interior Building

WARREN G. MAGNUSON, WASH., CHAIRMAN
R. I.
Y, OKLA.
FRANK ... OHIO
E. L. BARTLETT, ALASKA
VANCE HARTKE, IND.
GALE W. MCGEE, WYO.
PHILIP A. HART, MICH.
HOWARD W. CANNON, NEV.
DANIEL B. BREWSTER, MD.
MAURINE B. NEUBERGER, OREG.
ROSS BASS, TENN.
NORRIS COTTON

EDWARD JARRETT

United States Senate

~~St.~~
~~Paul Zimmer~~
K. S. Baker
C. W. Morrell

this regard.

PMD:

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

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 23 1965

INITIALS	CODE
	110

September 22, 1965

Hon. Peter H. Dominick
United States Senate
Washington, D.C. 20510

Dear Senator Dominick:

We acknowledge your letter of September 8, addressed to Frank C. Memmott, Deputy Director, concerning an application for a mineral exploration loan made by Mr. Henry E. Kolego, Silverton, Colorado.

We are forwarding your letter to the Office of Minerals Exploration, which is the agency in the Department of the Interior which handles requests for exploration loans.

Sincerely yours,

CHARLES W. MERRILL

CHARLES W. MERRILL
Chief, Division of Minerals

Cc:
Frank E. Johnson, Chief, Office of Minerals Exploration,
Room 4460 Interior Building

WARREN G. MAGNUSON, WASH., CHAIRMAN
JOHN O. PASTORE, R.I.
A. S. MIKE MONRONEY, OKLA.
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JAMES B. PEARSON, KANS.
PETER H. DOMINICK, COLO.

EDWARD JARRETT, CHIEF CLERK

United States Senate

COMMITTEE ON COMMERCE

~~Act~~ Director
~~Paul Zumwalt~~
~~Wm. S. Baker~~
~~C. W. Boswell~~

September 8, 1965

Mr. Frank C. Memmott
Deputy Director
Bureau of Mines
Interior Building
Department of the Interior
Washington, D. C.

Dear Mr. Memmott:

I understand a constituent of mine, Mr. Henry E. Kolego, Silverton, Colorado, made application with your office for a Mineral Exploration loan, Docket No. OME-6489.

Although his application was turned down on August 26, I would appreciate it if you might re-consider his application and advise me of any final action that is taken in this regard.

Sincerely,

Peter H. Dominick

Peter H. Dominick
United States Senator

PHD:te

BUREAU OF MINES
DIVISION OF MINERALS
WASHINGTON, D.C.
SEP 21 3 41 PM '65

BUREAU OF MINES
WASHINGTON, D. C.
SEP 10 8 25 AM '65

RECEIVED
SEP 10 1965
BUREAU OF MINES,
Office of Director

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/8/65	Kirkemo	120
	[illegible]	120
		110
		220

Mr. Henry E. Kolego
Box 342
Silverton, Colorado

SEP 8 1965

Re: OME-6489 (Silver)
Henry E. Kolego
Ransom Lode
San Juan County, Colorado

Dear Mr. Kolego:

This is to acknowledge your letter of August 30, 1965, inquiring about reasons for our denial of your application for Government assistance to explore the Tangent and Ransom claims.

The information submitted with your application and other information available to us indicate that chances are remote for making a significant discovery of silver and gold. The assays show that the principal values on your property are in the base metals, lead, zinc, and copper, which incidentally, are not on the list of metals eligible for Government assistance. The low content of silver and gold in your samples and in the ore mined at the nearby Sunnyside mine offers little hope that predominantly silver and gold ore deposits will be found with additional exploration. Under these circumstances, therefore, we did not make an on-site examination.

If you have any new evidence that will meet the criteria necessary to qualify for the program, we will give it our prompt and careful attention.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

HKirkemo/mm (9/8/65)
cc: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
Kirkemo
Region III w/cy incoming ltr

23263

August 30, 1965
Box 342
Silverton, Colorado

6489

SEP 1 1965
120 m
120
120 K

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

Dear Mr. Johnson:

In reference to your letter of August 26th regarding my application for financial assistance in exploring for silver; I cannot see why my application has been denied, for there has been no one here from the Office of Exploration to examine the property. It should have been examined before such a quick decision was made, I believe.

In the near future, snow shall be in the high country and if work is to be started on the property, it should be done very quickly before everything is under cover.

I have a huge ore body that only needs financial assistance to get into operation. I only hope you will give my request fair reconsideration.

Sincerely,

Henry E. Kolego

Henry E. Kolego

HEK/mmk

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		120
8/24	Lowe	130
"	Johnson	110
8/25	McKelvey	
8/25	Ryan	
		110
		220
		~~120~~

AUG 26 1965

Mr. Henry E. Kolego
Box 342
Silverton, Colorado

Re: OME-6489 (Silver)
Henry E. Kolego
Ransom Lode
San Juan County, Colorado

Dear Mr. Kolego:

Careful study of the subject application for financial assistance in exploring the subject property and of other information available to us indicates that the probability of disclosing significant ore reserves on the property is not sufficiently promising to justify Government participation in the proposed exploration. Accordingly, we regret to inform you that the application for exploration assistance is denied.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

MMerrithew/mm (8/24/65)
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Mr. Selfridge
120M
OME File
Region III

23263

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/27	Johnson	110
		220
	Klepper	8/26

August 24, 1965

Memorandum

To: The File

From: Harold Kirkemo, U. S. Geological Survey

Subject: OME-6489 (Silver)
Henry E. Kolego
Ransom Lode
San Juan County, Colorado

Justification for Denial

The Applicant proposed a $61,237.49 program to explore three veins for silver. Major expenditures would be divided as follows:

22 percent for enlarging 500 feet of crosscut from 4½ feet by 6½ feet to 6 feet by 7 feet in cross section

17 percent for building construction

58 percent for crosscutting

The property is about 10 miles northeast of Silverton, Colorado. It occurs in pyroxene andesite flows in the Silverton volcanic series. The deposit consists of rhodonite veins containing base metals and minor quantities of silver and gold. Assays of three samples from the outcrop of the major target vein were as follows:

	Oz. per ton		Percent		
Sample	Au.	Ag.	Pb.	Zn.	Cu.
1	0.01	1.3	2.1	3.5	1.0
2	0.01	3.0	3.0	2.0	1.4
3	0.02	5.2	1.2	0.5	0.1

Base metals are not eligible for OME assistance, and the content of silver and gold is too low to warrant further exploration.

8623

The nearby Sunnyside deposit mentioned in the application was essentially a zinc-lead deposit with minor quantities of gold and silver. Because of its persistence in depth, it was an exception to the typically shallow deposits associated with rhodonite veins in the district.

The proposed allocation of funds for non-exploratory work exceeds a reasonable distribution for these purposes under the OME program.

The probability that the Ransom lode veins are typically shallow and contain minor quantities of silver and gold justify denying the application.

Harold Kirkemo

Harold Kirkemo

HKirkemo/mm
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Kirkemo

August 17, 1965

Mr. Henry E. Kolego
Box 342
Silverton, Colorado

Subject: OME-6489

Dear Mr. Kolego:

Your application for exploration assistance, dated August 14, 1965, submitted to our office at Denver, Colorado, has been assigned Docket Number OME - 6489.

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

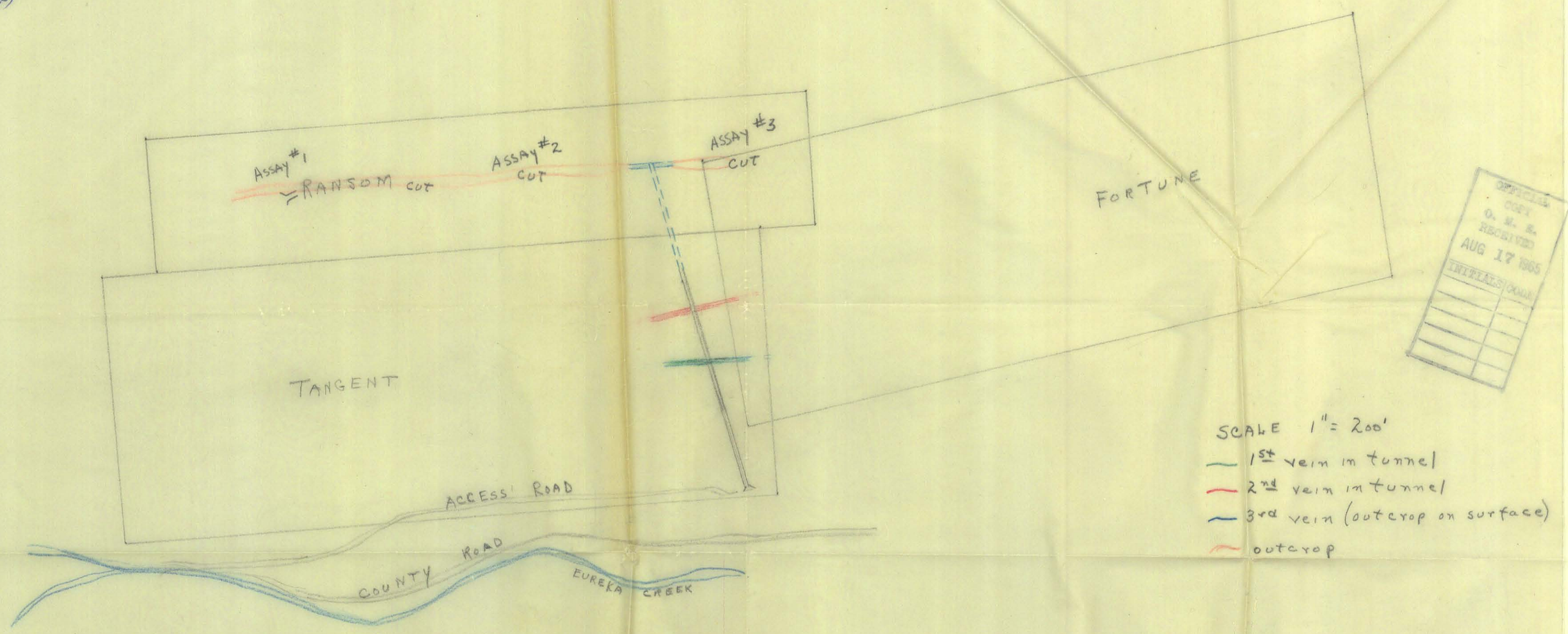
Sincerely yours,

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to Region III

Exhibit A & B

Item # 3 (a)
" # 3 (d)
" # 3 (e)
" # 3 (f)
" # 5 (a)
" # 5 (b)



OFFICIAL COPY O. M. S. RECEIVED AUG 17 1965
INITIALS DATE

	Au	Ag	Pb	Zn	Cu
Assay #1	0.01	1.3	2.1	3.5	1.0
#2	0.01	3.0	3.0	2.0	1.4
#3	0.02	5.2	1.2	0.6	0.1

Henry E. Kolego
Box 342
Silverton, Colo.