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. 6491

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- [ ] Withdrawn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
- [x] 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
- [x] 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

17963

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

August 19, 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)
Ray Lee Hollis
Alice et al Claims
Lake County, Colorado

Attached is the subject application for a project estimated to cost $21,360.00.

The application is well prepared and was submitted by Charles Melbye, the Applicant's geologist.

Hugh M. Connors

H.M.C. (8-19-65)
cc: File
Chron

OFFICIAL
COPY
O. M. E.
RECEIVED
AUG 23 1965
INITIALS | CODE

MME Form 40
Dec. 1958

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

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

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

Pursuant to Public Law 85–701 (72 Stat. 709; 30 U.S.C. 641)

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*

Ray Lee Hollis
10097 Del Rio Road
Spring Valley, California

OME
DEPARTMENT OF THE INTERIOR
AUG 19 1965
REGION III
DENVER, COLORADO

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER 6491

DATE RECEIVED 8/23/65

REGION III

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

INDIVIDUAL	X
CORPORATION	
PARTNERSHIP	
OTHER *(Specify)*	

STATE IN WHICH FIRM IS ORGANIZED

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE: Silver

ESTIMATED COST OF PROJECT: $ 121,361.00

PROPERTY NAME	LOCATION COUNTY	STATE
Hollis	Lake	Colorado

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 four 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.

Aug. 2 - 1965
DATED

Ray Lee Hollis
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. 50399

INFORMATION REQUIRED FOR OME APPLICATION
OF RAY LEE HOLLIS

1. FINANCIAL ELIGIBILITY

a) Efforts to Obtain Other Financing

Copies of correspondence from the Commercial Bank of Leadville and the GAC Finance Corporation in Leadville are enclosed, which show that loan applications were unsuccessfully made for funds to carry out the exploration program. ?

b) Other Affiliated Companies or Individuals

None

2 miles S.W. of Ibex mine.
3 miles S.E. of Leadville.

2. APPLICANTS RIGHTS IN LAND

a) Interest in Land and Mineral Rights and Legal Description

Interest in the land is by outright ownership of the following patented mining claims:

Survey No. 6379	Alice
6379	Marjory
No. 6380	SCB

The following additional claims are held by a lease from Anna E. Partridge and Eldon C. Herndon, copy of which is enclosed:

Survey No. 1119	Emily
No. 3676	Little Addie
Unpatented claim	Lucky Joe- 2.36 acre fraction

The locations of these are shown on the accompanying map. The LeCompton patented claim, Sur. No. 4497, has been acquired on a delinquent tax title, on which title will not be given for about 90 days. The claim is shown on the map, but no exploration is planned on this claim. Location of the group is in E$\frac{1}{2}$ Sec. 31 and W$\frac{1}{2}$ Sec. 32, T9S, R79W.

c) Lien and Subordination Agreement

Copies of this agreement covering the Little Addie, Emily, and Lucky Joe claims are enclosed. (Return for re-execution) signed in wrong place.

3. PHYSICAL DESCRIPTION

a) Past or Present Operations

No work is presently being done except for that engineering work preparatory to submitting this application. The only past operations of any consequence have been the Emily shaft which was sunk in 1893 to a depth of 250 feet, mainly as an exploratory shaft, and the LeCompton mine, which by the large size of dump, had fairly extensive workings, all very likely done in the 1890's as well. The LeCompton mine must have produced some ore, judging from the large amount of manganosiderite ore material on the dump. Work at the Emily was reportedly stopped by the heavy flow of water encountered in the shaft and the low silver prices. The Mansfield shaft is just 1000' east of the property boundary. It was reportedly sunk to 800 feet, where ore was encountered, but work was stopped by the excessive pumping costs, a fairly prevalent problem throughout the Leadville district in the 1890's. Other prospect pits can be seen on the property, but most of them never went through the thick glacial till. There are no facilities of any kind presently on the property.

b) (Not applicable)

c) Production

Production figures are not available.

d) Ore Reserves

There are no known ore reserves.

e) Geology

Rock Types

Sedimentary: Although the entire Paleozoic section is present in the Leadville district, and in the vicinity of the Hollis property, the formation of economic interest is the Mississippian Leadville limestone and dolomite, in which most silver-lead-zinc ore deposits are found. It is exposed along the steep slopes of Iowa gulch and dips from 15 - 20 degrees East. The upper part of the Leadville limestone is the most favorable stratigraphic zone; where it consists of a blue-gray dolomite or dolomitic limestone.

It outcrops 600' west of the Emily shaft at the west end of Rock Hill, and actually outcrops on the LeCompton claim. It has been

intersected in a drillhole from the Emily shaft - 250' - 300' below the surface.

The other sedimentary unit of importance is the Quaternary glacial till and alluvium, which conceals the bedrock over the entire property, necessitating geologic interpretation by projection from adjoining areas and from nearby shafts and mines where the geology is somewhat known.

Igneous: Igneous rocks are represented by three types in the Immediate area; Tertiary gray porphyry and white porphyry sills and the Johnson Gulch quartz monzonite porphyry stock. The gray porphyry, a quartz monzonite, and the white porphyry, a granodiorite, are of prime importance since most Leadville ore deposits are localized in the limestone directly beneath these porphyry sills, as blanket replacements. The entire property area, as inferred from the many dumps, is covered by the white porphyry sill, and the gray porphyry is usually found directly below, as projected from outcrops on Rock Hill.

The Johnson Gulch porphyry stock is located 500' east of the claims and is an intrusive body, 700' - 900' in diameter at the surface. It seems to have been a source of mineralization at the nearby Mansfield shaft and the Rex mine.

Structure

Proximity to the major N-S faults of the Leadville district is important, and the property is located between the Dome normal fault, 250' west, and the Mike reverse fault, 1300 east. Other parallel faults are undoubtedly present between, but cannot be mapped due to the concealed bedrock.

Alteration and Mineralization

The white porphyry on nearly all the mine dumps is considerably silicified and sericitized from hydrothermal alteration, which most always occurs in the vicinity of mineralization. Some pyritization can also be seen.

Nearest mineralization is that exposed on the shaft dump at the Nisi Prius claim, which is less than 200' from the west property boundary and only about 300' NW of the Emily shaft. Abundant manganosiderite can be seen in the dump, which is the usual material

encasing orebodies in the Leadville district. An assay of this ran .02 oz Au, 15.48 oz. Ag, 2.60% Pb, and 23.68% Mn. Another dump near the one above assays 3.2 oz Ag and 14.3% Mn.
The Mansfield shaft east of the claims produced ore, but production figures are unavailable. The Johnson Gulch porphyry on the dump is extremely altered, and the Leadville dolomite is bleached, silicified, and iron-stained. Considerable workings on the LeCompton claim all show abundant manganosiderite replacements in Leadville limestone, and the limestone is highly altered. Generally speaking, the area is highly mineralized, but the extent is impossible to determine at this preliminary stage.

f) Reasons for Expecting to Find Ore

The area of the Hollis property is one which is favorably situated in the district but which has seen very little exploration. Surface propecting is useless in view of the thick glacial till as well as the white porphyry which covers the hill.
The property is located between the major N-S Dome and Mike faults. Furthermore, a parallel N-S fault must be located between the Emily shaft and the Nisi Prius dump 200' west, since Leadville limestone was encountered at 300' in the shaft and at adit level from the dump. Both the adit and the shaft are about at the same elevation. The abundant manganosiderite on the Nisi Prius and Le Compton dumps is a very favorable indicator, since this normally encases or occurs near orebodies in the Leadville district. This material runs as high as 15 oz Ag per ton. The white porphyry is also highly silicified and sericitized on nearly every dump, which also indicates an area of more intense mineralization. The Johnson Gulch porphyry stock, a possible mineralizer for the area, lies ? 500' east. (of c. claim E. end line)
The Emily shaft drillhole hit Leadville limestone, but apparently ore was not found. This one hole cannot be deemed conclusive anymore than one orehole could be construed the other way. An area 2000' long remains relatively unexplored, which is certainly a large enough area for significant orebodies to occur. It must be kept in mind also that much of this early work was terminated when silver prices fell and was never resumed.

Title 30—MINERAL RESOURCES

Chapter III—Office of Minerals Exploration, Department of the Interior

PART 301—REGULATIONS FOR OBTAINING FEDERAL ASSISTANCE IN FINANCING EXPLORATIONS FOR MINERAL RESERVES, EXCLUDING ORGANIC FUELS, IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS

GEOLOGICAL SURVEY

These regulations are reproduced from the following Federal Register documents:

[F.R. Doc. 59-6906; Filed, Aug. 19, 1959 8:46 a.m.]

[F.R. Doc. 60-3515; Filed, Apr. 15, 1960; 8:50 a.m.]

[F.R. Doc. 60-7764; Filed, Aug. 18, 1960; 8:47 a.m.]

[F.R. Doc. 61-7054; Filed, July 26, 1961; 8:50 a.m.]

[F.R. Doc. 61-9026; Filed, Sept. 20, 1961; 8:48 a.m.]

[F.R. Doc. 62-9259; Filed, Sept. 17, 1962; 8:46 a.m.]

[F.R. Doc. 64-9885; Filed, Sept. 29, 1964; 8:46 a.m.]

§ 301.9 Government participation.

The Government will contribute not more than fifty (50) percent of the total allowable costs of the exploration specified by the terms of all contracts, except those for silver for which the Government's contribution will not be more than seventy-five (75) percent.

GENERAL PROVISIONS

Sec.
301.1 Purpose.
301.2 Definitions.
301.3 Eligible minerals or mineral products.
301.4 Operator's property rights.

APPLICATIONS

301.5 Form and filing.
301.6 Information required.
301.7 Criteria.
301.8 Approval.

EXPLORATION CONTRACTS

301.9 Government participation.
301.10 Allowance costs.
301.11 Repayment by operator.
301.12 Interest on amount of Government participation.
301.13 Limitation on amount of Government participation.
301.14 Government not obligated to buy.
301.15 Title to and disposition of property.

AUTHORITY: §§ 301.1 to 301.15, issued under sec. 2(e), 72 Stat. 700; 30 U.S.C. 642(e).

GENERAL PROVISIONS

§ 301.1 Purpose.

These regulations govern the obtaining of Federal financial assistance in conducting exploration for mineral reserves, excluding organic fuels, in the United States, its territories or possessions.

§ 301.2 Definitions.

As used in this part:

(a) "Exploration" means the search, including related development work, for new or unexplored mineral deposits within a specified area or parcel of ground where geologic conditions favor their occurrence. Exploration using recognized and sound procedures, including standard geophysical and geochemical methods, may be conducted from the surface or underground to obtain pertinent geological and mineralogical information. The work shall not go beyond a reasonable delineation and sampling of a mineral deposit, and shall not be conducted primarily for mining or preparation for mining.

(b) "Operator" means an individual, partnership, corporation, or other legal entity that is party to an exploration contract with the Government.

(c) "Secretary" means the Secretary of the Interior, or his authorized representative.

(d) "Government" and "Federal" mean the United States of America.

(e) "Commercial Sources" means banking institutions or other private sources of credit.

§ 301.3 Eligible minerals or mineral products.

The following are eligible for Government financial assistance:

Antimony.	Mica (strategic).
Asbestos.	Molybdenum.
Bauxite.	Monazite.
Beryllium.	Nickel.
Bismuth.	Platinum Group Metals.
Cadmium.	Quartz Crystal (piezoelectric).
Chromite.	Rare Earths.
Cobalt.	Rutile.
Columbium.	Selenium.
Corundum.	Silver.
Diamond (industrial).	Sulphur.
Fluorspar.	Talc (block steatite)
Gold.	Tantalum.
Graphite (crucible flake).	Tellurium.
Iron Ore.	Thorium.
Kyanite (strategic).	Tin.
Manganese.	Uranium.
Mercury.	

§ 301.4 Operator's property rights.

The operator must have and preserve the right to possession of the land (as owner, lessee, or otherwise) for a term at least sufficient to complete the exploration work. (See § 301.11(f) regarding repayment.) The operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances necessary to the purposes of the exploration.

APPLICATIONS

§ 301.5 Form and filing.

An application for Federal financial assistance must be submitted in triplicate on forms which may be obtained from and filed with either:

Office of Minerals Exploration,
Department of the Interior,
Washington 25, D.C.

or Field Officers, Office of Minerals Exploration. The regions which they serve and their Post Office addresses are as follows:

Region I: Alaska, Idaho, Montana, Oregon, and Washington—Office of Minerals Exploration, South 157 Howard Street, Spokane 4, Washington. Applicants for Alaska projects may file applications with the United States Bureau of Mines, P.O. Box 2688, Juneau, Alaska, for forwarding to the Field Officer, Region I.

Region II—California, Hawaii, and Nevada—Office of Minerals Exploration, 113 Custom House, 555 Battery Street, San Francisco 11, California.

Region III: Arizona, Colorado, Kansas, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, and Wyoming—Office of Minerals Exploration, Federal Center, Denver 25, Colorado.

Region IV: Alabama, Arkansas, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, Virginia, West Virginia, and Wisconsin—Office of Minerals Exploration, Room 11, Post Office Building, Knoxville 2, Tennessee.

§ 301.6 Information required.

(a) Each application shall fully describe the proposed exploration, and shall include all detailed data called for by the application form. The Secretary may require the filing of additional information, including financial statements, reports, maps or charts, or exhibits and such physical on-site examination as he deems necessary.

(b) The application must include evidence that funds for the exploration work are unavailable on reasonable terms from commercial sources. The evidence shall include information as to the commercial sources to which applications were made, the amounts requested, and the reasons why loans were not obtained.

(c) The application must include a certification by the applicant that he would not normally undertake the exploration at his sole expense under current conditions or circumstances.

§ 301.7 Criteria.

The following factors wil be considered and weighed in passing upon applications:

(a) The geologic probability of a significant discovery being made.

(b) The estimated cost of the exploration in relation to the size and grade of the potential deposit.

(c) The plan and method of conducting the exploration.

(d) The accessibility of the project area.

(e) The background and operating experience of the applicant.

(f) The applicant's title or right to possession of the property.

§ 301.8 Approval.

If the application is approved, the Government may enter into an exploration contract with the applicant upon terms and conditions which the Secretary deems necessary and appropriate as set forth in the contract form furnished by the Government.

EXPLORATION CONTRACTS

§ 301.9 Government participation.

The Government will contribute not more than fifty (50) percent of the total allowable costs of the exploration specified by the terms of the contract.

§ 301.10 Allowable costs.

(a) The Government, to the extent provided in the exploration contract, will contribute to:

(1) The necessary, reasonable, and direct actual costs of performing the exploration, including the costs of: Labor, supervision, and outside consultants; operating materials, supplies, and equipment; initial rehabilitation or repair of existing buildings, installations, fixtures, and operating equipment; construction of buildings, fixed improvements, and installations; repairs and maintenance of operating equipment; analytical work, accounting, payroll and sales taxes, and employers' liability or employees' compensation insurance; payments by the operator to independent contractors; and such other necessary, reasonable, and direct actual costs as may be approved by the Government in the course of work: and

(2) The fixed unit costs agreed upon by the operator and the Government in terms of units of work to be performed (per foot of drifting, per foot of drilling, etc.) in lieu of actual costs.

(b) The Government will not contribute to costs incurred before the date of the contract, or to costs of or incident to:

(1) Acquiring, owning or possessing land with 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 employers' liability or employees' compensation insurance); and

(4) Damages to persons or property (other than authorized repair to or replacement of equipment or other property used in the work).

§ 301.11 Repayment by the operator.

(a) If the Secretary considers that as a result of the exploration, mineral or metal production from the area covered by the contract may be possible, he shall so certify in writing to the operator within the time specified in the contract.

(b) When the Secretary determines not to certify, he shall promptly so notify the operator provided the operator has completed all obligations under the contract.

(c) The operator shall pay the Government a royalty on all minerals or metals produced from the land described in the contract and any other royalty as may be provided therein:

(1) Irrespective of any certification of possible production—from the date of the contract to the date of notice that certification will not be made, or until the total amount contributed by the Government with interest is fully repaid, whichever occurs first; or

(2) Irrespective of any certification of possible production—if the Secretary, deeming it necessary and in the public interest, enters into an agreement to provide for royalty payments.

(3) If a certification of possible production is issued—for a period of ten years (or other period fixed by the contract not exceeding 25 years) from the date of the contract, or until the total amount contributed by the Government, with interest, is fully repaid, whichever occurs first.

(d) The Government's royalty shall be 5 percent of the "gross proceeds" (including any bonuses, premiums, allowances, or other benefits) from the production sold, in the form sold (ore, concentrate, metal, or equivalent) at the point of delivery (the f.o.b. point) except, that charges of the buyer (not the operator or producer) arising in the regular course of his business, and shown on the buyer's settlement sheets as deductions (such as treatment processes performed by the buyer, sampling and assaying to determine the value of the production sold, and freight payable by the buyer to a carrier (not the operator or producer) shall be allowed as deductions in arriving at the "gross proceeds" as that term is used in this section. No costs of the operator or producer are deductible in arriving at the "gross proceeds" as that term is used in this section. The term "treatment processes", as used in this paragraph means those processes (such as milling, concentrating, smelting, refining, or equivalent) applied to the crude ore or other production after it is extracted from the ground to put it into a commercially marketable form, excluding fabricating or manufacturing.

(e) If any production (ore, concentrate, metal, or equivalent) remains unsold or is not used by the operator or producer in integrated manufacturing or fabricating operations (for instance, if it is stockpiled) after the lapse of six months from the date it is extracted from the ground, the Government, at its option, may require the computation and payment of its royalty on the value of such production in the form (ore, concentrate, metal, or equivalent) it is in at the time the Government elects to exercise its option. If any production is used by the operator or producer in integrated manufacturing or fabricating operations, the Government's royalty on such production shall be computed on the "value" thereof in the form in which and at the time when it is used. "Value" as used in this section means what is or would be gross income from mining operations for percentage depletion purposes in Federal income tax determination, or the market value, whichever is greater.

(f) (1) To secure the payment of the Government's royalty, the contract shall provide for a lien upon the operator's interest in the land, upon any production from the land, and upon any interests in the land other than the operator's interest. However, the Secretary may accept the undertaking of a surety company or third person in lieu of a lien upon interests in the land other than the operator's interest. In circumstances where the Secretary deems it to be in the public interest, the requirement for a lien or other undertaking concerning interests in land, other than the lien upon the operator's interest, may be omitted from the Contract

(2) If the operator is not the producer (for example, if the operator transfers or does not retain his interest in production or in the land), the operator shall remain liable for the payment of the Government's royalty.

(g) If, in any particular case, the Secretary finds that it would be more economical or practicable to compute the Government's royalty upon some basis other than "gross proceeds" or "value", as these terms are used in this section, or upon the production in some form other than that in which it is sold, held, or used in integrated operations, he may agree with the operator, either in the original exploration contract or by an amendment thereof, upon some other basis of computation.

(h) Nothing in this part shall be construed as imposing any obligation on the operator to engage in any mining or production operations.

(i) The Secretary may modify and adjust the terms and conditions of any contract to reduce the amount and terms of any royalty payment when he shall determine that such action is necessary and in the public interest.

§ 301.12 Interest on amount of Government participation.

(a) Simple interest is calculated from the first day of the month following the dates Federal funds are made available until the period specified for royalty payments expires or until the amount of Federal funds contributed, including interest, is fully repaid, whichever occurs first.

(b) The rate of interest shall be fixed by the Secretary at not less than the rate the Department of the Interior would be required to pay if it borrowed from the Treasury, plus a two percent interest charge in lieu of the actual cost to the Government of administering the contract.

(c) Paragraphs (a) and (b) of this section shall not be construed to increase the rate of royalty or to extend the period for which the royalty is payable as set forth in § 301.11.

§ 301.13 Limitation on the amount of Government participation.

No single contract shall authorize Government participation in excess of $250,000.

§ 301.14 Government not obligated to buy.

Nothing in this part or in any contract entered into pursuant to this part shall be construed as imposing any obligation on the Government to purchase any materials mined or produced from the land which is the subject of such contract.

§ 301.15 Title to and disposition of property.

Facilities, buildings, fixtures, equipment, or other items or groups of items (such as pipe, rail, steel, etc.), costing more than $50.00 each, paid for or purchased with funds contributed jointly by the operator and the Government, although title may be taken in the name of the operator, shall belong to the operator and the Government jointly, in proportion to their respective contributions to the extent set forth in the contract. The exploration contract shall make suitable provisions also for their disposal for the joint account of the operator and the Government.

g) (None)

4. ACCESSIBILITY OF PROPERTY

a) Directions to OME Representative

Whenever property is to be visited, contact:

Mr. Glen Hollis
Deleware Hotel
Leadville, Colorado

or

Mr. Charles E. Melbye
2020 Foothills Road
Golden, Colorado
Phone: 279 - 1542

The property is readily accessible from Leadville by passenger car. All mine workings are caved.

b) Shipping and Supply Points

Leadville, Colorado, 3½ miles away, is the shipping and supply point. It is served by the Denver and Rio Grande Railroad.

5. EXPLORATION WORK

a). Proposed Exploration Work

The proposed exploration work consists entirely of drilling, and the hole locations are indicated in red on the map. It consists of two stages - Stage I of three holes and Stage II of three additional holes based on the results of the first three. Stage I will explore east and north of the Emily shaft in an effort to find the extension of the mineralized body hit in the Nisi Prius adit. Each hole is estimated at 400' maximum depth to penetrate the upper Leadville limestone below the porphyry. Since the objective is blanket replacements in the Leadville limestone, all holes can be vertical. They will be collared NX and drilled as far as possible NX before switching to BX. Interesting intervals of mineralization will be split and half the core assayed. All core will be geologically logged and appropriate maps and sections prepared.

b) Access Roads

The only access roads necessary are drill roads to each of the sites, and these can be completed by a bulldozer.

c) Time

If a contract is executed, the work would be started within 30 days and would be completed within 6 months. Drilling progress is estimated at 30 feet per day as long as excessive breakdowns or trouble are not encountered. 1 shift?

6. EXPERIENCE

The applicant, Mr. Ray Hollis, is an experienced successful businessman. After graduation from college, he worked as Accountant and Credit Manager for Sunset Milling and Grain Co. for 6 years. During this time, he made substantial money in other investments and decided to enter private business. He built, operated, and presently owns a 24-lane bowling alley in Spring Valley, California.

? Direct supervision of the project will be by Mr. Charles E. Melbye, Consulting Geologist, of Golden, Colorado, who has supervised many OME projects for various clients.

7. ESTIMATE OF COSTS

STAGE I

Drilling- Core NX	720' @ $5.90	$ 4,248.00
	450' @ $6.40	2,880.00
Overburden Drilling	30' @ $8.00	240.00
Bulldoze Drill Sites	30 hrs. @ $18	540.00
Mobilization and demobilization		500.00
Cementing and casing	45 hrs. @ $14	630.00
? Reaming	40' @ $4	160.00
Supervision and field expense	2 mos. @ $700	1,400.00
Assays (Au, Ag, Pb, Zn)	15 @ $5.50	82.50
	TOTAL	$10,680.50

STAGE II

Same as Stage I	? $10,680.50
GRAND TOTAL	$21,361.00

$500.00 Mob & Demob

HUGH E. SMITH
President

Telephone
486 - 0420

Commercial Bank of Leadville
400 Harrison Ave.
Leadville, Colorado

July 12, 1965

Mr. Ray Lee Hollis
10097 Del Rio Road
Spring Valley, California

Dear Mr. Hollis:

? Reference is made to your application for a loan of $250,000.00, the purpose of which would be to reopen certain mines and mining property here in the Leadville area.

It is against our policy to loan on mining property and, therefore, we regret to say that we must decline your application.

Very truly yours,

Hugh E. Smith

Hugh E. Smith
President

HES:erw

G.A.C. FINANCE Corporation

520 HARRISON AVENUE

LEADVILLE, COLORADO

TELEPHONE 486-0722
486-0723

July 12, 1965

Mr. Ray Hollis

10097 Del Rio Road
Spring Valley, California

Dear Mr. Hollis

Your application for a loan that you requested has been rejected by this company as the payments on that large of a loan would be too much for you to meet. We cannot write a loan for the length of time that you would need.

Yours truly

G. A. C. FINANCE CORPORATION
OF LEADVILLE

Jarvis Palmer

Jarvis Palmer, Mgr.

JP;km

MINING LEASE

THIS LEASE, entered into this 28 day of April, 1965, by and between ANNA E. PARTRIDGE and ELDON C. HERNDON as Lessors, and RAY HOLLIS as Lessee;

W I T N E S S E T H:

That Lessors for and in consideration of the rents, covenants and agreements hereinafter expressed to be paid, kept and performed by Lessee does hereby lease, let and demise to Lessee the following described premises:

> Situate, lying and being in the California Mining District, County of Lake, State of Colorado, to wit:
>
> Parcel One: The Printer Boy Mining Claim, U. S. Survey No. 49, containing 2.35 acres;
>
> Parcel Two: The Little Addie Mining Claim, U.S. Survey No. 3676;
>
> Parcel Three: The Emily Lode Mining Claim, U. S. Survey No. 1119, containing 10.33 acres, more or less;
>
> Parcel Four: The Lucky Joe Mining Claim, lying adjacent to and to the west of said Emily Lode Mining Claim, said Lucky Joe Claim being described as follows:
>
> Beginning at the corner No. 1, which is the northeast corner of Pease Placer (amended survey 624 approved January 20, 1882), and the northwest corner of the Emily Lode Claim, and running thence along the north side line of said Pease Placer, due west, 323.7 feet to corner 22 of said survey No. 624; thence south 29° 9' 44" east, 459.91 feet to corner 21 of said survey no. 624; thence east 188.75 feet to west side line of said Emily Lode Claim; thence north 12° 30' West, 411 feet to place of beginning, containing 2.36 acres more or less;

for The sole and exclusive right of digging, boring and otherwise prospecting for valuable mineral substances.

NOW, THEREFORE, in consideration of the covenants, conditions and consideration hereinafter set forth:

1. That Lessor in consideration of the payment of ten percent (10%) of the net value of all ore extracted from the

premises during the life of this Lease, five percent (5%) of which is to be paid to ANNA E. PARTRIDGE, and five percent (5%) of which is to be paid to ELDON C. HERNDON. Net value shall mean after costs of transportation from mine to smelter, and sampling and assaying charges have been deducted.

2. The term of this lease shall be for a period of two years next ensuing the day and year first above written. Lessee shall have in addition hereto the option and right to extend this Lease for two successive ten-year periods under the same terms, conditions and provisions of this Lease by giving written notice to Lessors of his intention to extend this Lease at least thirty days prior to the termination of the initial period of this Lease and of the termination of the first ten-year period. Notice shall be given ~~of the form and~~ in the manner hereinafter prescribed.

3. In consideration of this Lease Lessee agrees to commence and make search for valuable ore within one year from the date of this lease, provided, however, that this lease shall remain in force and effect as long as Lessee diligently and continuously carries on such search; Lessee further agrees to render unto Lessors an annual accounting for each and every tone of merchantable ore mined or produced, except such ore as may be removed and used as fuel in the working of the mines, and shall pay annual~~ly~~ royalties as hereinabove provided.

4. Lessee agrees to pay all taxes, general or special, on the land so demised which may be assessed or become due either against the lands and improvements thereon, on any personal property at said mines, from the date hereof, during the continuance of this Lease, and agrees to furnish Lessor not less than fifteen days prior to the date such taxes or levies shall become due or payable, a properly executed receipt for the payment of such taxes.

5. Lessee agrees not to assign or transfer this Lease or any part thereof without first obtaining the written consent

6. Lessee shall have the right at any time, at his sole discretion, to terminate this Lease within the initial two-year period by giving thirty days written notice to Lessors in the manner hereinafter prescribed. The Lessee shall pay royalties for any ore, if any, extracted from the premises up to the effective date of such termination at the rate hereinabove agreed and set forth.

7. The Lessee agrees that when this Lease shall be terminated for any cause whatsoever, Lessee will execute and deliver to Lessors any documents as may be necessary to clear title of the demised premises of all rights and title given or acquired by Lessee under this Lease. The present Lease is granted under the express condition that if the royalties hereupon agreed, or said taxes, shall be and remain unpaid following the due dates thereof and following a demand for said payment, Lessee fails to make said payments, or in the event that Lessee shall fail to keep or perform any of the covenants and conditions herein expressed, on his part to be kept or performed, it shall be lawful for the Lessors at their option to enter upon said demised premises with or without any previous notice or process whatsoever, to have and to possess the premises and wholly to exclude therefrom the Lessee and all persons claiming under said Lessee.

8. Lessee shall indemnify and hold harmless Lessors from any liability arising out of damages to property or injury or death to persons from any act, neglect or omission on the part of Lessee during the period of this Lease. Any and all buildings, structures, machinery and improvements placed upon the demised premises and materials found on said premises shall be the property of the Lessee and upon the termination of this Lease, for whatever cause, Lessee shall have the right to remove said personal property from the demised premises within sixty days following said termination.

9. All rents and other sums payable by Lessee to Lessor hereunder and any notice to be given, or other documents to be delivered by either party to the other hereunder, may be delivered in person or deposited in the United States mail, duly registered, with postage prepaid and addressed to the party for whom intended by addressing said notice or documents as follows:

To the Lessors:

ANNA E. PARTRIDGE 288 Madison Ave Pasadena Calif
ELDON C. HERNDON

To the Lessee:

MR. RAY HOLLIS
10897 Del Rio Road
Spring Valley, California

Either party hereto may from time to time, by written notice to the other, designate a different address in lieu of the address hereinabove specified.

IN WITNESS WHEREOF the parties hereto have executed this Lease the day and year first above written. This agreement shall inure to the benefit of and apply to and bind the parties hereto and their heirs, executors, administrators and assigns.

Anna E. Partridge
ANNA E. PARTRIDGE

Eldon C. Herndon
ELDON C. HERNDON
7052 SAN HELICE BUENA PK. CAL
Lessors

Ray Hollis
RAY HOLLIS

Lessee

MACPHERSON DRILLING COMPANY

324 NORTH TOWNSEND AVENUE

TELEPHONE 103 OR 894-M MONTROSE, COLORADO P. O. BOX 447

CONSTRUCTION MINING EXPLORATION FOUNDATION AND SOIL TESTING

August 16, 1965

Mr. Glen Hollis
P. O. Box 667
Leadville, Colorado

Dear Mr. Hollis:

We hereby submit our bid to core drilling in Iowa Gulch near Leadville, Colorado.

Mobilization and Demobilization of drilling equipment and drill personnel from Montrose to drill site and return to Montrose on compltion of drilling for a lump sum of $ 500.00.

Drilling rates per hole

Footage			Rate per ft.		
From surface to bedrock		overburden	$ 8.00 per ft. cased		
			NXWL	BXWL	AX
From top bedrock	to	250 ft. in depth	$ 5.90	$ 5.60	$ 5.30
From [illegible]	to	500 ft. in depth	6.40	5.90	5.60
From 500 ft.	to	750 ft. in depth	7.00	6.40	5.90

Labor and equipment furnished by contractor to cementing, drilling out cement, reaming for and setting casing in drill holes, recovery of casing from drill holes on completion of drilling, or. other work you may wish contractor to perform with his equipment and drill personnel shall be at a fee of $14.00 per crew hr.

Drilling mud, cement or cement substitutes used to complete holes to the required depth shall be charged to you at cost FOB job site.

Should thisschedule of drilling fees and terms meet with your approval, please advise and I will draft a working agreement to cover this work.

Respectfully submitted

M. MacPherson

Malcolm MacPherson, Owner

DIAMOND CORE DRILLING
DIAMOND DRILLING EQUIPMENT
GROUTING
FOUNDATION TESTING
MINING
QUARRYING
SHAFT SINKING
TUNNEL DRIVING
MINE PLANT DESIGN
AND FABRICATION

Boyles Bros. DRILLING COMPANY
CONTRACTORS - ENGINEERS - GEOLOGISTS
2960 W. 7th Avenue
DENVER 4, COLORADO
Phones: ALpine 5-9244
ALpine 5-0855

General Offices and Plant
1624 Pioneer Road P. O. Box 58
SALT LAKE CITY 10, UTAH
HUnter 7-7595

BRANCH OFFICES
PHOENIX
RENO
SPOKANE
DENVER
SACRAMENTO
ST. LOUIS

August 2, 1965

Mr. Glenn Hollis
P. O. Box 667,
Leadville, Colorado

Dear Sir:

As suggested by our Mr. Shuster the following rates and conditions would apply to the core drilling of approximately 2400 linear feet you anticipate near Leadville, Colorado.

Overburden, per linear foot,		$12.50	
Bedrock to 500 feet, per linear foot,	NX $9.00 /	BX $8.00	AX $7.50
Reaming all sizes, per linear foot,			$4.00
Cementing plus cost of cement or drilling mud, per hour,			$12.50
Standby time, if requested, per hour,			$11.00

Drill sites and roads to be furnished and maintained at no cost to us.

Water haul, if required, to be charged for at our cost of truck rental of $190.00 per month plus 12 cents per mile. We would expect to use drill helper for driver, should this interfere with drilling operations and require a driver, his wages plus payroll taxes would be charged to your account.

Thank you for calling on our company.

Very truly yours,

BOYLES BROS. DRILLING COMPANY

George E. Lensch

George E. Lensch, District Manager

GEL/eg

CORE DRILLING WATER WELLS TEST HOLES

SHELTON DRILLING CO.

P.O. BOX 441
GLENWOOD SPRINGS
COLORADO
WH 5-6892

Twin Lakes
486-0761

~~P.O. BOX 148~~
ASPEN
COLORADO
~~WA 5-2920~~

Bid on drilling test holes southeast of Leadville 6 holes 400'
2400'

$9.00 per ft. vertical holes with cable tool rig.

Est. $13.00 per ft angle holes, AX core

Shelton Drilling Co
Jim Schaffer

Note:
The new set is not dated.

Marion

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Lake, State of Colorado, described as follows:[2] The Little Addie Mining Claim U.S. Survey 3676, The Emily Lode Mining Claim U.S. Survey 1119, The Lucky Joe Mining Claim Laying adjacent to and to the West of Emily Lode Survey No. 624

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and Ray Lee Gollis[3], hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None Anna E. Partridge
Eldon C. Herndon

Owners should execute under item 5 on reverse side.

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions _____ (State "None" or "See Annex No.____".)

Dated this_____day of_____, 19____.

_____ (Street)
_____ (City & State)
_____ (Seal)

_____ (Street)
_____ (City & State)
_____ (Seal)

_____ (Street)
_____ (City & State)
_____ (Seal)

_____ (Street)
_____ (City & State)
_____ (Seal)

_____ (Street)
_____ (City & State)
_____ (Seal)

_____ (Street)
_____ (City & State)
_____ (Seal)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

INT.-DUP. SEC., WASH., D.C. 21103

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Lake, State of Colorado,

described ~~as follows~~[2] in a Mining Lease, dated April 28, 1965, between

Anna E. Partridge and Eldon C. Herndon as Lessors and Ray Hollis

as Lessee,

Ray Hollis

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book _____, Page ____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions _____ (State "None" or "See Annex No. ____".)

Dated this _____ day of _____, 19____.

Anna E. Partridge	(Seal)	838 Madison Ave.,	(Street)
		Pasadena, California	(City & State)
Anna E. Partridge			
Eldon C Herndon	(Seal)	8052 San Helice	(Street)
		Buena Park, California	(City & State)
Eldon C. Herndon			
_____	(Seal)	_____	(Street)
		_____	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
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Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

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described ~~as follows:~~ 2/ in a Mining Lease, dated April 28, 1965, between

Anna E. Partridge and Eldon C. Herndon as Lessors and Ray Hollis

as Lessee,

Ray Hollis

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3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated_____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions _____ (State "None" or "See Annex No. ____".)

Dated this _____ day of _____, 19____.

Anna E. Partridge (Seal)	838 Madison Ave.,	(Street)
Anna E. Partridge	Pasadena, California	(City & State)
Eldon C. Herndon (Seal)	8052 San Helice	(Street)
Eldon C. Herndon	Buena Park, California	(City & State)
_____ (Seal)	_____	(Street)
	_____	(City & State)
_____ (Seal)	_____	(Street)
	_____	(City & State)
_____ (Seal)	_____	(Street)
	_____	(City & State)
_____ (Seal)	_____	(Street)
	_____	(City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____ (Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS 1/

To the United States of America:

That certain land in the County of Lake, State of Colorado, described as follows: ~~xxxxxxxxxx~~ in a Mining Lease, dated April 28, 1965, between Anna E. Partridge and Eldon C. Herndon as Lessors and Ray Hollis as Lessee,

Ray Hollis

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

_____ 3/

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same. 4/

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions _____ (State "None" or "See Annex No. ____".)

Dated this _____ day of _____, 19____.

Anna E. Partridge	(Seal)	838 Madison Ave.,	(Street)
Anna E. Partridge		Pasadena, California	(City & State)
Eldon C. Herndon	(Seal)	8052 San Helice	(Street)
Eldon C. Herndon		Buena Park, California	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Lake, State of Colorado,

described [redacted][2] in a Mining Lease, dated April 28, 1965, between Anna B. Partridge and Eldon C. Herndon as Lessors and Ray Hollis as Lessee,

Ray Hollis

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

_____[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

4. Undertakes and agrees (a) neither to commit any act nor assert any claim in conflict with the provisions of this Agreement; and (b) to give advance notice of the Government's rights under this agreement to any subsequent transferee, mortgagee, encumbrancer, or lessee of any of the undersigned's right, title, claim, or interest in or against the land or any production therefrom, furnishing the Government with two true copies of such notice; and

5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions _____ (State "None" or "See Annex No.____".)

Dated this _____ day of _____, 19____.

Anna E. Partridge (Seal)	Anna E. Partridge	638 Madison Ave.,	(Street)
		Pasadena, California	(City & State)
Eldon C Herndon (Seal)	Eldon C. Herndon	8352 San Helice	(Street)
		Buena Park, California	(City & State)
_____ (Seal)		_____	(Street)
		_____	(City & State)
_____ (Seal)		_____	(Street)
		_____	(City & State)
_____ (Seal)		_____	(Street)
		_____	(City & State)
_____ (Seal)		_____	(Street)
		_____	(City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

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(Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Lake, State of Colorado,

described [redacted][2] in a Mining Lease, dated April 28, 1955, between Anna E. Partridge and Eldon C. Herndon as Lessors and Roy Hollis as Lessee,

Roy Hollis

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

(b) Being the holder of a claim, lien, or encumbrance against the land, hereby subordinates his claim, lien, or encumbrance in or against the land and in any production therefrom to the rights of the Government under the Contract with respect to royalty on production and liens to secure same.[4]

2. Undertakes and agrees that property in which the Government may acquire an interest or equity under the Contract may be dismantled, severed from the land, and removed as may be provided in the Contract; and the Government's interest and equity in such property shall be prior and superior to any adverse right or claim of the undersigned.

3. Represents and undertakes that there is no claim, lien, or encumbrance upon the undersigned's right, title, claim, or interest in or against the land other than the following: (If "none" insert the word "none". Do not leave blank.)

None

1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

4/ Subparagraph 1(a) does not apply to the holder of a claim, lien, or encumbrance.

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6. Added provisions _____ (State "None" or "See Annex No.____".)

Dated this _____ day of _____, 19____.

Anna E. Partridge	(Seal)	638 Madison Ave.,	(Street)
Anna E. Partridge		Pasadena, California	(City & State)
Eldon C. Herndon	(Seal)	8352 San Relice	(Street)
Eldon C. Herndon		Buena Park, California	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)
_____	(Seal)	_____	(Street)
		_____	(City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

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(Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Lake, State of Colorado,

described ~~as follows~~[2] in a Mining Lease, dated April 20, 1965, between

Anna E. Partridge and Eldon C. Hermon as Lessors and Ray Hollis

as Lessee,

Ray Hollis

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

1. (a) Being the owner of an interest in the land, hereby grants to the Government a lien upon all of his right, title, and interest in the land and upon any production of minerals therefrom to secure the payment to the Government of the royalty on production provided for by the Contract, and agrees if the Operator's interest should be surrendered or terminated at any time prior to the expiration of the rights of the United States under said Contract to pay royalty to the Government according to the terms of said Contract; or

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1/ Production from the land is not required, and in the absence of production there is no obligation to pay royalty to the Government.

2/ Either (a) insert the legal description of the land, or (b) strike out the words "as follows" and insert "in a lease /or contract, deed, or other document/ dated _____, and recorded in Book_____, Page____, official records of said county". If (b) is used, the book and page of recordation must be inserted above. If the space provided is insufficient, use an Annex and refer to the Annex in the space.

3/ Insert name exactly as it appears in the Application MME Form 40.

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6. Added provisions _____ (State "None" or "See Annex No.____".)

Dated this_____day of_____, 19____.

		638 Madison Ave.,	(Street)
			(City &
Anna E. Partridge	(Seal)	Pasadena, California	(State)
Anna E. Partridge			
		6352 San Bellico	(Street)
			(City &
Elden C. Herndon	(Seal)	Buena Park, California	(State)
Elden C. Herndon			
		_____	(Street)
			(City &
_____	(Seal)	_____	(State)
		_____	(Street)
			(City &
_____	(Seal)	_____	(State)
		_____	(Street)
			(City &
_____	(Seal)	_____	(State)
		_____	(Street)
			(City &
_____	(Seal)	_____	(State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____
(Corporate Seal)

MME Form 52
Jan. 1959

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

FOR GOVERNMENT USE ONLY
Operator
Docket No. OME –
Contract No. 14-23-090 –
Contract Date

LIEN AND SUBORDINATION AGREEMENTS[1]

To the United States of America:

That certain land in the County of Lake, State of Colorado,

described ~~as follows~~[2] in a Mining Lease, dated April 20, 1955, between

Anna E. Patrick and Elton C. Herndon as Lessors and Ray Bellis

as Lessee,

Ray Bellis

hereinafter called the "land", is the subject of a proposed exploration contract, hereinafter called the "Contract", between the United States of America, hereinafter called the "Government" and

_____[3]

hereinafter called the "Operator". In consideration for and as an inducement to the Government executing the Contract, the undersigned:

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5. Consents to all amendments (including an agreement of termination) and assignments of the Contract without notice thereof, and undertakes and agrees that this agreement shall extend and apply thereto.

6. Added provisions _____ (State "None" or "See Annex No.____".)

Dated this _____ day of _____, 19____.

Anna E. Parkinson	(Seal)	[illegible] Avenue	(Street)
Jan E. Parkinson		[illegible], California	(City & State)
Eldon C. Hordow	(Seal)	[illegible]	(Street)
Eldon C. Hordow		[illegible], California	(City & State)
_____	(Seal)	_____	(Street) (City & State)
_____	(Seal)	_____	(Street) (City & State)
_____	(Seal)	_____	(Street) (City & State)
_____	(Seal)	_____	(Street) (City & State)

I, _____ (Name), certify that I am the _____ (Title—Secretary, etc.) of the corporation named herein; that _____ (Name), who signed this agreement was then _____ (Title—Pres., Vice-Pres., etc.) of said corporation; that said agreement was duly signed for and in behalf of said corporation by authority of its governing body, and was within the scope of its corporate powers.

_____ (Corporate Seal)

OFFICIAL
COPY
O. M. E.
RECEIVED
Mar 14 75
INITIALS | CODE
HK

Building 53 - Northwest Wing - 2nd floor

March 12, 1975

Mr. Ray Lee Hollis
3984 El Canto Drive
Spring Valley, California 92077

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Hollis:

Your letter of March 3, requesting information concerning OME funds arrived in this office March 10, 1975.

The Office of Minerals Exploration has received no new funds for this fiscal year for contractural purposes, consequently we are not accepting any applications at the present time.

The Geological Survey has requested funding for the Office of Minerals Exploration for the next fiscal year. The request is presently being reviewed in the Department of the Interior. Please keep in touch with us after July 1, 1975 as there may be some funding.

Sincerely yours,

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

cc: Chief, OME
OME-6491
OME chron
Mr. Hasler

3/11/75

March 3, 1975

United States Department of the Interior
Office of Mineral Exploration
Denver Federal Center
Bldg. 53, Room 28
Denver, Colorado 80225

RE: OME-6491 (Silver
Ray Lee Hollis
Hollis Property
Lake County, Colo.

Attention: Mr. William Hasler

Dear Mr. Hasler:

In 1965 I applied for a loan for exploration for some mines I own in Leadville, Colorado. In 1966 I core drilled a hole and the assay reports showed a trace of silver, but there was 100 lbs. of lead to the ton, 16 lbs. of zinc and the cores tested 33% manganese. Other assays showed 25% mang., 37% mang., also 12 oz. and 15 oz. of silver on the tailings.

What I would like to do is explore some more of the mines now to ascertain approximately how much ore is there. I would like to core drill five (5) more holes. If the Government is still making loans for exploration, would you please let me know. I think the manganese will be of great use in the United States before long. According to my geologist there is a great deal of ore there. The ore body is 9' thick, 290' down.

The OME-6491 number listed at the top was the number when I wrote to Washington D.C. in 1966 regarding a loan to explore for silver. I now would like to explore for manganese, silver, lead and zinc. I own seven mines in this area; a little over 34 acres. The Black Cloud Shaft, which is just three (3) miles above my mines, is now in operation. They are mining the same type of ore that is in my mines.

I would very much appreciate hearing from you regarding this request.

Sincerely,

Ray L. Hollis

Ray L. Hollis
3984 El Canto Dr.,
Spring Valley, CA 92077
Telphone - 714 465-3629

Form 7
(3)

OFFICIAL FILE COPY

Date	Surname	Code
		110
7/7/66	Kobemo	120
7/7	CAC	220
		120 m

JUL 7 1966

Mr. Ray Lee Hollis
10097 Del Rio Road
Spring Valley, California

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Hollis:

Reference is made to our letter of April 6, 1966, and your letter of April 10, 1966, which evidently crossed in the mail.

As we have not heard from you since your letter of April 10, we assume you have decided not to proceed with the core drilling. If this is the case and you wish to withdraw your application, please advise accordingly. However, if you desire more time to do the core drilling, we shall be glad to hold your application open for a reasonable time for its completion, upon request.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
OME Docket
OME Reading File
Region III w/cy of Applicant's ltr of 4/10/66

FEJohnson/mm (7/7/66)

23263

OFFICIAL FILE COPY

Date	Surname	Code
9/2		110
9/2/66	Kirkham	120
		220

SEP 2 1966

Mr. Ray Lee Hollis
10097 Del Rio Road
Spring Valley, California

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Hollis:

As we have not received a reply to our letter of July 7, 1966, we assume you no longer are interested in proceeding with your application for assistance to explore the subject property. Accordingly, we are considering your application as having been withdrawn and placing it in our inactive files.

If you wish to reopen your application at some future time you may do so by completing two new application forms and submitting them to this office with copies of new bank correspondence and the information requested in our letters of March 29 and April 8, 1966. You need not repeat any of the supporting information submitted with your previous application but should make reference to it in your new application.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region III
120-M

FEJohnson/bih 9/2/66

23263

RE: OME 6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colo

April 10, 1966

Mr. Frank E. Johnson, Chief,
Office of Minerals Exploration
Dear Sir:

After talking with Mr. Melbye I have decided to wait until I hear from you about the loan before we go ahead with the core drilling. I am sure I am going to need all the money I have to develop the mines after the exploration work is done. After due consideration I do feel it would be more advantageous to me to delay the drilling until I hear from you.

per our letter 4/6/66

Sincerely yours,

Ray L. Hollis

OFFICIAL COPY
RECEIVED
1963

~~120~~ 110
120 m

4/27/66
No reply since
see our letter 4/6/66
FEJ

MME Form 7
(2/63)

OFFICIAL FILE COPY

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APR 6 1966

Mr. Ray Lee Hollis
10097 Del Rio Road
Spring Valley, California

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Hollis:

This is with reference to your telephone call to me on April 4 in which you stated that you intended to drill a core hole near the old Emily shaft on your property.

We have now received the Field Officer's report on his recent examination of your property. From the information available it appears that sufficient evidence is lacking to indicate specific favorable targets for exploration of your property. Should you core drill your property as mentioned in your letter of March 15 and again in your telephone call to me, however, the results obtained might help to indicate a possible target. Consequently, we shall withhold further processing of your application pending receipt of the results from your proposed drilling.

If you do such drilling, core log, size and depth of hole, and assays of any mineralization encountered should be sent to the Field Officer in Denver, with any changes in your proposed plan and costs for exploration of your property.

This letter should not be construed that a contract will be granted.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file (docket)
OME reading file
OME Region III

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UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

U. S. Geological Survey --- Denver Federal Center
Building 25-Room 2284
Denver, Colorado 80225

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March 30, 1966

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: Report of examination, Region III:
OME-6491 (Silver)
Ray Lee Hollis
Hollis property
Lake County, Colorado

Transmitted herewith are the original and two copies of the above-captioned subject.

J. William Hasler

cc: Original and 2 copies of report
Chron
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Hasler

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REPORT OF EXAMINATION

REGION III

OME-6491 (Silver)

Ray Lee Hollis

Hollis Property

Lake County, Colorado

by

J. William Hasler

March 30, 1966

FIELD
EXAM. REPT.

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Proposed Exploration	6
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Ray Lee Hollis OME-6491 (Silver)

Introduction

Ray Lee Hollis, 10097 Del Rio Road, Spring Valley, California applied to the Office of Minerals Exploration for financial assistance to explore for silver on the Printer Boy Claim, Alice, Marjory, SCB, Emily, Little Addie, and the Lucky Joe 2.36 acre fraction, patented and unpatented claims, in Lower Iowa Gulch near Leadville, California Mining district, Lake County, Colorado. The application was originally submitted to the Denver Office of the Office of Minerals Exploration on August 2, 1965 and was denied by Washington September 7, 1965 but was again reopened as a result of additional data submitted by the applicant and was scheduled for a field examination. The examination was made December 7, 1965.

The Property

The applicant's interest in the Land and Mineral Rights and Legal description is as follows: Interest in the land is by outright ownership of the following patented mining claims:

Survey No. 6379	Alice
Survey No. 6379	Marjory
Survey No. 6380	SCB

The following additional claims are held by a lease from Anna E. Partridge and Eldon C. Herndon:

Survey No. 1119	Emily
Survey No. 3676	Little Addie
Unpatented Claim	Lucky Joe 2.36 acre fraction

The Le Compton patented claim, Sur. No. 4497 has been acquired on a delinquent tax title, but no exploration is planned on this claim. Location of the group of claims is in E. 1/2 Sec. 31 and W. 1/2 Sec. 32, T. 9 S., R. 79 W., 3-1/2 miles southeast of Leadville. Copies of lien and subordination agreements accompany the application.

History of Past Operations

The only past operations of any consequence have been from the Emily shaft which was sunk in 1893 to a depth of 250 feet, mainly as an exploratory shaft, and the Le Compton mine, which undoubtedly consisted of extensive workings as indicated by the large size of the dump. This work was done in the 1890's.

The dump material contains large amounts of manganosiderite. The Mansfield shaft 1,000' east of the property boundary was reported to have reached a depth of 800' where ore was penetrated but was stopped due to excess pumping costs. Other prospect pits can be seen on the property, but most of them never penetrated through the thick glacial debris and there are no other facilities on the property. There are no known reserves, and no production figures are presently available.

Geology and Ore Deposits

Although the entire Paleozoic section is present in the Leadville district, and in the vicinity of the Hollis property the formation of economic interest is the Mississippian. Leadville limestone and dolomite, in which most silver-lead-zinc ore deposits in the district are found. The Leadville limestone is exposed along the steep slopes of Iowa gulch and dips from 15-20 degrees east. The upper part of the Leadville limestone is the most favorable stratigraphy, where it consists of a blue-gray dolomite or dolomitic limestone. The Leadville crops out 600' west of the Emily shaft at the west end of Rock Hill, and actually crops out on the Le Compton claims, and has been intersected in a drill hole from the EMily shaft 250' to 300' below the surface. Igneous rocks are represented by three types in the immediate area, Tertiary gray porphyry and white porphyry sills and the Johnson Gulch quartz monzonite porphyry stock. The gray porphyry, a quartz monzonite, and the white porphyry, a granodiorite are of prime importance since most of the deposits in the Leadville limestone are locallized as blanket replacements in the limestone directly beneath these porphyry sills. The entire property area as inferred from the many dumps, is covered by the white porphyry sill, and the gray porphyry is usually found directly below, as projected from outcrops on Rock Hill.

The Johnson Gulch porphyry stock is located 500 feet east of the claims and is an intrusive body 700' to 900' in diameter at the surface, and it is believed to have been an important source of mineralization at the nearby Mansfield shaft and the Rex mine. Proximity to the major north-south

faults of the Leadville district is important, and the property is located between the Dome normal fault 250' west, and the Mike reverse fault, 1300' east of the property. The white porphyry on nearly all the mine dumps is considerably silicified and sericitized, which alteration is attendant to mineralization. Some pyritization is also present. Mineralization nearest the property is that exposed on the dump at the Nisi Prius claim, which is less than 200 feet from the west property boundary and 300 feet northwest of the Emily shaft. Abundant manganosiderite can be seen in the dump, which is the usual material encasing ore bodies in the Leadville district. An assay of this manganosiderite yielded 0.02 oz. Au, 15.48 oz. silver, 2.60 percent lead and 23.68 percent manganese. A sample from another dump near the Nisi Prius assayed 2.02 oz. silver and 14.3 percent manganese. Ore was produced from the Mansfield shaft east of the claims but production figures are unavailable. The Johnson Gulch porphyry on the dump is extremely altered, and the Leadville dolomite is highly bleached, silicified and iron-stained.

Economic Considerations

The area of the Hollis property according to the applicant, is one which is favorably situated for ore but which has had little exploration. Surface exploration is futile because of excessive thicknesses of glacial debris.

The property lies between the major north-south striking Dome and Mike faults. Furthermore a parallel north-south must be present between the Emily shaft and the Nisi Prius dump 200 feet to the west, since the Leadville limestone was penetrated at a depth of 300 feet in the shaft and at adit level from the dump. Both the adit and the shaft are at about the same elevation. The abundant manganosiderite on the Nisi Prius and Le Compton dumps is a most favorable indication since it is known that manganosiderite normally encases or is found near the ore bodies in the Leadville district. The manganosiderite assays as high as 15 ounces of silver per ton. The white porphyry found on nearly every dump in the area is highly silicified and sericitized, indicating alteration and probable mineralization. These various criteria are favorable for mineralization in the area of the Hollis property.

Proposed Exploration

The proposed exploration consists entirely of diamond drilling and ore located as shown on the accompanying map. The exploration program is planned in two stages. Stage I will consist of three diamond drill holes, and Stage II will consist of three additional holes based upon the success of the Stage I drilling. Stage I is designed to explore the area east and north of the Emily shaft in an effort to explore for the extension of the mineralized ore body penetrated in the Nisi Prius adit. Each hole is estimated to reach a maximum depth of 400 feet to penetrate the upper Leadville limestone below the porphyry. Intervals showing significant mineralization will be sampled and assayed.

Conclusions and Recommendations

The applicant makes a rather reasonable case for the possibility of finding new ore bodies as an extension of the ore found in the Nisi Prius adit. Little information is available from the surface upon which to base a sound exploration program except as generally stated by the applicant. It seems somewhat unlikely that even though the ore deposits in the Leadville limestone are of blanket replacement type that as few as three or six drill holes would be likely to penetrate significant ore deposits without first having some rather well defined targets. Even though the applicant's proposed estimated costs total only $21,361.00, of which the Government's portion would be $16,020.75 on a 75 percent participation basis it is concluded that the changes of finding a significant discovery of silver is not too promising and it is therefore recommended that the application be denied without prejudice. Prior exploration work could yield some targets and possibly bring the property beyond the prospect stage.

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MAR 2 3 1966

Mr. Ray Lee Hollis
10097 Del Rio Road
Spring Valley, California

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Hollis:

This will acknowledge receipt of your letter of March 15, 1966, advising that you expect to core drill at the Emily mine in the vicinity of work done by your stepfather in 1890, which indicated the presence of silver ore at about 300 feet in depth.

Should your proposed drill hole encounter the Leadville limestone and indicate good silver ore, such results would support the expectations of finding an ore body in a specific target area on your property. We would need additional information to determine whether additional drilling or a tunnel would be the most feasible means of exploring the property. This information should include the amount of work to be performed and detailed cost estimates.

We have no fixed rule as to the amount of Government participation in an exploration contract. Each decision is made on the basis of the information available and the merits of the proposed exploration.

The maximum amount of Government participation in a single contract is limited by law to $250,000. The amount set forth in a contract up to the maximum depends upon the amount of work required to reasonably delineate an inferred mineral deposit. The probability of the size and grade of such deposit, however, is considered in determining how much should be authorized for the exploration. As an example, we would not approve work costing $100,000 to find an ore body expected to produce only $100,000 in ore. If the existence of such an ore body could be determined and reasonably delineated

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by an expenditure of from $5,000 to $10,000, however, we would give favorable consideration to participating in the cost of the exploration, or even participation in a larger amount where the geologic environment favored the probability of additional ore deposits on the property.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geologic file
OME file
OME reading file
OME Region III w/cy inc. ltr.

FEJohnson/bih 3/23/66

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March 15, 1966

RE: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

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

Dear Mr. Johnson:

There are certain things about the mines in Colorado I think you should know about. My step-father sunk a shaft 250' in 1890 and hit water. They decided to core drill. At 300' they not only hit blue limestone, but a silver vein. They purchased some water pumps and tried to go on down to the ore. The pumps was inadequate so they did not proceed with the mining.

I have the maps and I know where my step-father drilled on the Emily mine. I am going to core drill this month and hit that vein of silver ore and find out how rich it is. What I would like to know is this, when I hit the vein and if it is good ore will I be able to get enough of a loan on the 75% basis to finish exploring and build a tunnel until I make t contact with the ore. The reason I am asking you about this is because I get so many diffrrent answers from different people. I have read the O. M. E. book and I am not sure I understand the amount of exploration money I can get. Would you please inform me. It seems I have been getting the run around from some people so I am going to write you when I want to find out the truth.

Sincerely yours,
Ray Hollis
Ray Hollis

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MAR 8 1966

Mr. Ray Lee Hollis
10097 Del Rio Road
Spring Valley, California

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Hollis:

With reference to your telephone call on March 7 we discussed the subject application with Mr. Hasler, our Field Officer in Denver.

Mr. Hasler has not yet completed his report on his examination of your property because of prior commitments. However, he will do everything possible to expedite its completion. We assure you that on receipt of Mr. Hasler's report in Washington we will give it our prompt attention.

Sincerely yours,

(Signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's reading file
Division file
Economic Geology file
OME file
OME reading file
OME Region III

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November 28, 1965

OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Mr. Frank E. Johnson
Chief, Office of Mineral Exploration

Dear Sir:

Enclosed are the properly executed papers you sent to Mr. Melbye and which he forwarded to me. If any additional information is required please feel free to call on me. I wish to thank you for your efforts in my behalf.

Sincerely yours,

Ray Lee Hollis

Ray Lee Hollis
10097 Del Rio Rd.
Spring Valley, Calif.

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enclosures

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Hon. Gordon Allott
United States Senate
Washington, D. C. 20510

Dear Senator Allott:

This is in response to your letter of November 2, 1965, and a copy of a letter to you of October 19 from Mr. Charles E. Melbye, concerning the denied application of Mr. Ray Lee Hollis for financial assistance in the exploration of his property in Lake County, Colorado.

A further review of the literature on the area in which Mr. Hollis' property is located has been made. Because of the same names being used for different properties by early-day operators, there has been some confusion regarding the location of Mr. Hollis' property with respect to mined-out areas on other properties. We sincerely regret this misunderstanding.

Under the circumstances, we are reopening Mr. Hollis' application, and are referring it to the OME Field representative, Region III, Denver, Colorado, for further processing. A copy of our letter of November 16, 1965, to Mr. Charles E. Melbye is enclosed.

Sincerely yours,

Arthur A. Baker

Acting Director

Enclosure

FEJohnson/bih (11/17/65)
cc to: General files
Division file
Director's chron.
Economic Geology file
OME file
OME reading file
OME Region III with cy inc. ltrs.

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C O P Y

UNITED STATES SENATE
COMMITTEE ON APPROPRIATIONS

November 2, 1965

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

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Johnson:

Mr. Charles E. Melbye has sent me the enclosed concerning the denial of this loan application.

Your response on which I might base a reply to my constituent would be appreciated.

Best regards.

Sincerely yours,

Gordon Allott, U.S.S.

GA:ss

Enclosures

CHARLES E. MELBYE AND ASSOCIATES

MINING · GEOLOGICAL · GEOPHYSICAL · ENGINEERS

October 19, 1965

OCT 20 1965

The Honorable Gordon Allott
Senate Office Building
Washington, D. C.

Re: OME - 6491 (Silver
Ray Lee Hollis
Hollis Property
Lake Co., Colorado

Dear Senator Allott:

I am writing regarding on OME loan application from Mr. Ray Lee Hollis for a silver project near Leadville, Colorado. This application has just been turned down the second time after revisions and after the Operator, Mr. Hollis, spent $500 trying to expose bedrock at the suggestion of Mr. Frank Johnson, OME Chief. This was unsuccessful only due to thick overburden, so that the only approach is by drilling.

I normally do not like to inquire about these OME project decisions, if the OME has used discretion in turning down an application. However, I feel this one is a very meritorious project which has an excellent chance of finding significant silver reserves. Their reason for denying the application, that this is not exploration for new deposits, is applicable only to the adjoining property. The Hollis property has not been mined at all and only very little exploration done, so that this should certainly qualify for an exploration loan. The amount asked is only $21,361 of which the government would furnish 75%. This is a very modest program but with excellent potential. I see very little value in an accelerated government silver program when a project such as this is turned down.

Therefore, I believe this denial is completely arbitrary and I would appreciate any assistance you can render.

Sincerely yours,

Charles E. Melbye

Charles E. Melbye

ajm

cc: Ray Hollis
Spring Valley, Calif.

P. O. BOX 300 2020 FOOTHILLS ROAD 303: 279-1542
GOLDEN, COLORADO 80402

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

GEOLOGICAL SURVEY

Mr. Charles E. Melbye
2020 Foothills Road
Golden, Colorado 80402

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Melbye:

This is to acknowledge your letter of October 7, 1965, and the new map showing the changes in locations of three proposed drill holes.

Your new map shows a number of drifts and crosscuts west of the Nisi Prius shaft. This work is in accordance with our information on the area. In addition to the area mined from these openings, Plate 22 in U. S. Geological Survey Professional Paper No. 148 shows a considerable area south and a small area just east of the Nisi Prius were exploited. All the ore was found at the second contact of the Blue Limestone.

Judging from the exploited area shown on Plate 22, it appears that the three proposed drill holes would be in or very near the areas already exploited. As this drilling could not be considered exploration for new or unexplored ore deposits, we must reiterate our denial of September 7, 1965.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Ray L. Hollis

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NOV 16 1965

Mr. Charles E. Melbye
2020 Foothills Road
Golden, Colorado 80401

Re: CME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Melbye:

In reference to our letter of October 14, 1965, further review of the subject application indicates that the Mini Prius shaft shown on the map submitted with your letter of October 7, 1965, is not the same shaft as the Mini Prius on Plate 22 in U.S.G.S. Professional Paper 148. The latter shaft is located about 1,000 feet northwest of the Mini Prius shaft shown on your map. Because of this confusion in shaft location, the statements made in our letter of October 14 in regard to the mined out areas are naturally incorrect.

According to information presently available to us, there appears to have been no mining done, excepting the Mini Prius and Emily shafts, in the proposed exploration area. In view of this, we are reopening the subject application and by a copy of this letter we are referring it to Region III for further processing. Region III will contact you if additional information is needed.

We are returning the MME Form 52 submitted and enclosing a new set of the Lien and Subordination Agreements form filled out for the owners' signatures. Kindly have the owners execute the forms as indicated and then return the original and five copies to this office.

We are very sorry that this misunderstanding regarding the location of the proposed exploration work has occurred.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosures
cc: Ray L. Hollis

FMMurphy/mm (11/17/65)
cc: Director's Reading File
Economic Geology File
Division File

OME Reading File
Region III
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MME Form
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NOV 17 1965

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OMX-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

A further review of the literature on the area in which the property under the subject application is located reveals a misunderstanding on our part as to the location of the property with respect to mined out areas in nearby properties. As a result of this review, we are referring the application to Region III for your consideration, a field examination if deemed advisable, and recommendations.

In reference to the proposed drilling, the Applicant attempted without success to expose the fault presumed to cross the proposed exploration area. When you make an on-site examination of the area, please find out the reasons for Mr. Melbye's last change of locations for the proposed drill holes because apparently no new information was disclosed by the bulldozer work. Also, check the area east and south of the Nisi Prius and Emily shafts for other workings. There are no definitely known specific target areas mentioned in the application. However, possibly the on-site examination will disclose additional information on which an exploration program might be based.

An article on Page 295 of the Feb. 18, 1904, The Engineering and Mining Journal states, "Nisi Prius.-The new shaft sunk by lessees, is down 180 ft., where a station is being cut, and another 25 ft. will put it into contact. The new shaft is 900 ft. south of the old Weir shaft, and is to open the Rock hill ore shoots. Good bunches of mineral have already been struck in the contact." An article on Page 1059 of the June 30, 1904, The Engineering and Mining Journal states, "Nisi Prius.-At this mine on Rock Hill two separate ore shoots have been uncovered, 140 ft. apart on the

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185-ft. level. The first is a carbonate of lead running $50 to the ton, and the other is black iron running $100 per ton, the values being principally in silver. Work is now being carried on between the two shoots."

There is a possibility that these workings are more extensive than indicated.

(signed) FRANK E. JOHNSON

Frank E. Johnson

FMMurphy/mm (11/16/65)
cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
Mr. Selfridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

November 15, 1965

Memorandum

To: Chief, Office of Minerals Exploration

From: Assistant Chief Geologist, Economic Geology

Subject: Letter to Senator Allott re OME 6491, Hollis property, Leadville, Colorado

Familiarity with this area naturally leads me to look closely at the records and correspondence leading to the letter you have drafted to Senator Allott. I find that in harmony with its legalistic background, the much-used name Nisi Prius has confused you. Accordingly, you are in error in statements made in your letter of October 14 to Mr. Melbye, and in your draft letter to Senator Allott. Certainly the latter letter should be redrafted, and you may wish to reconsider the earlier letter to Mr. Melbye.

The confusion arises from the fact that name Nisi Prius was applied to many different shafts, and also was used as a mine name for a group of workings on several different properties, each of which had some shaft names of its own, such as Crown Point, Weir, Sequin, Hall, Murphy, Pinnacles, and Vivian. Your reference to workings shown on Plate 22, Professional Paper 148, applies to the main part of this old Nisi Prius mine, but not to the area that is the subject of the application. As you will see from Plate 13, Professional Paper 148, these old Nisi Prius workings are on the Wells and Moyer Placer claim, and on the north side of the morainal ridge on the north side of Iowa Gulch. As you will see from the applicant's two maps, and also from Plate 3, Profesessional Paper 235, the "Nisi Prius" of the application is on the Nisi Prius, Lecompton, and other claims near the bottom of Iowa Gulch, 1,000 feet to the south of the shaft shown as Nisi Prius on Plates 13 and 22, Professional Paper 148.

The area of these southern Nisi Prius workings has not been reported on closely in any of the Leadville literature. Although I have not studied it in detail, I have looked around there, and until I knew to the contrary, I would support Melbye's interpretation of a Lucky Joe fault. A little data on these southern workings appears in Engineering and Mining Journal, v. 77, p. 295 and 1059, 1904. According to this, two ore shoots were being mined on the 185 foot level, one containing $50 lead carbonate ore, and one containing black iron (iron-manganese oxide) "running $100 per ton, mainly in silver."

To summarize, the area proposed for drilling has not been explored as you have alleged. Although it is not for me to decide, in my personal opinion the area is a moderately good general target, but I have no information to identify specific targets. I might add, however, that 90% of the ore in Leadville was found by sheer wild-catting to get to the "Leadville Lime" or others beneath it. If ore exists in the area, it is likely to be oxidized lead-silver ore in erratic bodies of small to moderate size.

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	Selfridge	120
10/14	Johnson	110
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Mr. Charles E. Melbye
2020 Foothills Road
Golden, Colorado 80401

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Melbye:

This is to acknowledge your letter of October 7, 1965, and the new map showing the changes in locations of three proposed drill holes.

Your new map shows a number of drifts and crosscuts west of the Nisi Prius shaft. This work is in accordance with our information on the area. In addition to the area mined from these openings, Plate 22 in U. S. Geological Survey Professional Paper No. 148 shows a considerable area south and a small area just east of the Nisi Prius were exploited. All the ore was found at the second contact of the Blue Limestone.

Judging from the exploited area shown on Plate 22, it appears that the three proposed drill holes would be in or very near the areas already exploited. As this drilling could not be considered exploration for new or unexplored ore deposits, we must reiterate our denial of September 7, 1965.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Ray L. Hollis
Director's Reading File
Division File
Economic Geology File
✓OME Docket
OME Reading File
Region III w/cy of incoming ltr and map
Mr. Selfridge
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CHARLES E. MELBYE AND ASSOCIATES

MINING - GEOLOGICAL - GEOPHYSICAL - ENGINEERS

Note: New map filed below.

October 7, 1965

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Mr. Frank Johnson, Chief
Office of Mineral Exploration
Geological Survey
Washington 25, D. C.

6491

Re: Ray L. Hollis application
Leadville district
Lake County, Colorado

Dear Mr. Johnson:

In accordance with a telephone conversation between you and Mr. Ray L. Hollis, some additional work has been completed at the Leadville property on which the loan application was previously submitted. This letter outlines these results, as well as further explains various aspects of the project which may not have been completely clear in the application. A new map has also been prepared, which is based on an old map only recently obtained by Mr. Hollis and which is very helpful in better evaluating the project. Additional field data by the writer is also added.

My understanding from Mr. Hollis was that there was some question as to whether the Leadville limestone was present on the property and that this might have to be explored for in addition to the presence of ore. By referring to the new map, it can be seen that the white porphyry-Leadville limestone contact is as close on surface as 250 feet from the Lucky Joe claim and that the nearby LeCompton-NisiPrius workings are all along the contact. Their dumps are nearly all mineralized Leadville limestone or massive manganosiderite ore, conclusively indicating the Leadville limestone and the presence of substantial mineralization. The cross-section previously submitted also illustrates the known presence of Leadville limestone at the Nisi Prius mine on the west and at the Mansfield mine on the east, with the Hollis property located between. Furthermore, the Nisi Prius shaft dump on the west edge of the Lucky Joe claim shows considerable mineralized Leadville limestone and manganosiderite ore. An assay of this ore ran .02 oz Au, 15.48 oz Ag, 2.60% Pb, and 23.68% Mn. Some of the workings from this shaft are undoubtedly under the Lucky Joe claim, there by conclusively showing the presence of Leadville limestone on the property.

Copy of be from pyrite not necessarily Ag or Pb. Sp

Some new rather extensive old workings were found at the base of the hill. The dumps are thickly overgrown with brush and were not distinguished before. Location is most likely under

P. O. BOX 309 2020 FOOTHILLS ROAD 303: 279-1542
GOLDEN, COLORADO 80402

the Nisi Prius and Nisi Prius Extension claims. Length of workings, based on amount of dumps, is very likely at least 1000 feet. Two grab samples of typical dump ore ran 3.1 and 12.4 oz Ag/Ton. Nearly the entire dumps are manganosiderite indicating a very extensive replacement of the Leadville limestone.

A bulldozer cut was put in immediately east of the Nisi Prius shaft to cut the Lucky Joe fault. The cut was put down to a depth of 25 feet where it was still in overburden, and any further deepening of the cut would require excessive stripping. This is certainly not worth further expense, as drilling is the only proper way to explore.

In summation, from the west property boundary westward 700 feet through the LeCompton mine, nearly every mine dump is composed of Leadville limestone nearly completely replaced by manganosiderite which assays from 3 - 15 oz Ag/ton plus substantial lead. This manganosiderite commonly is near to or encases the orebodies in the Leadville district. Furthermore, north-south cross-faults are very important to location of orebodies in the district. Although the bulldozer cut could not find the fault due to very thick overburden, it has to be present since the Leadville limestone is nearly on surface at the Nisi Prius shaft and at a depth of about 300 feet in the Emily shaft. These shafts are only 50 feet different in elevation.

In submitting this new data, you will note that the locations of Holes Nos. 2 and 3 have been moved northward, mainly because Hole #3 was located too far down in the drainage where overburden will be too great. The new bulldozer cut has over 25 feet of overburden on a steep hillside.

I believe this project has considerable merit, especially in view of the inexpensive drilling program, and your consideration of this request will be appreciated.

Sincerely,

Charles E. Melbye

Charles E. Melbye

M/am
cc; Ray L. Hollis

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/2	Murphy	120
	[illegible]	130
	[illegible]	110
		220
9/7	Kilgard	
9/9	Kiggan	
		110
		220

Mr. Ray Lee Hollis
10097 Del Rio Road
Spring Valley, California

Re: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

Dear Mr. Hollis:

Careful study of your 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 your application for exploration assistance is denied.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

FMMurphy/gla (9-2-65)

cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File
OME Region III
Mr.. Selfridge
120M

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/2	Selfridge	120
		110
		220

September 2, 1965

Memorandum

To: The File

From: F. M. Murphy, Mining Engineer

Subject: OME-6491 (Silver)
Ray Lee Hollis
Hollis Property
Lake County, Colorado

JUSTIFICATION FOR DENIAL OF APPLICATION

The Applicant requested aid in a two-stage core drilling project costing $21,361.00. The work would consist of drilling three holes an average depth of 400 feet in each stage to explore for silver-bearing ore bodies in the favorable Leadville limestone underlying the general area in which the property is located.

The property consists of one unpatented and five patented mining claims about three miles southeast of Leadville and two miles southwest of Ibex. Both of these towns are in very productive mining areas.

In the area of the subject claims the Nisi Prius and LeCompton mines lie to the west and the Mansfield mine to the east about 1,000 feet from the property boundary. The Emily shaft was sunk about 250 feet near the east central part of the subject property. Work at the Emily was reported stopped by a heavy flow of water in the shaft and the low silver prices. It is stated that a hole drilled from the Emily shaft encountered the Leadville limestone but no values. Judging from material on the LeCompton and Mansfield shaft dumps, some ore was produced from these mines.

Proximity to a major N-S fault is important for possible ore deposition in the Leadville district. In the project area the LeCompton mine is near the Dome fault and the Mansfield mine near the Mike fault. The subject property lies about equidistant between these two faults. The bedrock on the property is concealed; however, based on the report of Leadville limestone being encountered in the Emily shaft drill hole, the Applicant's geologist (C. Melbye) prognosticates a parallel N-S fault crossing the subject property. The locations of the proposed drill holes are based on this assumption.

Because of the lack of precise information relating to the project area, the proposed work could be considered as prospecting for a favorable target, hence is not eligible for OME exploration aid and therefore must be denied.

F M Murphy

F. M. Murphy

FMMurphy/gla (9-2-65)
cc to: Director's Reading File
Division File
Economic Geology File
OME File
OME Reading File

August 24, 1965

Mr. Ray Lee Hollis
10097 Del Rio Road
Spring Valley, California

Subject: OME - 6491

Dear Mr. Hollis:

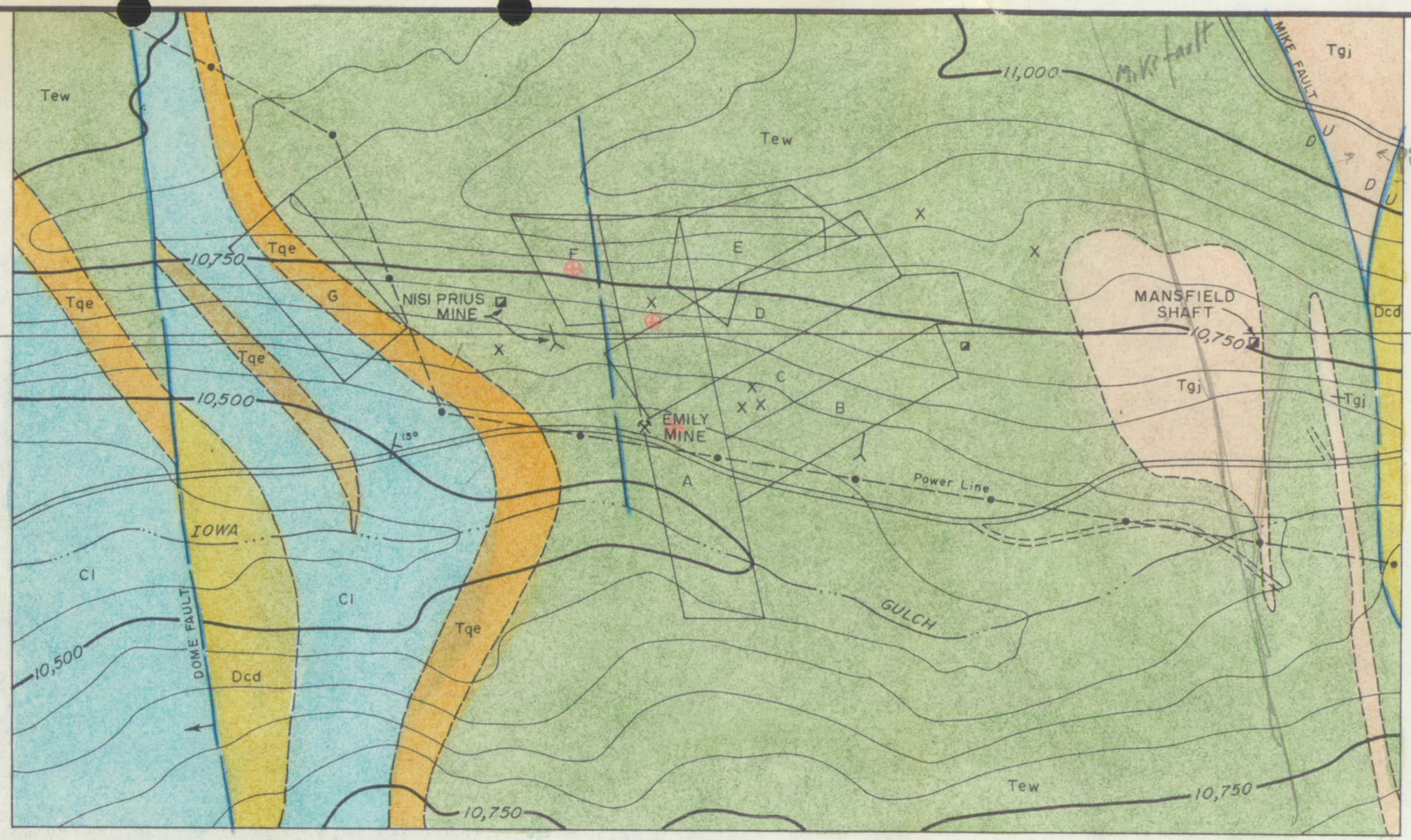
Your application for exploration assistance, dated August 2, 1965, submitted to our office at Denver, Colorado, has been assigned Docket Number OME - 6491.

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



LEGEND

CRETACEOUS OR TERTIARY — GRAY PORPHYRY	Tgj	Johnson Gulch porphyry
	Tqe	Porphyry sili
	Tew	White porphyry
UPPER DEVONIAN MISS.	Cl	Leadville limestone
	Dcd / Dcp	Chaffee formation
	X	Prospect
		Shaft
		Adit
	15°	Strike and dip

CLAIM NAME AND NO.

A.	EMILY	1119
B.	MARJORY	6379
C.	ALICE	6379
D.	LITTLE ADDIE	3676
E.	S.C.B.	6380
F.	LUCKY JOE	——
G.	LECOMPTON	4496

Sec. 31–32, T9S, R79W

14°30'

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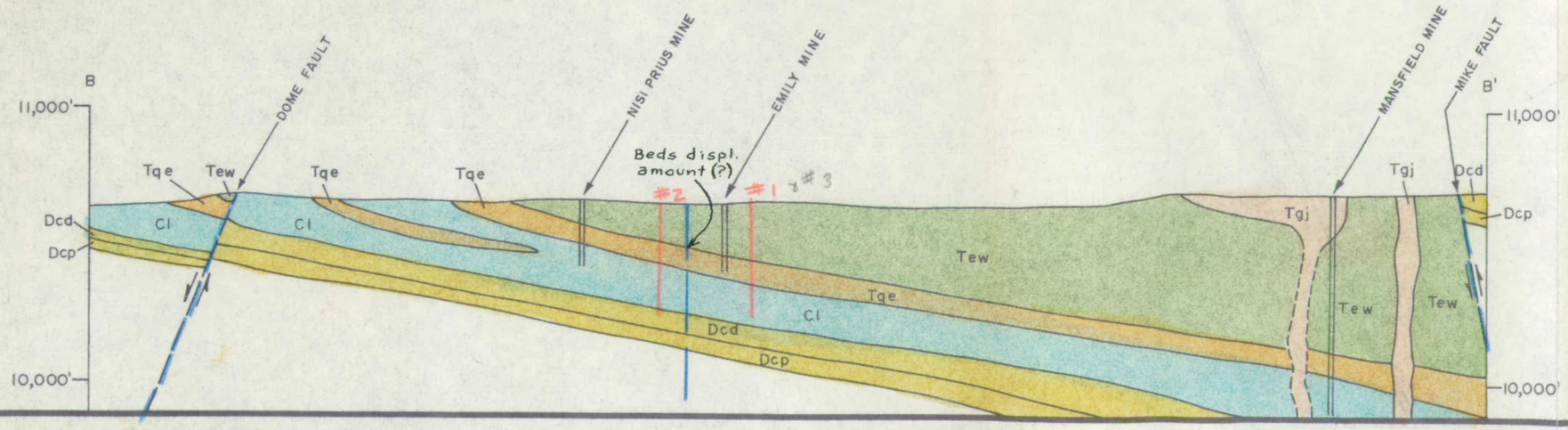
O. M. E.
RECEIVED
AUG 23 1965
INITIALS CODE



RAY HOLLIS PROPERTY

GEOLOGIC MAP OF PART OF LOWER IOWA GULCH

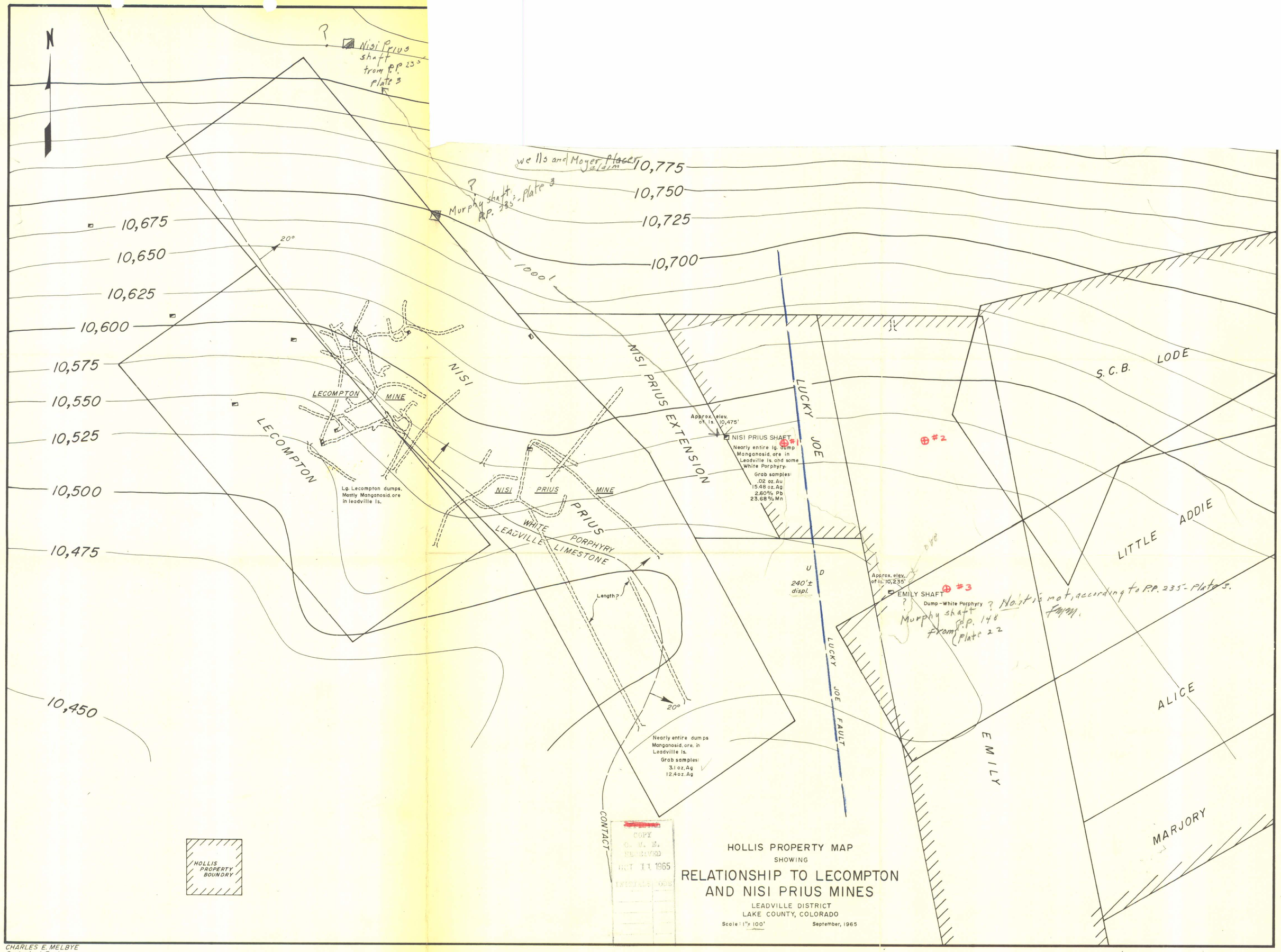
LAKE COUNTY, COLORADO

Scale: 1" = 500' July, 1965

Contour Interval = 50'

By R.J. Anctil

(Adapted from Behve Jr., C.H. U.S.G.S. Prof. paper 235; 1953)



HOLLIS PROPERTY MAP

SHOWING

RELATIONSHIP TO LECOMPTON AND NISI PRIUS MINES

LEADVILLE DISTRICT
LAKE COUNTY, COLORADO

Scale: 1"= 100' September, 1965

CHARLES E. MELBYE
Geological Engineer