MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6824

Application
- [ ] Denied
- [ ] Withdrawn

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

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

Folder No. 1:

Left Side

- [ ] Royalty Audits
- [ ] Certification of Discovery
- [ ] Closing Letter
- [ ] Cost Audits
- [ ] Termination Notice or Agreement
- [ ] Recision Notice
- [ ] Assignment of Contract
- [ ] Contract Amendments
- [ ] Contract with all exhibits and annexes
- [ ] Owner's Consent to Lien and Subordination Agreement
- [x] Application and Attachments (revised dtd. 1/24/71)

Right Side

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team Semiannual 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 Semiannual Inspection Reports
- [ ] Project Summary (Interim) by MME Engineers

Right Side

- [ ] Field Team Semiannual 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

72195-65

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 200

February 24, 1971

gea 1 30
Gal 1 20 nw
1 20
WZ 1 20 E

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME 6824 (Au-Ag)
Elysian Silver Heels Mines, Inc.
(Beaver-Tarryall Mining District)
Park County, Colorado

Transmitted herewith is a revised plan of exploration on the subject property for your consideration.

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

REPORT AND APPLICATION
TO OFFICE OF MINERALS EXPLORATION
U. S. DEPARTMENT OF THE INTERIOR

OME 6824 (GOLD)

EXPLORATION FOR SILVER & GOLD

SILVER HEELS MINES

ELYSIAN SILVER HEELS MINES, INC.
Box 400
Idaho Springs, Colorado 80452

MMF Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

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

ELYSIAN SILVER HEELS MINES, INC.
Box 400
Idaho Springs, Colorado 80452

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER

DATE RECEIVED

REGION

DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Charles P. Gresser	940 Colorado Blvd. Idaho Springs, Colo.	President
Sidney H. Peterson	1632 Clermont St. Denver, Colorado	Secretary and Treasurer

STATE IN WHICH FIRM IS ORGANIZED
Colorado

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE
Gold & Silver

ESTIMATED COST OF PROJECT
$84,620.

PROPERTY NAME	LOCATION COUNTY	STATE
Silver Heels Mines,	Park,	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. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, 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.

January 14, 1971
DATED

Charles P. Gresser
BY *(Signature)*

Charles P. Gresser, President
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.

1. FINANCIAL ELIGIBILITY

(a) The applicant applied to the First State Bank, Idaho Springs, Colorado, its local depository, for a loan of $63,465., the amount requested in this application. The loan was denied. The applicant also applied to the United Bank of Denver, Denver, Colorado, for the same amount, and this loan was denied. Both banks consider this type of loan inappropriate for their business to undertake. Copies of correspondence are included in Exhibit No. 1.

(b) The sole interested party in this application is:

Elysian Silver Heels Mines, Inc.
P. O. Box 400
Idaho Springs, Colorado 80452

(c) Applicant's share of the cost of the exploration work will be furnished from internal sources.

(d) Applicant is financially prepared to pay the total cost of operation until reimbursement is made.

(e) Applicant would not undertake full expenditure of the proposed exploration program without financial assistance.

ELYSIAN SILVER HEELS MINES, INC.
Box 400
Idaho Springs, Colorado 80452

January 20, 1971

First State Bank
Idaho Springs
Colorado

Gentlemen:

This company is planning an exploration program for silver-gold ores in the Beaver-Tarryall Mining District, Park County, Colorado.

This program will be conducted on property owned by the company with good merchantable title.

Total cost of the program is estimated to be in the amount of $84,620.00 and of this total amount we would like to borrow the sum of $63,465.00 for a period of ten years at a reasonable rate of interest.

The difference in the above amount will be supplied from personal funds of the company.

We would like your response to this request at your earliest convenience.

Sincerely yours,

ELYSIAN SILVER HEELS MINES, INC.

Charles Gresser

Charles Gresser

CG:eg

FIRST STATE
IDAHO SPRINGS, COLORADO
BANK

GEORGE G. PATTERSON
PRESIDENT

TELEPHONE 567-2696
ZIP CODE 80452

January 22, 1971

Mr. Charles P. Gresser
Elysian Silver Heels Mines, Inc.
Post Office Box 400
Idaho Springs, Colorado 80452

Dear Mr. Gresser:

We sincerely regret that the First State Bank, Idaho Springs, Colorado, must decline your loan application with regard to your mining operation.

We find we are unable to give further consideration to your request either on a mortgage basis or otherwise.

Sincerely,

George G. Patterson
President

GGP ma

ELYSIAN SILVER HEELS MINES, INC.
Box 400
Idaho Springs, Colorado 80452

January 20, 1971

United Bank of Denver
17th & Lincoln Streets
Denver, Colorado 80217

Gentlemen:

This company is planning an exploration program for silver-gold ores in the Beaver-Tarryall Mining District, Park County, Colorado.

This program will be conducted on property owned by the company with good merchantable title.

Total cost of the program is estimated to be in the amount of $84,620 . and of this total amount we would like to borrow the sum of $63,465 . for a period of ten years at a reasonable rate of interest.

The difference in the above amount will be supplied from personal funds of the company.

We would like your response to this request at your earliest convenience.

Sincerely yours,

ELYSIAN SILVER HEELS MINES, INC.

Charles Gresser

Charles Gresser

CG:eg

United Bank Center
1740 Broadway
Denver, Colorado 8[illegible]7
Telephone: (303) 24[illegible]3811

United Bank of Denver

January 22, 1971

Mr. Charles Gresser
Elysian Silver Heels Mines, Inc.
P.O. Box 400
Idaho Springs, Colorado 80452

Dear Mr. Gresser:

Thank you for your letter of January 20, 1971, whereby you request a ten year loan in the amount of $63,465 for an exploration program for silver and gold ores in the Beaver-Tarryall Mining District, Park County, Colorado.

We appreciate very much your giving us the opportunity to consider this application. We do make loans predicted on mine ore production. These loans usually are term loans based on an economic feasibility study: (1) demonstrating that a fully explored deposit can be developed and placed in production; or (2) a current record of profitable mining operations. In both instances, the feasibility study should be supported by details of thorough exploration showing beyond any reasonable doubt that there are blocked out reserves sufficient to amortize a production loan over its contemplated term. In addition, we require conclusive evidence of ability to market all mineral products under contracts which minimize or effectively eliminate price-fluctuation risks. We also expect any operation to be carried on by a management team which has a demonstrated history of competence in running an integrated exploration, mine development, mining, milling, transportation, and sales organization.

In instances where we provide funds for carrying on new exploratory or development work, or for expansion of plant or milling facilities, we are concerned with a going operation which has at least a year to 18 months of current operating history providing a cash flow which can be used for loan amortization. If the mine is not a going operation and exploratory funds are needed, then the program does not qualify on its own merits for commercial bank debt; instead, this type of financing requirement is better met in other ways.

From your application, it appears that other methods of financing would be more appropriate. If you wish a commercial bank to provide funds, then the basis would have to be either other sources of income and/or

the offering of collateral to secure the bank. Such collateral must be securities of easily determined value and quality and should be readily-marketable. This can normally be accomplished through pledging of high-quality, listed stocks and bonds (of a noncontrol person or noninvestment status), or through the guaranty of an individual or corporate entity acceptable to us. Subsequently, if, in fact, your mine operation does demonstrate a profitable history, then it would be possible for us to consider the transfer of the collateral base from the security position of marketable securities or guaranty, as indicated, to a straight mine production term loan.

As we must decline your loan request, we would suggest that, at this time, you pursue either equity or subordinated debt type of financing or perhaps contact one of several Federal Government Agencies which provide semi-risk type financing.

Sincerely yours,

William H. Stolz
Commercial Banking Officer

djv

7. COST ESTIMATE SUMMARY

Also No. 6

Drill 50 holes with Churn Drill to bedrock, av. 65 feet = 3,250 ft. 7 1/2 inch OD by 6 inch ID, $14.00 per ft.	$45,500.
Resident Superintendent, 3 mos. plus expenses = $2900/mo.	8,700.
D-8 Dozer, 3 mos. @$2,500. per mo.; rental for access road	7,500.
Mobilization, $1,000. per mo. 3 mos.	3,000.
Dozer Operator, 3 mos. @ $700. per mo.	2,100.
Dragline and operator, @ $30. per hr. for access road	2,500.
Pickup truck for hauling Churn drill cuttings, lease 3 mos. @$500.	1,500.
Operator for pickup, 3 mos. @ $500. per mo.	1,500.
Assaying Churn drill cuttings, 150 @ $2.50 (fire assay)	375.
" " " " 100 @ $4.00 (atomic absorbtion)*	400.
Office and General Administrative Expenses, 3 mos. @ 100. per mo.	300.
Analysis and Evaluation of cuttings	1,250.
125 Sample Sacks @ .84 ea.	105.
Geologist consultant, $1,800. per mo.: 10 visits @ 125. ea. Expenses per day 25.00; 200 mi. travel 24.00	5,400.
Hauling: including Churn Drill (12 tons), Oil, Gas, Insurance and Taxes (Social Security)	4,490.
TOTAL	$84.620.

Grant participation by OME 75% = $63,465.

Time required about three months.

*To have the benefit of a check against the fire assay.

Having carefully checked the cost items, the total amount stated above should be adequate to do the job.

EXHIBIT NO. 7

APPLICANT'S BREAKDOWN OF COSTS

Drill 17 holes with Churn Drill to bedrock, av. 65 feet, 1,083 fet., 7 1/2 inch OD by 6 inch ID, $14.00 per ft.	$15,166.
Resident Superintendent:	
This employee will supervise all phases of the project; he will direct all office and business activities, he will direct all field activities, including surveying and geological mapping. He will supervise daily advance measurements and the locating and logging of drill holes. He will direct the preparation of samples, including cores, for assay. He will direct the preparation and execution of survey progress and geological maps. He will make periodic visits to the project to check all performance work specifications. He will have a liason position between OME engineers and the applicant. He will be in charge of all technical matters, including periodic reports.	2,900.
D-8 Dozer	2,500.
Dozer Operator	700.
Mobilization	1,000.
Dragling and operator @ $30. per hr. for access road	833.
Pickup truck for hauling churn drill cuttings, lease per mo.	500.
Operator for pickup, per mo.	500.
Assaying churn drill cuttings, 75 ea. @ $2.50	125.
" " " " 50 ea. @ $4.00 (atomic absorbtion)*	133.
Office and General Administrative Expenses, per mo.	100.
Analysis and Evaluation of Cuttings	416.
Geologist consultant, per mo.: 10 visits @ 125. ea. Expenses, per day 25. 200 mi. travel 24. 180. x 10	1,800.
125 Sample Sacks @ .84 ea.	35.
Hauling: including Churn Drill (12 tons), Oil, Gas, Insurance and Taxes (Social Security)	1,497.
APPLICANT'S ESTIMATED MONTHLY COSTS	$28,205.

*To have the benefit of a check against the fire assay.

OSCAR T. McSHANE
PLACER EXAMINATIONS

505 20TH AVENUE
SAN FRANCISCO, CALIFORNIA 94121

(415) 221-0219

San Francisco, Calif.
Jan. 7th. 1971.

Mr. Charles Gresser,
P.O.Box 400,
Idaho Springs, Colorado.

Dear Mr. Gresser;

re: Montgomery Creek Examination

In compliance with your telephone call this morning in reference to my proposal regarding costs per foot, wherein I estimated the cost to be approximately fourteen dollars per foot.

I wish to point out this cost is only an estimate, since I have not inspected the property and studied the formation. I have based this cost in relation to the usual placer formations and using an experienced placer drill operator. Should large boulders and cemented materials be encounted, naturally this would slow the drilling progress and encrease the drilling costs.

The fourteen dollars cost per foot of drilling would include my fee.

I believe the above will give you the information you require.

Yours truly,
O. T. McShane
O.T.McShane.

Air mail:

ELYSIAN SILVER HEELS MINES, INC.
P. O. Box 400
Idaho Springs, Colorado 80452

January 7, 1971

Chas. O. Parker & Co.
2114 Curtis Street
Denver, Colorado 80205

Gentlemen:

May I have your quotation by return mail on Gold & Silver Assays on a quantity of 100 or more samples.

Sincerely,

ELYSIAN SILVER HEELS MINES, INC.

Charles Gresser

Charles Gresser

CG:eg

JAMES O. PARKER & CO.
CHEMISTS ASSAYERS ENGINEERS

TELEPHONE MAIN 3-1852
2114 CURTIS STREET
DENVER 5, COLORADO

Jan. 11, 1970.

Elysian Silver Heels Mines, Inc.,
Attention: Charles Gresser,
Box 400,
Idaho Springs, Colorado. 80452

Dear Mr. Gresser:

As you may have noted that our charge for gold and silver in the same sample is $2.50, you may realize that we have intentionally withheld raising our prices since 1952, for the reason that we cannot offer a reduction of price on quantity of samples. It must be straight across the board of $2.50 per sample.

We trust that we may be of service to you, and appreciate the opportunity of quoting on your contemplated sampling program.

Sincerely, with best wishes,

C.O. Parker

CP-a

ELYSIAN SILVER HEELS MINES, INC.
P. O. Box 400
Idaho Springs, Colorado 80452

January 7, 1971

Hazen Research, Inc.
4601 Indiana
Golden, Colorado 80401

Gentlemen:

May I have your quotation by return mail on Gold & Silver Assays on a quantity of 100 or more samples.

Sincerely,

ELYSIAN SILVER HEELS MINES, INC.

Charles Gresser

Charles Gresser

CG:eg

HAZEN RESEARCH, INC.

4601 INDIANA STREET
GOLDEN, COLORADO • 80401
TELEPHONE 303/279-4501

January 12, 1971

Mr. Charles Gresser
Elysian Silver Heels Mines, Inc.
P.O. Box 400
Idaho Springs, Colorado 80452

Re: Request for Gold and Silver Quotation

Dear Mr. Gresser:

The price for a gold and silver assay on prepared samples in lots of 100 or more is $4.50. Our price schedule for these elements is given below:

	Gold	Silver	Gold and Silver
Less than 100	4.00	4.00	5.00
More than 100	3.50	3.50	4.50

Please contact me if you desire futher information about this or other analytical services.

Very truly yours,

James K. Kindig
Senior Research Engineer

JKK:jrl

ELYSIAN SILVER HEELS MINES, INC.
P. O. Box 400
Idaho Springs, Colorado 80452

January 7, 1971

Skyline Labs, Inc.
12090 W. 50th Place
Wheatridge, Colorado 80033

Gentlemen:

May I have your quotation by return mail on Gold & Silver Assays on a quantity of 100 or more samples. I have been informed that your method is by Atomic Absorbtion.

Sincerely,

ELYSIAN SILVER HEELS MINES, INC.

Charles Gresser

Charles Gresser

CG:eg

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
12090 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

January 8, 1971

Mr. Charles Gresser
Elysian Silver Heels Mines, Inc.
P.O. Box 400
Idaho Springs, Colorado 80452

Dear Mr. Gresser:

Confirming our verbal quotation for analytical services. We are pleased to quote the following prices for atomic absorption determinations and sample preparation:

	Price Per Sample
Sample preparation (crushing, and pulverizing samples up to one pound)	$ .50
Silver	$1.50
Gold	$2.00

Silver and gold are determined by completely different procedures; accordingly there is no combination charge for the two elements as there commonly is in fire assaying.

A copy of our descriptive brochure and price list for analytical services is enclosed for your reference.

We appreciate your interest and trust we'll have the opportunity to be of service.

Sincerely,

Gordon H. Van Sickle

Gordon H. Van Sickle

GHV/djg
Enclosure

ELYSIAN SILVER HEELS MINES, INC.
P. O. Box 400
Idaho Springs, Colorado 80452

January 7, 1971

Root & Simpson, Inc.
1310 E. 17th Ave.
Denver, Colorado

Gentlemen:

May I have your quotation by return mail on Gold & Silver Assays on a quantity of 100 or more samples.

Sincerely,

ELYSIAN SILVER HEELS MINES, INC.

Charles Gresser

Charles Gresser

CG:eg

Specimen Price List

ROOT & SIMPSON, INC.

METALLURGICAL CHEMISTS & ASSAYERS

P. O. Box 18329 1310 E. 17th Ave.

Denver, Colorado 80218

Gold, Silver	$ 3.00
Gold and Silver (Same Sample)	4.50
Copper, Lead, Zinc, each	3.00
Aluminum	6.00
Antimony	6.00
Arsenic	6.00
Barium	6.00
Beryllium	10.00
Bismuth	7.00
Chromium	7.00
Cobalt	7.00
Fluorspar	6.00
Iron, Insoluble	3.00
Lime	3.00
Magnesium	7.00
Manganese	5.00
Mercury	5.00
Molybdenum	6.00
Nickel	7.00
Phosphorus	7.00
Platinum Group	10.00
Silica	6.00
Sodium	7.50
Sulphur	5.00
Thorium	15.00
Tin	7.00
Titanium	7.00
Tungsten	7.00
Uranium	7.50
Vanadium	4.00
Rare Earths	15.00
Selenium	15.00
Spectrograph	10.00

One-half to one pound makes a good sample.

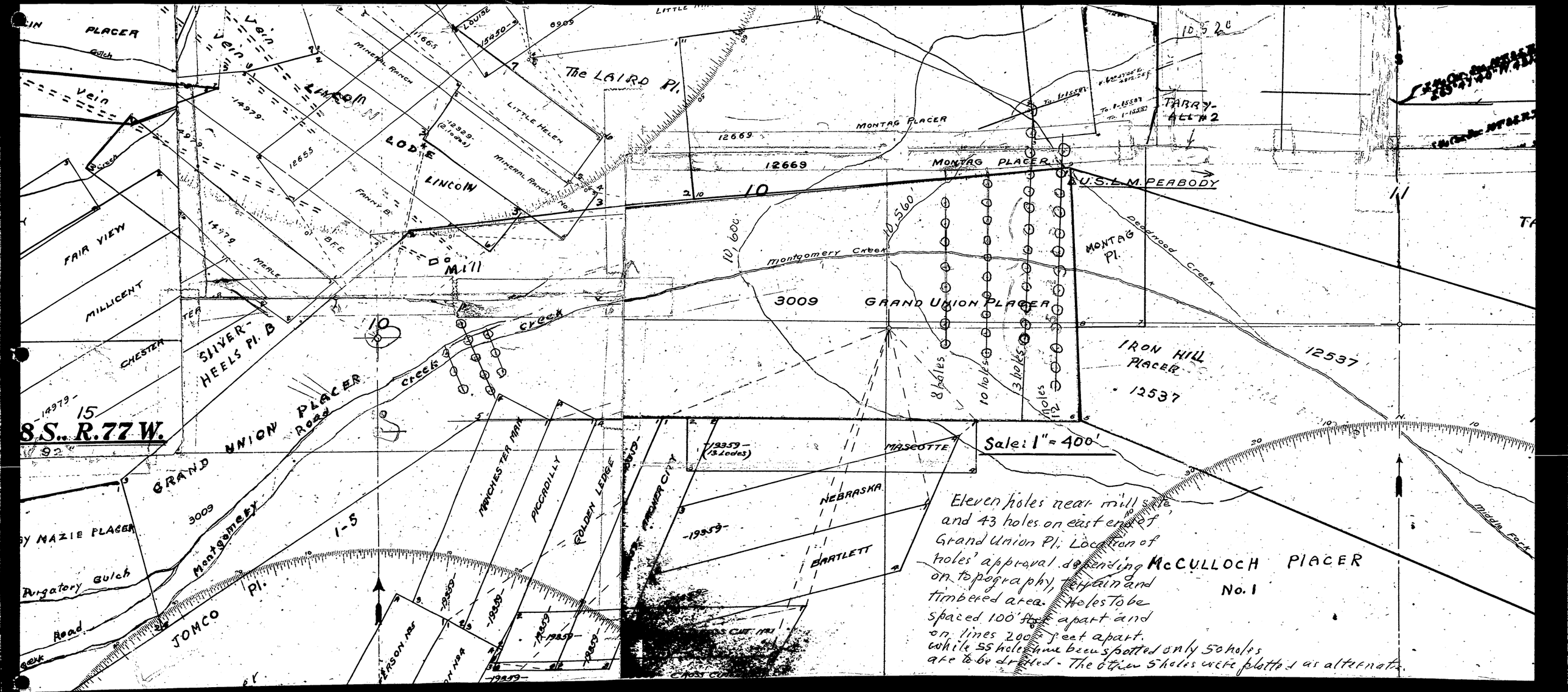
Minimum charge for preparation on all unprepared samples ..... .50

Charges must be prepaid in advance.

Prices Effective Jan. 1, 1970

(over)

Our prices are the same for any number of assays. We do not discount large numbers of samples.


PLACER
Vein
Gulch
Mineral Ranch
LINCOLN
LODE
LINCOLN
Fanny B.
Merle
Do Mill
Louise
Little Helen
Mineral Ranch No. 3
The LAIRD Pl.
MONTAG PLACER
MONTAG PLACER
U.S.L.M. PEABODY
TARRY-ALL #2
FAIR VIEW
MILLICENT
CHESTER
SILVER-HEELS Pl. B
GRAND UNION PLACER
Road
Montgomery Creek
Montgomery Creek
3009
GRAND UNION PLACER
MONTAG Pl.
Redwood Creek
IRON HILL PLACER
12537
8 holes
10 holes
3 holes
12 holes
8S. R.77W.
Sale: 1" = 400'
MASCOTTE
NEBRASKA
BARTLETT
MANCHESTER MAR
PICCADILLY
GOLDEN LEDGE
BROWN CITY
GRAND UNION PLACER
MAZIE PLACER
Purgatory Gulch
Road
JOMCO Pl.
Middle Fork
McCULLOCH PLACER No. 1
Eleven holes near mill site and 43 holes on east end of Grand Union Pl. Location of holes' approval depending on topography, mountain and timbered area. Holes to be spaced 100' apart and on lines 200 feet apart. While 55 holes have been spotted only 50 holes are to be drilled. The other 5 holes were plotted as alternate.

IN REPLY REFER TO:

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 8 1970
INITIALS | CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 200

September 4, 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: Elysian Silver Heels Mines, Inc. (Gold and Silver)
Beaver-Tarryall Mining District
Park County, Colorado

Transmitted herewith is an applicationf or financial assistance to explore for placer gold on the Elysian Silver Heels Properties, Park County, Colorado. Mr. Charles Gresser of Idaho Springs is the applicant.

Jack Antweiler, U. S. Geological Survey has done some work in the area, as have some of the U. S. Bureau of Mines engineers here in Denver. I intend to have Jack review the application and write me a memorandum concerning the area, and I will send it on to you later as Jack is still in the field and will not return until later in the month.

J. William Hasler

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

Enclosure

REPORT AND APPLICATION
TO OFFICE OF MINERALS EXPLORATION
U. S. DEPARTMENT OF THE INTERIOR

OFFICIAL
COPY
O. M. E.
RECEIVED
SEP 8 1970

INITIALS	CODE

EXPLORATION FOR SILVER & GOLD

ELYSIAN SILVER HEELS MINES, INC.
Box 400
Idaho Springs, Colorado 80452

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452

TELEPHONE: 567-2881
AREA CODE: 303

Mr. J. William Hasler
Acting Field Officer
Office of Minerals Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 203
Denver, Colorado 80225

Dear Sir:

We are submitting, under cover of this letter, an Application with required information for O.M.E. financial assistance in the exploration for silver and gold ores in Park County, Colorado.

Elysian Silver Heels Mines, Inc. will appreciate your early consideration of this Application.

Respectfully submitted,

Charles Gresser

Charles Gresser

CG:eg

MME Form 40
(Revised Nov. 68)

Budget Bureau No. 42-R1368
Approval expires Dec. 1971

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR FINANCIAL ASSISTANCE IN MINERALS EXPLORATION

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

OFFICIAL COPY U.S. GEOLOGICAL SURVEY SEP 8 1970 RECEIVED

NAME OF APPLICANT *(Full legal name and mailing address as they should appear on contract if one is executed.)*	APPLICANT DO NOT USE THIS BLOCK
ELYSIAN SILVER HEELS MINES, INC. Box 400 Idaho Springs, Colorado 80452	DOCKET NUMBER 6824 DATE RECEIVED 9-8-70 REGION III DIVISION CODE

BUSINESS ORGANIZATION *(Check one)*

- INDIVIDUAL [ ]
- CORPORATION [X]
- PARTNERSHIP [ ]
- OTHER *(Specify)* [ ]

LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE

NAME	ADDRESS	TITLE
Charles P. Gresser	940 Colorado Blvd. Idaho Springs, Colo.	President
Sidney H. Peterson	1632 Clermont St. Denver, Colorado	Secretary and Treasurer

STATE IN WHICH FIRM IS ORGANIZED: Colorado

MINERAL(S) FOR WHICH YOU WISH TO EXPLORE	PROPERTY NAME	LOCATION COUNTY	STATE
Gold & Silver	Silver Heels Mines,	Park,	Colorado

ESTIMATED COST OF PROJECT: $89,560.

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. II). To assure prompt action, your application must provide all applicable material and information specified on the back of this application form. Avoid unnecessary correspondence and delays by submitting complete and accurate information. *Please submit two copies of this application and all accompanying papers* except as otherwise noted. Place your name and address on each sheet. Each item of information, maps, and reports required as a part of this application is described on the back of this form. Identify each attached statement by the item number to which it applies. If an item does not apply to your application, show the item number on your statement and after it write "not applicable." Maps or sketches should be used to supplement narrative descriptions of the property location and boundaries in item 2, existing mine workings and geology in item 3, and the proposed exploration work in item 5. When this information is not too complex, all of it may be shown on one map or sketch. All documents and other attachments submitted as a part of this application, except those in item 3(g) which you mark to be returned, become the property of the Government and will not be returned to the applicant. Send true copies, *not originals*, of leases, contracts, and other documents which are an essential part of your business records. *File this application with the Department of the Interior, U.S. Geological Survey, Office of Minerals Exploration, Washington, D. C., 20242, or with the nearest OME Field Office.*

CERTIFICATION

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

August 4th, 1970
DATED

Charles P. Gresser
BY *(Signature)*

Charles P. Gresser, President
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 (1) true copies of your letters to credit sources which show date of loan request, amount and terms requested, and proposed use of loan funds and (2) true copies of 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 signed by owner on MME Form 52. If the agreements cannot be obtained, state reasons and whether you can furnish a performance bond.

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.

(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) 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. State your reasons for expecting to find ore.

(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, address, and telephone number 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 time and materials *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 price 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).]

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Proposed Exploration Map, Geology & Drill Holes	1" = 1000
Claims Map (claims submitted for OME)	1" = 1000
Total Mineral Holdings, OME Outlined	1" = 1000

INTRODUCTION

This application is made by Elysian Silver Heels Mines, Inc., a Colorado Corporation, to explore for silver and gold in the Beaver-Tarryall Mining District, located about four miles north of Como, Colorado. The lands submitted in this application consist of patented and unpatented mining claims, all owned with good merchantable title duly recorded at Park County, Fairplay, Colorado. The work will be performed by a mining and drilling contractor, chosen from a list of formal bids. The applicant will contribute all work of an engineering, geological, and administrative nature represented by the School of Mines Research Institute, Colorado. Because of the past history of this property, and the results of our preliminary work which indicate that the former operators have overlooked certain areas of favorability and procedure of exploration described in detail in this report, we believe the project outlined for the discovery of additional mineral reserves is of the type contemplated by the Office of Mineral Exploration.

1. FINANCIAL ELIGIBILITY

Requested $67,408

(a) The applicant applied to the First State Bank, Idaho Springs, its local depository, for a loan of $ 89,560.00, the amount requested in this application. The loan was denied. The applicant also applied to the Denver, U. S. National Bank, Denver, Colorado, for the same amount, and this loan was denied. Both banks consider this type of loan inappropriate for their business to undertake. Copies of correspondence are included in Exhibit No. 1.

Govt share would be @ 75% = $67,170

(b) The sole interested party in this application is:

Elysian Silver Heels Mines, Inc.
P. O. Box 400
Idaho Springs, Colorado 80452

(c) Applicant's share of the cost of the exploration work will be furnished from internal sources.

(d) Applicant is financially prepared to pay the total cost of operation until reimbursement is made.

(e) Applicant would not undertake full expenditure of the proposed exploration program without financial assistance.

3

FIRST STATE
IDAHO SPRINGS, COLORADO
BANK

GEORGE G. PATTERSON
PRESIDENT

TELEPHONE 567-2696
ZIP CODE 80452

July 16, 1970

Mr. Charles P. Gresser
Elysian Silver Heels Mines, Inc.
Box 400
Idaho Springs, Colorado 80452

Dear Mr. Gresser:

We sincerely regret that the First State Bank, Idaho Springs, Colorado, must decline your loan application with regard to your mining operation.

We find we are unable to give further consideration to your request either on a mortgage basis or otherwise.

Sincerely,

George G. Patterson
President

GGP ma

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452

TELEPHONE: 567-2881
AREA CODE: 303

July 10, 1970

First State Bank
Idaho Springs, Colorado

Gentlemen:

This company is planning an exploration program for silver-gold ores in the Beaver-Tarryall Mining District, Park County, Colorado.

This program will be conducted on property owned by the company with good merchantable title.

Total cost of the program is estimated to be in the amount of $ 89,560. and of this total amount we would like to borrow the sum of $ 67,408. for a period of ten years at a reasonable rate of interest.

Balance of funds will be supplied from personal funds of the company.

We would like your response to this request at your earliest convenience.

Sincerely yours,

ELYSIAN SILVER HEELS MINES, INC.

Charles Gresser

Charles Gresser

CG:eg

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452

TELEPHONE: 567-2881
AREA CODE: 303

July 16, 1970

Denver U. S. National Bank
Denver U. S. Center
Denver, Colorado 80217

Gentlemen:

This company is planning an exploration program for silver-gold ores in the Beaver-Tarryall Mining District, Park County, Colorado.

This program will be conducted on property owned by the company with good merchantable title. ?

Total cost of the program is estimated to be in the amount of $ 89,560. and of this total amount we would like to borrow the sum of $ 67,408. for a period of ten years at a reasonable rate of interest.

Balance of funds will be supplied from personal funds of the company.

We would like your response to this request at your earliest convenience.

Sincerely yours,

ELYSIAN SILVER HEELS MINES, INC.

Charles Gresser

Charles Gresser

CG:eg

DENVER U.S. NATIONAL BANK

July 17, 1970

Mr. Charles P. Gresser
Elysian Silver Heels Mines, Inc.
940 Colorado Boulevard
Idaho Springs, Colorado 80452

Dear Mr. Gresser:

Thank you for your visit on July 16, 1970 and your request for exploratory funds in the amount of $ 89,560 for the purpose of conducting exploration and development work at the Silver Heels Mine in the Tarryall Mining District, Park County, Colorado.

We appreciate very much your giving us the opportunity to consider this application. We do make loans predicated on mine ore production. These loans usually are term loans based on an economic feasibility study (1) demonstrating that a fully explored deposit can be developed and placed in production; or (2) a current record of profitable mining operations. In both instances the feasibility study should be supported by details of thorough exploration showing beyond any reasonable doubt that there are blocked out reserves sufficient to amortize a production loan over its contemplated term. In addition, we require conclusive evidence of ability to market all mineral products under contracts which minimize or effectively eliminate price-fluctuation risks. We also expect any operation to be carried on by a management team which has a demonstrated history of competence in running an integrated exploration, mine development, mining, milling, transportation, and sales organization.

In instances where we provide funds for carrying on new exploratory or development work, or for expansion of plant or milling facilities, we are concerned with a going operation which has at least a year to 18 months of current operating history providing a cash flow which can be used for loan amortization. If the mine is not a going operation and exploratory funds are needed, then the program does not qualify on its own merits for commercial bank debt; instead, this type of financing requirement is better met in other ways.

From your application it appears that other methods of financing would be more appropriate. If you wish a commercial bank to provide funds, then the basis would have to be either other sources of income and/or the offering

DENVER U.S. CENTER · DENVER, COLORADO 80217 · TEL. (303) ~~244-8811~~ 892-1621

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Nov. 1975

DENVER UNITED STATES NATIONAL BANK

of collateral to secure the bank. Such collateral must be securities of easily determined value and quality and should be readily marketable. This can normally be accomplished through pledging of high-quality, listed stocks and bonds (of a noncontrol person or noninvestment status), or through the guaranty of an individual or corporate entity acceptable to us. Subsequently, if, in fact, your mine operation does demonstrate a profitable history, then it would be possible for us to consider the transfer of the collateral base from the security position of marketable securities or guaranty, as indicated, to a straight mine production term loan.

As we must decline your loan request, we would suggest that, at this time, you pursue either equity or subordinated debt type of financing, or perhaps contact one of several Federal Government agencies which provide semi-risk type financing.

I am enclosing a copy of our "Fundamentals of Oil & Natural Resources Financing," which you may find of interest.

Sincerely yours,

William H. Stolz
Commercial Banking Officer

WHS/djv
Enclosure

I have been a patron of this Bank uninteruptedly for 34 years. Our relationship has been most cordial.

Charles Gresser

Applicant's Rights in Land

№ 2 Page 5

Exhibit A Pages 1 & 2

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DAVID LeCOUNT EVANS, CONSULTING GEOLOGIST

Charles P. Gresser

SILVER HEELS PROPERTIES

Park County, Colorado

A 1969 ANALYSIS

DAVID LeCOUNT EVANS, CONSULTING GEOLOGIST

FOREWORD:

Concerning earlier reports, "A Progress Study, Silver Heels Project, October 1963," in the personal files of Mr. Charles P. Gresser, owner of Silver Heels Properties, summarizes work and data, and lists the conclusions and recommendations of that date.

Prepared by the writer for the McCulloch Oil Corporation of California, 1962-1963 lessees of Gresser properties and of some adjoining claims belonging to Mr. Martin Edwards, Mr. Gresser was provided with the copy to which he was entitled.

Mr. Gresser has been at liberty to use the 1963 study in his continued efforts over the intervening years.

Aware of our own lasting interest in his property, the nature and potential of which appeared unresolved, he sought the writer's services in March, 1969. Interested in this opportunity to further pursue the Silver Heels' problem, it was agreed to collaborate by continuing with mapping, check sampling, and reviewing all details. Because of a full schedule, not until September 3, 1969, was it possible to proceed to the property with Mr. Gresser.

Permission to use McCulloch's sample information was solicited and granted. Further, Mr. Gresser solicited and was granted my permission for the purpose of this Report to delete certain names of personalities not pertinent to this Report.

Maps and sections, accompanying this current analysis, are the product of past and recent mapping. Maps and sections reflect a certain progress, but no change, in basic interpretation; and the further development of an idea, proposed in the 1963 study, i.e.; the existence of an underlying source.

All property evaluations depend on five major approaches, i.e.; (1) precise and factual geological mapping, (2) unbiased and meticulous sampling, (3) sound assaying, (4) reasonable metallurgical testing, and (5) a reliable economic study based on a plan of mining, geared to a property's environment.

Silver Heels past major 'headaches' are attributed to steps #3 and #4. Flow sheets, all laboratory successes have developed into failures in the field. Values, determined by cyanide and amalgamation, in various combinations and with the help of undisclosed additives, have provided values that could not be checked.

This report is interested only in standard and orthodox procedures. Even on that basis, conclusions, recommendations and proposals appear fully justified.

SUMMARY:

Low values from flour-gold exist with glacial detritus in Deadwood-Little French and Montgomery Creeks, both upper tributaries of Tarryall Creek. The two branches offer some 30,000' of possibilities on Gresser ground, on upper reaches, and another 8,000' to the east, following Tarryall drainage.

Provoking but untested gold and silver values are indicated for at least 7,500 feet, within Gresser claims on Montgomery Creek. These underlie glacial detritus and accompany a zone of possible contact mineralization, associated with acid intrusive dikes and sills. A minimum of 2,000 feet, with similar characteristics, exist on the Little French side.

Presented is the premise that:

(1) primary values, in place, are closely associated with a zone of contact mineralization, in the Maroon formation following contacts with later acid intrusives;

(2) glacial detritus has been derived from this contact zone, through the 'bull-dozing' action of moving ice; mixed with bordering waste, the transported, mineralized load has been diluted and values are low.

Efforts, to date, have been limited to exploring the economic potential of the detrital mass. Except where haphazardly encountered in holes (and logged as gravel), or penetrated by chance-excavations, the contact zone has been without development. Results have been jeopardized by lack of recognition, improper and incomplete drilling, and pits, none of which (in gravels) have reached bedrock. A lack of the proper metallurgical understanding has shared in clouding the picture.

An immediate Keystone type drilling program is proposed. Such would not only assure an accurate picture of the two units, providing a value for the zone of contact mineralization, but also would provide the required bulk for proper metallurgical testing.

PURPOSE OF REPORT:

To outline the property's geological characteristics as viewed at this later date; to review the area's history and ownership; to provide true values and the 'size' of target, as well as a proposed program, are the purposes of this analysis.

DAVID LE COUNT EVANS, CONSULTING GEOLOGIST

CONCLUSIONS:

This analysis concludes that:

1. Material and/or values, marginal to and beneath the glacial detrital member is better grade, carrying some silver, as well as gold;

2. Assays from zone indicate an average of $3.03 per ton, based on today's metal prices for gold and silver, assuming continuity, 7,500 feet of length, 1,500 feet of width, and 40 feet of average thickness, we would be considering a 'target' of 24,000,000 tons;

3. Conclusion #2 figures, based on a few scattered values and assumptions are only indicative; the material does have better than average value, and with continuity could underwrite a favorable reserve;

4. In view of the above and until the unit is thoroughly tested by drilling, assaying and metallurgical study, the property should be considered prospective.

RECOMMENDATIONS:

We recommend that:

1. The property be drilled through the glacial detritus, the underlying layer of contact mineralization and into barren bedrock; using a Keystone-type drill, which carries its own casing on bottom during drilling, with cuttings flushed to surface by water;

2. Drilling would be started at the center of the Grand Union claim, with the program proceeding up and down Montgomery Creek, first repeating previously drilled centers, and then at 1,000 foot intervals; and, after that, if a success, on a closer spacing still to be determined;

3. In the event drilling assures continuity with encouraging values, bulk samples be sent to a reliable Metallurgical consulting firm for testing; assuming favorable results to this point, a reputable consulting mining engineer should be called in to devise the proper mining program, establish the overall cost picture, and determine the economic or non-economic possibilities of the property.

DAVID LE COUNT EVANS, CONSULTING GEOLOGIST

LOCATION:

With reference to Plate 1, "Index Map," the Silver Heels property lies eight miles northwest of Como, Colorado. The Montgomery-Deadwood branches of Tarryall Creek cut the block. Como lies one-half mile north of U. S. Highway 285 at a point 79 miles southwest of Denver, or ten miles northeast of Fairplay, Colorado.

Claims are located in Sections 9, 10, 11, 13, 14, 15, and 16 of Township 8 South, Range 77 West.

Fairplay (County Seat), Como, and the Silver Heels area are all in Park County.

GENERAL AND LIMITING CONDITIONS:

Access: Highway 285 is a paved road, a major route connecting Denver with the Southwest; in 1963 the original eight miles of narrow, gravel road was widened and 'crowned' by the county, this alleviating snow removal.

Terrain: Peaks in the area approace 14,000 feet, but valley elevations of 10,500 feet at the east and rise only to 11,500 feet at the west end in a distance of about three miles; valley irregularities are those associated with stream erosion through overall gentler slopes on till, in contrast with the cliff-like slopes marginal to the glacial valley.

Power: Approximately ten miles of line would be required, whether from Como on the east or the Hoosier Pass area on the west. Without the line, Diesel powered generators would be a requirement.

Water Supply: Measurements by Wier in July and August, 1963, in Montgomery Gulch, established low and high flows of 600 and 4,000 gallons per minute, respectively; to that time July was the driest month of the driest year of record. An equal flow of water was indicated for Deadwood Gulch, and it was believed that a constant flow of 4,000 gallons per minute, from the two sources, was a reasonable expectancy.

DAVID LE COUNT EVANS, CONSULTING GEOLOGIST

Timber: Supply of good spruce and pine is plentiful; however, timber is not the asset it might be since it must be removed before surface mining.

Labor: The general area can provide labor; however, throughout all of the country, mining labor is becoming increasingly difficult to find; surface open-pitting does not provide the problems of underground mining.

Wage scales for the Colorado Mining area have not been investigated. Current, personal experience in Nevada and California indicates a base wage of from $3.00 to $3.25, skilled labor at $3.80 per hour; etc.; a skilled miner with reasonable fringe benefits will cost his employer about $35.00 per day.

Mill, Sites: A choice of mill sites is available.

Tailings: The disposal of tailings presenting problems remains a matter for future study.

Weather: Winters can be heavy and early, as evidenced by recent October snows. Climate is unpredictable.

For a normal winter, snow depths at Climax, ten miles west and at the same elevation, never exceed five feet; drifts, however, present problems. Surface mining from January into May would be impractical, but milling could be maintained throughout the year, since roads can be kept open. Any year-round operation would require summer stockpiling to support winter milling.

LEGAL TITLE:

Gresser properties total 1,779.8 acres of which 810.3 acres represent patented claims.

Plate 2 shows the Gresser claim pattern and coverage for Deadwood-Little French and Montgomery Gulch areas. Our map indicates the approximate position of 20 patented claims, centered on Amethyst Gulch. Files do not provide the details.

DAVID LeCOUNT EVANS, CONSULTING GEOLOGIST

Amethyst area claims cover, according to 1963 recollection, narrow veins, carrying gold and silver mineralization, some, as it has been reported, as tellurides. Lack of this detail does not appear to effect our proposal to dilineate the distribution of contact mineralization in Montgomery Gulch.

Of possible later concern is the fact that Gresser acreage does not cover extension possibilities to the west.

Gresser claims are itemized as follows:

A. Patented Group, Montgomery Trend:

Name of Claim	U. S. Survey #	Approximate Acerage
Grand Union Placer	3009	143.5
Morning Star Lode	17903	10.0
Montgomery Placer	15700	133.7
Star of the North Placer	16205	27.0
Niel Lode	17745	10.3
Queen No. 1 Lode	17667	
Queen No. 2 Lode	17667	
Sleepy Joe Lode	17667	53.5
Crown Point Lode	17667	
Gold King Lode	17667	
Revenge Lode	17667	
King Solomon Lode	16007	10.3
Amethyst Lode	16007	10.3
Annie M. Lode	17821A	8.0
Emma Lode	17521A(?)	8.0
Lena Lode	17821A	8.0
Jay Gould Lode	15460	10.3
Dictator Lode	17821A	8.2
Diadem Lode	17821A	9.5
J. W. Sr. Lode	17821A	
J. W. Sr. #1 Lode	17821A	
J. W. Sr. #2 Lode	17821A	70.0
J. W. Sr. #3 Lode	17821A	
J. W. Sr. #4 Lode	17821A	
Splendor Lode	17821A	
Yellowstone Mill Site	17821A	10.3
	TOTAL...	530.9

DAVID LECOUNT EVANS, CONSULTING GEOLOGIST

B. Unpatented Group, Montgomery Trend

Name of Claim	U. S. Survey #	Approximate Acreage
Silver Heels Placer B		154.0
Cogy Mazie Placer		30.8
Oh Promise Me Placer "A"		20.0
Silver Heels Placer "A"		23.0
Bull of the Woods Placer		20.0
Lucky Strike Placer		20.0
Silver Heels Placer		4.5
Silver Heels Placer "C"		10.0
Oh Promise Me Placer "B"		13.0
Golden Gate Lode		20.0
Black Butterfly Lode		20.0
Thelma Placer		34.0
Merle Lode		3.5
Jomco Placer Group #1 to #5		91.1
	Total.....	463.9

C. Patented Group; Deadwood Trend

Deadwood Placer	12668	103.5
Montag Placer	12669	44.8
Iron Mountain Placer	2939	51.6
Liebelt Placer	5236	41.9
Louise Lode	12655	6.6
	Total.....	248.4

D. Unpatented Group, Deadwood Trend

Humboldt M. & G. Placer		70.0
Humboldt Ext. Placer		19.0
Tarryall Placer #1		16.5
Tarryall Placer #2		137.6
Tarryall Placer #3		70.0
Tarryall Placer #4		90.0
	Total.....	403.1

DAVID LeCOUNT EVANS, CONSULTING GEOLOGIST

On the strength of a 1969 map, provided by Mr. Gresser, the following appear to have been added to his block since 1963:

E. Added since 1963, Deadwood Trend:

Name of Claim	U. S. Survey #	Approximate Acreage
Irene Ann Lode		52.5
Liebelt Lode		
Liebelt Extension		
Humboldt Lode		8.6
Laura Lode		20.7
Clarence Lode		20.7
Jessie	5104	
W & S	5104	31.0
Nellie W.	5104	
	Total.....	133.5

Considering the above, Charles P. Gresser is summarized and totalled as follows:

Category	Total Acres
Gresser A	530.9
Gresser B	463.9
Gresser C	248.4
Gresser D	403.1
Gresser E	133.5
Total.....	1,779.8

At this later date, titles have not been checked. In 1963 titles were found to be in order, or if not in order, corrected for unpatented ground at that time.

HISTORY OF PROPERTY AND DISTRICT

Placer Operations:

The area's detailed mining history is sketchy. According to Eberhart's Colorado Ghost Towns and Mining Camps, there is some evidence that gold could have been discovered and worked on the Tarryall as early as 1849.

DAVID LE COUNT EVANS, CONSULTING GEOLOGIST

Discoveries, however, in 1859 established the Tarryall as one of Colorado's first major gold districts; the lower Tarryall placers were worked out by 1875, and the towns of Tarryall and Hamilton, with combined population of 6,000, disappeared.

Placering had reached the branch of Montgomery Creek before 1900. From 1911 to 1941 this Fortune placer operated fitfully; in 1941 the War Production Board's closing order forced the cessation of gold mining. This was not the first time the Fortune Placer had been closed. Early in the century a court order stopped operations because of the fact that cattle interests downstream brought suit to stop excessive stream pollution. Reports suggest a steady, profitable operation based on the recovery of the coarse gold (in the lower Montgomery channels) at this point, 3 1/2 miles below the Grand Union claim.

Concurrently, efforts were well rewarded in the Little French North drainage, four miles above Fortune placer, and downstream to its confluence with Deadwood Creek. This mile of stream was worked very profitably by a Mr. Liebelt and his four sons, into the Thirties. Efforts were confined to recovering the coarse gold at extreme bedrock in present-day channels.

Lode Exploration:

Vein discoveries were made on the slopes of Silver Heels in 1896, with a small mining camp established in Middle Montgomery Gulch by 1897. Four tunnels were being driven at the time; all reported encouraging veins carrying free gold and tellurides; widths, as reported, would have made such economic; an abrupt end to these efforts suggests narrow veins.

On Iron Mountain (or Mineral Ranch Hill) several prospects were started in 1897, including the "Mineral Ranch"; the headframe for the 90 foot inclined shaft, driven at that time, remains. The vein was drifted on at the 50 foot level. Smelter returns of from $32. to $285. per ton were reported for ore shipments; descriptions of this ore suggest the contact type mineralization observed in the Montgomery Gulch area; heavy ground and excessive water made the shaft program inoperable. The Ute Tunnel, to cut the vein at depth, was started before 1900 (see Plate #2), but stopped after several hundred feet when operators ran out of financing. Starting again in the early 1920's the Ute was advanced to 1535 feet without reaching its objective.

Placer Production:

Gold from Tarryall Creek and its tributaries, from 1859 to 1947, has been estimated at 30% of the total $6,500,000. produced from northwest Park County, or $1,950,000. This conservate and sound approach does not approach the $25,000,000. claimed in promotional reports.

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Recent Overall History:

Mr. Charles Gresser began assembling his acreage in 1954, at the same time starting the sampling from exploratory pits, the building of access roads, etc.

In late March 1963, the McCulloch Oil Corporation of California, after negotiating a lease and option, started the construction of a pilot mill, to test the glacial detritus, or gravels, on the Grand Union Claim, using a system of classification, tabling, and controlled amalgamation, designed by Process Engineering, Development and Equipment Company, of Denver, Colorado. Construction was under the supervision of Process Engineering.

Mining of gravels started in August 1963 and some 50,000 cubic yards of partially classified gravels (coarse material had been removed at pit-side) had been stockpiled at mill site, by December.

Pedeco's process failed to live up to expectations and McCulloch, it is understood, dismantled and moved the plant to another project at Aspen, Colorado, in late 1964 or early 1965. The McCulloch Oil Corporation having ceased further operation, Mr. Gresser terminated the lease and option about June, 1967.

GEOLOGY:

Introduction:

All personal geological analysis has been influenced, as it should be, by the literature.

The Silver Heels area had been described in 1925 by Garrett A. Muilenberg publishing in Bulletin 31 of the Colorado Geological Survey; in 1940 by Q. D. Singewald in USGS Bulletin 928-A; and in 1947 by Dr. Singewald in USGS Bulletin 955.

These three contributions assist, immeasurably, in the basic understanding of a promising area; the first, because of its very obvious recognition of (1) a section of replaceable sediments, invaded by later metal-charged acid intrusives, and (2) contact type deposits carrying low values in gold and silver; and Singewald's studies because of like-observations, as well as his reasoning regarding the later intrusives and their effect on sediments intruded.

Singewald's map is not reproduced in its entirety, but on Plate 3 note his outline of the limits of effected Maroon formation, shown in red and centered on an area of acid intrusives.

The geological detail which follows includes quotations from Muilenberg and Singewald, provided as the occasion demands.

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General Considerations:

Petrographis Units

Dominant are the well bedded clastics of the Maroon formation, prominently exposed in the cliffs bordering Montgomery Gulch on the south. Consisting, in this area, of layers of red sandstone, silt and shale, these Permo-Pennsylvanian sediments have been changed to slates and quartzites, by the later acid, quartz-monzonite intrusives, shown on all maps and sections; discoloration has been noticeable with the characteristic red being replaced by greens and gray; the green from epidote and the gray from silicification.

On all maps the Maroon formation is colored a light pink; where altered a 'cross-hatch' has been applied.

Intrusives:

In 1940, Singewald reported:

> "the apex of a smaller stock crops out in Montgomery Gulch. Surrounding the small stock is a zone of intense contact metamorphiam which grades outward into unmetamorphosed rocks. The metamorphosed zone coincides with the area of principal mineralization."

Singewald continued in 1947, as follows:

> "Regarding the Silver Heels Mountain area, the top of a small stock apexes in Montgomery Gulch, north of Silver Heels Mountain. The regional dip of the beds is eastward, with interruptions, due to local faulting and folding that accompanied intrusive action."
>
> "Sulphide mineralization coincides with an extensive area of metamorphism, related to the Montgomery Gulch stock."

Considering personal efforts, the broad term, quartz monzonite, must, for the time, suffice. Mapping has indicated a series of porphyry types, but time did not permit differentiations while mapping. Singewald's intrusives have been verified and their importance emphasized by the obvious association in Maroon sediments of mineralization with adjacent intrusive dikes and sills.

With reference to all maps and sections and, especially, the Legend of Plate 3, acid intrusives are shown by a check mark and colored light purple.

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Glacial Gravels and Detritus:

Glacial gravels fill the canyons of the Purgatory-Montgomery and Little French-Deadwood drainage.

Average widths of glacial deposits for these areas amount to 1,080 and 1,270 feet for the Montgomery and Deadwood channels, respectively. Estimated average thicknesses amount to 25 feet for Montgomery and 40 feet for Deadwood. These estimates are based on widely spaced points of observation.

Economic Units:

Auriferous gravels were the only apparent economic target before the promising exploration of July and August, 1963, The very narrow, discontinuous veins in solid Maroon and porphyry, bordering the valley, reputedly high grade, were not and are not considered as an economic opportunity.

Development during the summer of 1963, however, positively established altered and mineralized sedimentary rocks, in contact with acid intrusives, carrying better than average values in gold and silver. This second 'target' is discussed in greater detail, below, under "Mineralization" and "Geological Conclusions."

Detailed Considerations:

Units

Sediments and Intrusives

Described adequately above.

Glacial Gravels or Detritus:

Thicknesses of brown, medium textured, oxide gravel are capped by an average of four feet of very coarsely textured, gray gravel. The former carries fine, floury gold and values are, apparently, low. The latter is a regional veneer without value.

Brown gravels with coarse boulders, no larger than two feet in diameter, appear to average 65%, more or less, of minus 3/4 inch material. The 35%, with widely scatter coarser boulders, consists of angular to sub-rounded boulders, with diameters from 3 to 6 inches.

The brown gravels are heavily limonitic, and the source is believed to be the zone of contact mineralization.

Boulders represent mineralized Maroon clastics, relatively fresh porphyry, etc. The unsorted to, locally, slightly bedded mass carries heavy magnetite, clusters of pyrite with minor chalcopyrite, and stray 'shows' of brown garnet.

The mass suggests a load, pushed for a short distance by the 'dozing' action of a glacier, followed by some under-ice stream classification.

It is believed that the four foot veneer, consisting of extremely large slabs of fresh porphyry and fresh, banded green metamorphosed clastics, represents material from the unmineralized sides of the canyons, carried on top of the glacial mass, and deposited, finally, on top of the brown unit as the ice retreated.

Talus:

Neither maps nor description consider the distribution of talus and rock slides, moving from steep slopes and cliffs, to conceal valley details.

Contact Mineralization Unit

Structure

The probable effect on a gently dipping bed of replacement mineralization is developed on sections. The chances are excellent that other like irregularities will be encountered, as exploration continues.

Singewald in his 1940 study considered the area, favorably, because of its position, directly in line with a regional zone of maximum shearing. His descriptions indicate that the zone coincides with the northeast-southwest alignment of Montgomery Gulch; the alignment of porphyries, outcropping on both sides of Montgomery and terminating at the Iron Mine, at the head of Beaver Creek, appears significant, as do the smaller but persistent dikes and sills of acid porphyry and silica, cutting sediments and lying beneath gravels in the Test Mill area on the Grand Union Claim.

Mineralization
Mineral Deposits

On Page 12, under "Economic Units," note the three possibilities, i.e., auriferous gravels, higher grade but narrow veins (of little interest), and widely dispersed contact mineralization, close to acid intrusives.

Contact mineralization thinking and its chronological development has been as follows:

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Muilenberg, in 1925 on Page 60, under "Deposits Related to Contact Action," reported:

> "This type of deposit was noted on Mineral Ranch Hill where the Illinois Central Consolidated Mining and Milling Company has driven a tunnel nearly 1500 feet to explore it. The ore body, said to have been cut by the tunnel--------showed replacements of calcareous shales and sandstones and thin limestones, as well as porphyry, by pyrite and sphalerite (zinc sulphide.) Garnet, epidote, magnetite and specularite are associated with the ore in varying quantities. The ores carry a little gold and silver and traces of copper. The sphalerite---- is the variety known as marmatite. It varies in texture from finely crystalline to massive and is intimately associated with pyrite. Evidence that the ore-bearing solutions entered along bedding planes and other lines of weakness is seen in the much greater percentage of ore minerals near such lines of weakness than elsewhere. There is no sharp line of contact between the ores and the wall rock, but a gradual decrease in amount of ore may be seen away from the channel of access.
>
> "Many other small deposits that belong to this type were observed but most of them carried no sphalerite. The most common constituent is magnetite which carries small quantities of gold. Shipments of this ore are said to have run $20. to $30. per ton in gold, with a little silver. Reports of richer ore in some of the workings are current but could not be verified."

Subsequent studies of the Fannie B dumps on the slope above the new stockpile area encountered similar contact mineralization with values of $1.82 to $3.00 per ton, on 1963 values. A trench driven in the area between dumps provided a like zone for 200 feet on its strike, with a series of vertical cuts averaging $1.97 per ton, on 1963 prices.

Concerning this "Average pounds per foot per sample," the following explanation is very much in order:

With reference to our Sections AA' through HH' on the Grand Union Claim, it is apparent that much of the detail in holes has been a matter of interpretation.

Logs submitted by Process Engineers are without sample description. At least Mr. Gresser received no detailed geological logs. Logs provide depths, weight of materials (total), processed and stored, ratios of concentration and sample values. There is a column, "Average pounds per foot per sample" which we have used as a possible guide.

The column exhibits two very different "pounds per foot" categories; the first, anywhere from 10 to 24 pounds per foot, where we know that hole was positively collared in loose gravels, a section in which the abnormal weight could be the result of dilution from caving; and, the second, a very persistent 4.5 to 9.0 pounds per foot, suggesting solid material, beneath the gravels, with very little caving.

The change is invariably sharp, and once in the lower weight category, it remains there. It also appears significant that values increase in the lower zone. The possibility that this represents the contact mineralization zone, with its better values, has been used in section studies.

Plate #4 of this report illustrates the possibilities from the area of first discovery, up valley and to the southwest. Brown areas with heavy stippling denote positive areas of contact mineralization. Heavy talus at the base of cliffs and slopes hides any possible continuity.

Suggestive areas also exist. Shown, but not marked as a positive location, is the "Star of the North." Characterized by suggestive heavy iron oxide, 13 pits by Mr. Gresser and assayed by Process Engineers provide a weighted average of $4.98 per ton, using 1963 values.

From Test Mill area to the most westerly exposure, distance is 12,000 feet, with 7,500 feet of trend on Gresser Claims. On the Little French side, 2,000 feet of minimum trend has been mapped and descriptions above for the Ute Tunnel and Ute Shaft indicate a wide distribution.

Our Section X-X' (Plate #5) is interpretive, showing that the zone could follow the long axis of Montgomery Gulch for its full length. Sections Y-Y' and Z-Z' (Plate #5) reflect a simple but reasonable relationship between Montgomery and Little French areas. Using all available values from positive contact zone on $35. gold value per ton amounts to $1.78.

These same samples on $40. gold amount to $2.03, which, with 1/2 ounce silver at $2. per ounce, brings the total to $3.03.

Geological Conclusions:

1. The brown, gold-bearing gravels of Little French-Deadwood Creeks obviously originated in part from the zone of contact mineralization at the head of Little French Creek, and, probably, in great part, from similar zones concealed by gravels.

2. The 18,000,000 yards of oxide-glacial gravel in the Purgatory-Montgomery Channel has no obvious source in the cliffs bordering Montgomery Gulch. The brown, rotten gravel mass is in sharp contrast to the unoxidized, green-gray metamorphosed rocks, flanking the gulch; it seems inconceivable that the valley mass could be derived from valley flanks.

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3. Whereas, in part, there was probably some minor contribution from the sides. To satisfy the entire mass it can only be concluded that the greater part was pushed from contact mineralization zones, completely stripped from the back and upper part of the valley (see Section X-X') and some extent from thicknesses in the upper valley, now concealed.

4. $3.03 per ton is low grade, but of sufficient interest to consider pursuing the recommended exploration. The property remains a prospect and merits drilling.

DEVELOPMENT:

Pre-December 1963

Mr. Charles Gresser reports that over a period of eight years his effort amounted to about $250,000. Such was the cost to Mr. Gresser of surveying claims, sinking test pits, cutting and assaying samples, and research. It is indicated that in the first five years Mr. Gresser completed not less than 25 pits, none to bedrock, following the line of Montgomery Creek from west of the Purgatory branch to east of the Grand Union block, a distance of 1.75 miles; pits were shallow, none being any deeper than eleven feet.

SUGGESTED EXPLORATION AND DEVELOPMENT:

A drilling program to extend and evaluate the zone of contact mineralization has been recommended. To the writer, the target is a promising one and worth the effort.

The program demands no expenditures for capital investment, and can be done on the basis of cost per foot drilling, cost per test assaying, charges for metallurgical studies, and field supervision.

The program should be elastic, of limited cost if negative from the beginning and of short duration, or of reasonable expense for six months maximum duration. This analysis does not provide a cost estimate, since type and size of program remains to be resolved.

Respectfully submitted

David LeCount Evans

November 7, 1969
Reno, Nevada

DAVID LeCOUNT EVANS, CONSULTING GEOLOGIST

EXPERIENCE NO. 6

Experience:

CHARLES P. GRESSER

940 Colorado Blvd., Idaho Springs, Colorado. A graduate of Yv'erdon College of Liberal Arts with an A.B. degree. Also two years at Columbia University studying Business Administration. Then, later, Mr. Gresser earned an LLB degree at LaSalle U. Mr. Gresser has been engaged in mining operation for the past 30 years. He was President and General Manager of Trail Run Mines, Inc., of Colorado, for 14 years, wherein he was also a majority stockholder.

SIDNEY H. PETERSON

1632 Clermont Street, Denver, Colorado. Mr. Peterson attended Nebraska University for two years studying Business Administration; he continued with two more years study of the same subject at Denver University. Subsequently Mr. Peterson joined the U. S. National Bank, of Denver, for 35 years being in charge of Consumer Credit for most of the affiliation.

COLORADO SCHOOL OF MINES RESEARCH INSTITUTE
P.O. Box 112
GOLDEN, COLORADO 80401

No. 6 p. 1

18 August 1970

CSMRI Project No. 600422

Mr. Charles P. Gresser
Elysian Silver Heels Mines, Inc.
950 Colorado Boulevard
Idaho Springs CO 80452

Dear Mr. Gresser:

The purpose of this letter is to provide you with our proposal for the services we are prepared to offer in conjunction with your evaluation of the Silver Heels placer, near Como, Colorado. Our visit to the property last June, and a brief review of the literature, has enabled me to clarify my thinking somewhat.

I am proposing the following level of effort in your behalf. We would anticipate that drilling would commence this summer and continue for two months. We would provide the services of a qualified resident geologist or mining engineer for that time period. He would be responsible for selection of all sample site locations, collecting of samples and shipment of samples to Golden. We would expect to provide the resident engineer or geologist with up to two field assistants to aid him in collecting and logging the samples.

Upon receipt of the samples in Golden they would be prepared, possibly by hand panning, and assayed for gold content. We would expect that all of the sample material recovered by the drill would be needed for the assay work. Assay would be by standard fire assay methods and frequent check assays would be provided.

We have estimated that the cost of field personnel and assay work for a four-month period would be approximately $20,000. Out of pocket expenses for travel, lodging, sample containers, and so forth would be to your account. Additional expenditures for the preparation of a final report, surveying, and other work not specifically mentioned may also be anticipated. These would also be to your account.

Mr. Charles P. Gresser
Elysian Silver Heels Mines, Inc.
CSMRI Project No. 600422

It is necessary that you establish a Research Fund of $20,000 with the Institute should you wish us to continue on the project. Should this amount not be fully expended, a refund will, of course, be made. Also, we will not exceed the $20,000 fund without your prior concurrence.

We are attaching two copies of our research agreement covering this program. If it meets with your concurrence, we would appreciate your executing one copy and returning it to us with your check for $20,000.

We look forward to the opportunity of providing our services to you.

Sincerely,

James M. Link

James M. Link
Manager, Mining Division

/laj
encls.

No. 6 p. 3

AGREEMENT

THIS AGREEMENT, made and entered into this 18th day of August, 1970, between the COLORADO SCHOOL OF MINES RESEARCH INSTITUTE, a corporation not for profit, of the State of Colorado, having an office and place of business in Golden, Colorado (herein referred to as the "Institute") and ELYSIAN SILVER HEELS MINES, INC., duly organized and existing under the laws of the State of Colorado, having an office and place of business in Idaho Springs, (herein referred to as the "Sponsor").

WITNESSETH: That, for the purpose of promoting the increase of useful knowledge and in consideration of the mutual promises and covenants herein contained, the Parties hereto agree, as follows:

I.

The Sponsor hereby engages the Institute to conduct research and development work for the Sponsor relating to the economic geology of the Silver Heels Placer as outlined in letter of August 18, 1970 to Mr. Charles P. Gresser from James M. Link (herein referred to as the "project") for an indefinite period commencing on the day that the Institute assigns one or more of its staff members to the project. The Sponsor agrees to pay to the Institute for its services on this project a total sum not to exceed twenty thousand ($20,000)---------- DOLLARS

(herein referred to as the "research fund"), payable in advance, and the Institute shall not expend more than said sum without first securing the approval of the Sponsor to do so. The Institute shall use its best efforts in performing the research and development work required under this Agreement.

II.

The Institute shall charge the Sponsor for the Institute's services on the following basis: (a) the cost of direct labor (including applicable sick leave, annual leave, holiday pay, retirement benefits and one-half of social security cost) of its employees assigned to the project, including all labor performed by the Institute in its service shops and analytical laboratories especially for this project (part time services being prorated); plus (b) 100 percent of this sum of money in lieu of actual overhead, including fringe benefits, unemployment insurance, and group insurance; plus (c) the cost of travel and all other miscellaneous expenses necessary for this project. All supplies furnished by the Institute used in this investigation shall be charged to the Sponsor at the Institute's cost plus a 25 percent handling charge.

III.

Invoices shall be rendered to the Sponsor by the Institute, as follows: (a) invoices shall be rendered on or about the first of each month and shall cover actual charges incurred on the project during the preceding month including the charge for overhead as defined in Article

II; (b) the final memorandum invoice with refund, if any, shall be submitted for the final month or fraction thereof promptly after completion of the project.

IV.

In consideration of the availability of the wide variety of equipment now in the possession of the Institute, it is mutually agreed that, in the event that additional equipment shall be required for this project, such additional equipment shall, with the knowledge and approval of the Sponsor, be built or purchased by the Institute, and the cost thereof paid by the Sponsor. It is further agreed that additional equipment so built or purchased shall become the property of the Institute at the completion of the project or upon termination of this Agreement, unless the Sponsor shall, at the time work ceases on the project, request delivery to it of said additional equipment, in which event the cost of packing, shipping, etc. shall be borne by the Sponsor.

V.

The Institute agrees to render to the Sponsor, at predetermined periods, written reports of its findings and progress made during the term of the project.

VI.

Any and all patentable inventions, applications for patent and patents thereon relating to the subject matter of the project as herein defined, which may be hereafter made by staff members assigned by the

No. 6 p6

Institute to this project, during the time they are performing work on this project and as a result thereof, shall become the property of the Sponsor, subject to the terms and conditions of this Agreement. The Institute will make such agreements with personnel it employs on the project as to insure conveyance of all rights to Sponsor, including signatures of such personnel as may be required to effect the intent of the preceding sentence. The Institute shall cause to be kept complete and systematic memoranda in writing, including notes on all experimental and research work, descriptions, diagrams, and other data, pertaining to inventions relating to said subject matter made while working on said project and resulting from work thereon, which memoranda shall be available at all times to the Sponsor. In the event that the Sponsor desires to keep secret any new process, article, machines, or composition of matter, relating to the project, invented by staff members assigned to the project and as a result of their work thereon, the Institute shall use its best efforts to maintain said inventions secret and not to disclose them to anyone without the consent of the Sponsor.

VII.

It is also agreed that no advertising, promotional, or publicity matter containing any reference to the Institute or to the Colorado School of Mines, or to any of their employees, shall be made use of by the Sponsor or anyone in the Sponsor's behalf, unless and until the same shall have first been submitted to and received the approval of the Direc-

tor of the Institute.

VIII.

In the event that the research fund provided for in Article I hereof is expended prior to the expiration of this Agreement, the Institute shall discontinue work on the project and this Agreement shall terminate, unless the Sponsor, prior to the date on which work is to cease, authorizes the Institute, in writing, to continue work on the project and agrees to pay the cost of such additional work in accordance with the terms of this Agreement. Should the work on this project be completed to the satisfaction of the Sponsor before the research fund is expended, the Sponsor shall have the right to terminate this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed by their duly authorized officers the day and year first above written.

COLORADO SCHOOL OF MINES RESEARCH INSTITUTE

By _____
Director

ELYSIAN SILVER HEELS MINES, INC.

By Charles P. Gresser

Title President

7. COST ESTIMATE SUMMARY

Also No. 6

Drill 50 holes with Churn Drill to bedrock, average 55 feet, 7½ inch OD by 6 inch ID, $12.50 per foot to $14.00	$38,800.
D-8 Dozer, 3 months @ $2500 per month; rental for access road	7,500.
Lubrication and fuels for dozer	3,000.
Dozer Operator, 3 months @ $700 per month	2,100.
Loader for loading the 6-inch cores, lease 2 months @ $350 per month	700.
Operator for loader, 2 months @ $635 per month	1,270.
Dragline and operator, 5 weeks @ $30 per hour for access road	6,000.
Pickup truck - lease 3 months @ $500 per month	1,500.
Operator for pickup, 3 months @ $500 per month	1,500.
Resident Superintendent, Engineer School of Mines Colorado, 2 months @ $75 per day plus $16 per day expenses	4,550.
One Assistant to Engineer, 2 months @ $50 per day plus $16 per day expenses	3,260.
Assaying cores, 600 @ $6 each	3,600.
Office and General Administrative Expenses, 2 months	1,100.
Analysis and Evaluation of cores	1,500.
Geologist final report	2,500.
Small Office and Lab Building	1,200.
Outdoor Privy	250.
Hauling, including Churn Drill (12 tons), Oil, Gas, Insurance and Taxes (Social Security)	6,730.
Contingencies, offset to difficulties in drilling encountered owing to large boulders	2,500.
TOTAL	$89,560.

Churn Drill needed for

Time required about two months

Exhibit No. 4

ASSIGNMENT

THIS ASSIGNMENT, made and entered into this 15th day of July, 1970, by and between

CHARLES P. GRESSER, a resident of Colorado, hereinafter referred to as "Assignor,"

and

ELYSIAN SILVER HEELS MINES, INC., a Colorado corporation, hereinafter referred to as "Assignee,"

WITNESSETH:

WHEREAS, Assignor owns and has interests in certain mineral lands located in the Beaver and Tarryall mining district in Park County, Colorado; and

WHEREAS, Assignor also owns and has interests in certain improvements and personal property located on such land; and

WHEREAS, Assignor desires to assign to Assignee all of its right, title and interest in any and all properties, real and personal, located in or on such land;

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which is hereby acknowledged, Assignor does hereby assign, transfer and convey to Assignee all of Assignor's right, title and interest (present and future) in any and all properties (real and personal) located in the Beaver and Tarryall mining districts, Park County, Colorado, including all right, title and interest Assignor may have under and by virtue of the documents listed in Exhibit "A" hereto. This Assignment is subject to the following terms and conditions:

1. Assignee hereby assumes all of Assignor's obligations, present and future, under the interests assigned hereunder, including all obligations imposed upon the Assignee under the documents described in Exhibit "A" hereto.

2. This Assignment shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

EXHIBIT NO. 4

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the day and year first hereinabove written.

CHARLES P. GRESSER

By Charles P. Gresser
Charles P. Gresser, Owner

By Sidney H. Peterson
Sidney H. Peterson, Secretary

ASSIGNOR

ELYSIAN SILVER HEELS MINES, INC.
ASSIGNEE

By Charles P. Gresser
Charles P. Gresser, President

By _____
Assistant Secretary

By Sidney H. Peterson
Sidney H. Peterson, Treasurer

STATE OF COLORADO)
) SS
COUNTY OF Clear Creek

On this 10th day of August, 1970, before me the undersigned, a Notary Public, in and for said County and State, personally appeared CHARLES P. GRESSER, known to me to be the Charles P. Gresser, and SIDNEY H. PETERSON, known to me to be the Secretary of CHARLES P. GRESSER that executed the within instrument, known to me to be the persons who executed the within instrument on behalf of CHARLES P. GRESSER herein named, and acknowledged to me that they executed the within instrument pursuant to a resolution of the persons herein named.

WITNESS my hand and official seal.

My Commission Expires 9-13-73

Evelyn H. Gresham
Notary Public in and for the said County and State

Exhibit A-4

ELYSIAN SILVER HEELS GROUP 1 - PATENTED CLAIMS

Tarryall Mining District, Park County, Colorado - Sections 9, 10, 11, 14, 15, 16, 21 and 22, Township 8 South, Range 77 West.

County Treasurer Schedule No. 8576.

Name of Claim	U.S. Survey No.	Approximate Acreage
Grand Union Placer	3009	143.5
Morning Star Lode	17903	10.0
Montgomery Placer	15700	133.7
Star of the North Placer	16205	27.6
Neil Lode	17745	10.3
Queen No. 1 Lode	17667)	
Queen No. 2 Lode	17667)	
Sleepy Joe Lode	17667)	53.5
Crown Point Lode	17667)	
Gold King Lode	17667)	
Revenge Lode	17667)	
King Solomon Lode	16007	10.3
Amethyst Lode	16007	10.3
Annie M. Lode	17821A	8.0
Emma Lode	17521A	8.0
Lena Lode	17821A	8.0
Jay Gould Lode	15460	10.3
Dictator Lode	17821A	8.2
Diadem Lode	17821A	9.5
Yellowstone Lode	17821A)	
J. W. Sr. Lode	17821A)	
J. W. Sr. No. 1 Lode	17821A)	
J. W. Sr. No. 2 Lode	17821A)	70.0
J. W. Sr. No. 3 Lode	17821A)	
J. W. Sr. No. 4 Lode	17821A)	
Splendor Lode	17821A)	
Yellowstone Mill Site	17821A	10.3
Deadwood Placer Group		
Deadwood Placer	12668	103.530
Montag Placer	12669	44.830
Iron Mt'n. Placer	2939	51.638
Liebelt Placer	5236	41.873
Louise Lode	12655	6.556
	Total Patented Claims	810.3 Acres

Exhibit A-4

ELYSIAN SILVER HEELS GROUP 2 - UNPATENTED CLAIMS

Name of Claim	U.S. Survey No.	Approximate Acreage
Laura Lode		20.0
Clarece Lode (Clarence on Fig. 2)		20.0
Liebelt Extension Lode		20.0
Irene Ann Lode		20.0
Liebelt Lode		20.0
Lincoln Lode		20.0
MacDougal Placer		20.0
Lorna Doone Placer		16.0
McCulloch #1 Placer		90.0
Humboldt M & G Placer	12753	70.0
Humboldt Lode		20.0
Humboldt Extension Lode		20.0
Humboldt Extension Placer		19.0
Silver Heels Placer "B"		154.0
Cogy Mazie Placer		30.8
Oh Promise Me Placer "A"		20.0
Silver Heels Placer "A"		23.0
Bull of the Woods Placer		20.0
Lucky Strike Placer		20.0
Silver Heels Placer		4.5
Silver Heels Placer "C"		10.0
Oh Promise Me Placer "B"		13.0
Golden Gate Lode		20.0
Black Butterfly Lode		20.0
Thelma Placer		34.0
Merle Lode		3.5
Jumco Placer Group #1 to #5		91.1
Tarryall Placer #1		16.5
Tarryall Placer #2		137.6
Tarryall Placer #3		70.0
	Total Unpatented Claims	969.0

Grand Total Acreage 1779.8

Recorded in Book S, Pages Nos. 376, 377, 378 of Park County, Colorado.

EXHIBIT A

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452

TELEPHONE: 567-2881
AREA CODE: 303

OME Form 40

EXHIBIT NO. 5

Recorded at Park County, Fairplay, Colorado
Book 207; Pages 638-640

Liens: None

1. Twelve Patented Lode Claims listed on Exhibit A, all of which have the same U. S. Survey No. 1782-1A, and production from the land is not required, and in the absence of production there is no obligation to pay royalty to the government.

EXHIBIT NO. 7

BREAKDOWN OF APPLICANT'S MONTHLY COSTS:

Resident Superintendent, Engineer School of Mines	$2,275.00

This employee will supervise all phases of the project; he will direct all office and business activities; he will direct all field activities, including surveying and geological mapping. He will supervise daily advance measurements and the locating and logging of drill holes. He will direct the preparation of samples, including cores, for assay. He will direct the preparation and execution of survey progress and geological maps. He will make periodic visits to the project to check all performance work specifications. He will have a liason position between OME engineers and the applicant. He will be in charge of all technical matters, including periodic reports.

Part-Time Consulting Geologist	$ 600.00

This consultant will spend one full day per week on the property and will be responsible for selection of Resident Superintendent and oversee all work performed by Superintendent. He will be responsible for layout of program to be followed and expediting same.

One Assistant Engineer	$1,630.00
Office and General Administrative Expenses	?

The item includes office maintenance, all utilities, office and field supplies, storage warehouse for core boxes, telephone, postage and photostating.

Automotive Depreciation	$ 75.00

(One four-wheel drive vehicle.) Original vehicular cost is $3,600. For a 25% first year's depreciation, the $900. comes to $75. a month.

Assaying by School of Mines Research Institute	$1,800.00

An estimated 300 samples will be taken from workings and drill cores. At $6.00 for Silver, Gold, Lead and Zinc.

Core 6": Samples freight to Golden Assayer	$ 85.00
300 Ore Sacks at .84 ea.	$ 252.00
TOTAL ESTIMATED APPLICANT'S MONTHLY COSTS	$7,267.00

Re: DRILL HOLES

~~At this time and~~ owing to consultation we felt the 18 DHs located on Map #2 should not go beyond the numbers from 1 to 18. A study, after the drilling has begun, may show that the rest of the holes may be drilled to better advantage than at this time.
However, I would like to bring to your attention that the DHs 1 through 6 located at east Grand Union Placer; and 7 & 8 DHs located at the SE end line of the Montag Placer; and #14, 15, & 16 located at the Amethyst Gulch hold much promise for a substantial gold deposit, especially #14 thru 16; the latter being fed by many small gold veins and due to the fast erosion of the ore owing to extreme cold in the winter and the hot sun in the summer, gold has been deposited thus for thousands of years.

Equipment:

The dragline mentioned is the only one available near the property and is owned by Bob Roberts, Fairplay. This man has done quite a bit of work for me over the past years with his dragline that was very satisfactory.

Churn Drill:

Having checked out the Becker Drill based at Denver, Colorado, both members of the U. S. Bureau of Mines and USGS recommended the Churn Drill as being the most suitable; also the man in charge of it, Oscar McShane, of San Francisco, whose letters are herein enclosed, as one of the best experienced men in the country. I personally made a trip to San Francisco for a conference with him and am satisfied that the man is very capable. Moreover, no Churn Drill of this type could be located in the Denver area, but has to be brought from Yuba, Montana.

California ?

OSCAR T. McSHANE
PLACER EXAMINATIONS

505 20TH AVENUE
SAN FRANCISCO, CALIFORNIA 94121

(415) 221-0219

P. 1
re Churn Drill

June 16th. 1970.

Mr. Charles Gresser,
P.O.Box 400,
Idaho Springs, Colorado.

Dear Mr. Gresser:

In connection with the proposed drilling in the Montgomery Creek area in Colorado, it is customary for the people who are financially involved to furnish the writer a letter in reply to the following proposal.

1 I work as an independent contractor, thereby eliminate all government taxes that would be withheld at the source.

2 My fee is at the rate of $ 100.00 per day, from the time of leaving San Francisco and return to San Francisco.
This fee applies also holidays and Sundays, As I part the samples on the days the crew are not working, and work on the drill logs.

3 The above fee is to be paid to me on the first and the middle of each month.

4 I expect hospital or doctor care if required while working on the placer examination.

5 The principals will furnish all reasonable living and traveling expenses during the period of employment.

6 All funds spent in connection with the examination will be accounted for and covered by the usual vouchers.

The writer will appreciate your letter in refference to the above proposal, so there will be no misunderstanding. Upon receipt of your letter, the writer will be prepaired to leave San Francisco for the property.

Yours truly,
O.T. McShane.
O.T.McShane.

P. 2

OSCAR T. McSHANE
PLACER EXAMINATIONS

505 20TH AVENUE
SAN FRANCISCO, CALIFORNIA 94121

(415) 221-0219

Mr. Charles Gresser
P. O. Box 400
Idaho Springs, Colo. 80452

DRILL ESTIMATE

30 Days.

Driller,	$ 1000.00 Mo.
Driller, room & board, @ 15.00 da.	450.00
Drill Helper, @ $3.00 hr.	720.00
Drill helper, room & board,	450.00
Drill rental plus casing, tools	900.00
Transportation of drill, tools	?
Truck rental for water & moving	?
Driver wages,	?
Room and board,	?
Supervision, panner etc.	3000.00
Room & board,	450.00
Contingency	2500.00
	$ 9,470.00

O.T. McShane
O.T.McShane

San Francisco, Calif.
June 15th. 1970.

OSCAR T. McSHANE
PLACER EXAMINATIONS

505 20TH AVENUE
SAN FRANCISCO, CALIFORNIA 94121

(415) 221-0219

San Francisco, Calif.
June 26th. 1970.

Mr. Charles Gresser,
P.O.Box 400
Idaho Springs, Colorado.

Dear Mr. Gresser:

In connection with the proposed drilling of your Montgomery Creek property in Colorado and after our talk at the San Francisco airport, I located a 71 Keystone drill with the necessary tools and one hundred feet of drill pipe.

The Yuba Company has this equipment stored at their plant at Hammonton, Calif. I know this equipment and know the drill is in good condition. I have used this equipment in the past.

You may rent this equipment on a monthly rental basis as follows, $750.00 per month for the drill, drilling tools and one hundred feet of drill pipe, with the understanding you will replace or pay for any tools, pipe etc. that are lost in the drilling and not returned to Yuba.

In the event the equipment is not used for the full month, Yuba will charge only that part of the month the drill was in use.

Rental time to start when the drill leaves Hammonton and returned back to Yuba.

I checked on transportation costs for moving the equipment, which will weigh approximately twelve tons. Drill and tools etc. should be loaded on a flat bed truck. Yuba would find the truck and load the equipment. I would estimate the hauling charges would be around twelve hundred dollars each way.

Yuba requires the first months rent in advance also a deposit to cover ~~to cover~~ the transportation charges to and return of the eqipment. As outlined above, I would suggest a deposit of $ 2500.00 be paid Yuba for transportation costs in additional to the drill rent, any balance left from transportation ~~charges~~ CHARGES would be refunded.

I would suggest if you deceide to use the Yuba equipment, that you not wait to long before closing the deal as I beleive another group will soon be looking for drilling equipment, as I have been asked to consider doing the examination work on a property for them in Nevada.

I have located an experienced placer drill operator a man who I have had with me on other drilling jobs. He now lives in Missoula, Montana.

This drill operator has a pickup truck that could be used for transportation and odd jobs on a mileage basis, if desired.

I hope the weather will soon improve in your area although from the daily weather reports it appears there are almost daily storms in the Rockies.

Should you deceide you will use the Yuba drill, I suggest you furnish me the location in the valley where you want the first drilling started in order that I can furnish the truck operator how to reach the area and site.

Also it would be advisable to mail me your check to cover the above expenses and to cover my traveling expenses to Colorado and return to San Francisco. I would bank this check and pay all charges from my personal checks and ofcourse furnish the receipts and vouchers covering the expenditures.

To have sufficient funds on hand, I suggest you mail me your check in the amount of $ 4500.00

Yours truly,

O.T. McShane

O.T.McShane

Air mail:

Equipment

McCOY COMPANY

CATERPILLAR

REG. U.S. PAT. OFF

6000 DAHLIA STREET DENVER, COLORADO 80217 288-2621 P. O. BOX 5188 UNION TERMINAL STATION

August 18, 1970

Elysian Silver Heels Mines, Inc.
Box 400
Idaho Springs, Colorado 80452

Attention: Mr. Charles Gresser

Dear Sir:

At present we have only (1) one Cat D8 Dozer Tractor available on a rental basis and the following quote is based on the availability of this particular machine.

Cat D8(H) Power Shift Tractor. Cat D342 Turbocharged Diesel Engine rated 235 flywheel HP at 1280 RPM. Cat #176 Double-Valve Hydraulics and 8S Straight Dozer with Tilt Cylinder.

Rental per month for a guaranteed (3) three month period is $4,000.00. All rental payments are in advance and does not include sales tax, insurance or transportation.

Appreciate your consideration of McCoy Company.

Yours truly,

McCoy Company

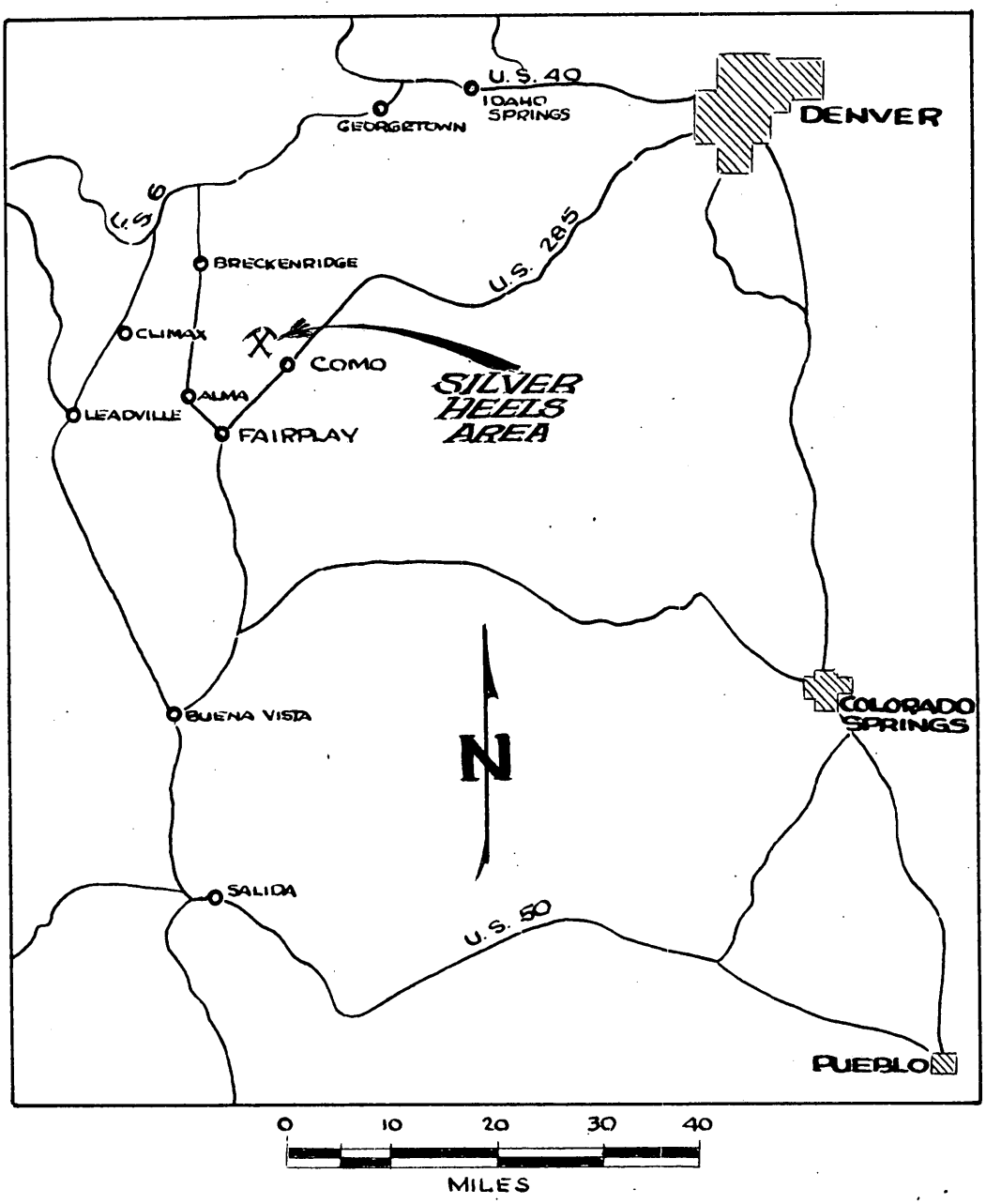
Del Stout

Del Stout
USED EQUIPMENT MANAGER

DS:js
cc:Riley

P.S. I personally contacted four other Tractor Dealers in Denver but found none available for rental. The cheapest price quoted if they had one for rental was $3,000. per month.

C. Gresser



SILVER HEELS PROPERTY

CHARLES P. GRESSER

PARK COUNTY COLORADO

INDEX MAP

DAVID LeCOUNT EVANS
CONS. GEOLOGIST

RENO, NEVADA
OCTOBER 1, 1969.

LEGEND
FOR ALL MAPS AND SECTIONS

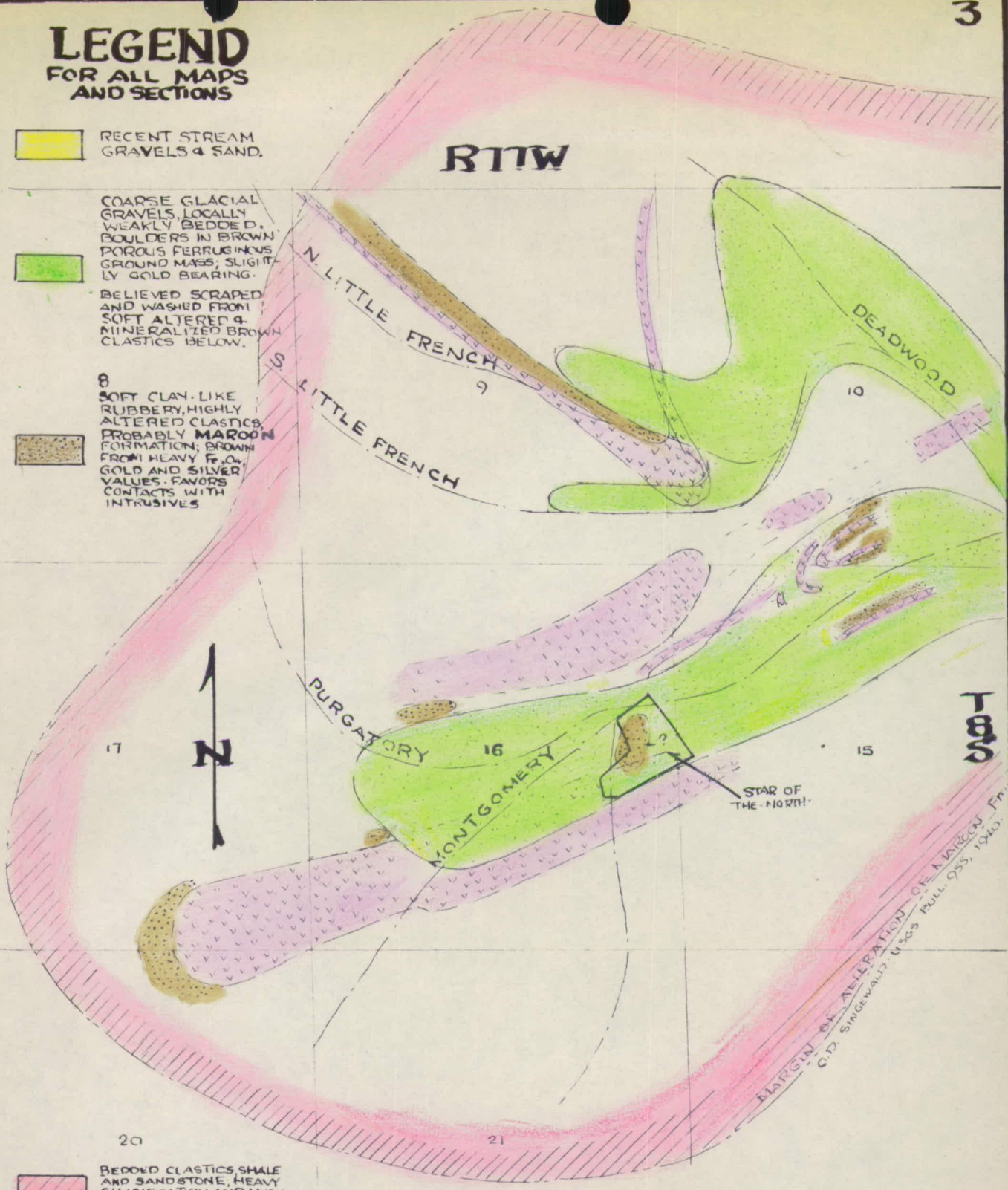
RECENT STREAM GRAVELS & SAND.

COARSE GLACIAL GRAVELS, LOCALLY WEAKLY BEDDED. BOULDERS IN BROWN POROUS FERRUGINOUS GROUND MASS; SLIGHTLY GOLD BEARING.

BELIEVED SCRAPED AND WASHED FROM SOFT ALTERED & MINERALIZED BROWN CLASTICS BELOW.

8

SOFT CLAY-LIKE RUBBERY, HIGHLY ALTERED CLASTICS, PROBABLY **MAROON** FORMATION; BROWN FROM HEAVY Fe_2O_3. GOLD AND SILVER VALUES. FAVORS CONTACTS WITH INTRUSIVES



BEDDED CLASTICS, SHALE AND SANDSTONE, HEAVY SILICIFICATION AND MUCH EPIDOTE; GRAYISH GREEN TO GRAY.

UNDIFFERENTIATED ACID INTRUSIVES

BEDDED CLASTICS MAROON FORMATION. UNALTERED RED COLORATION

SILVER HEELS PROPERTY
CHARLES P. GRESSER

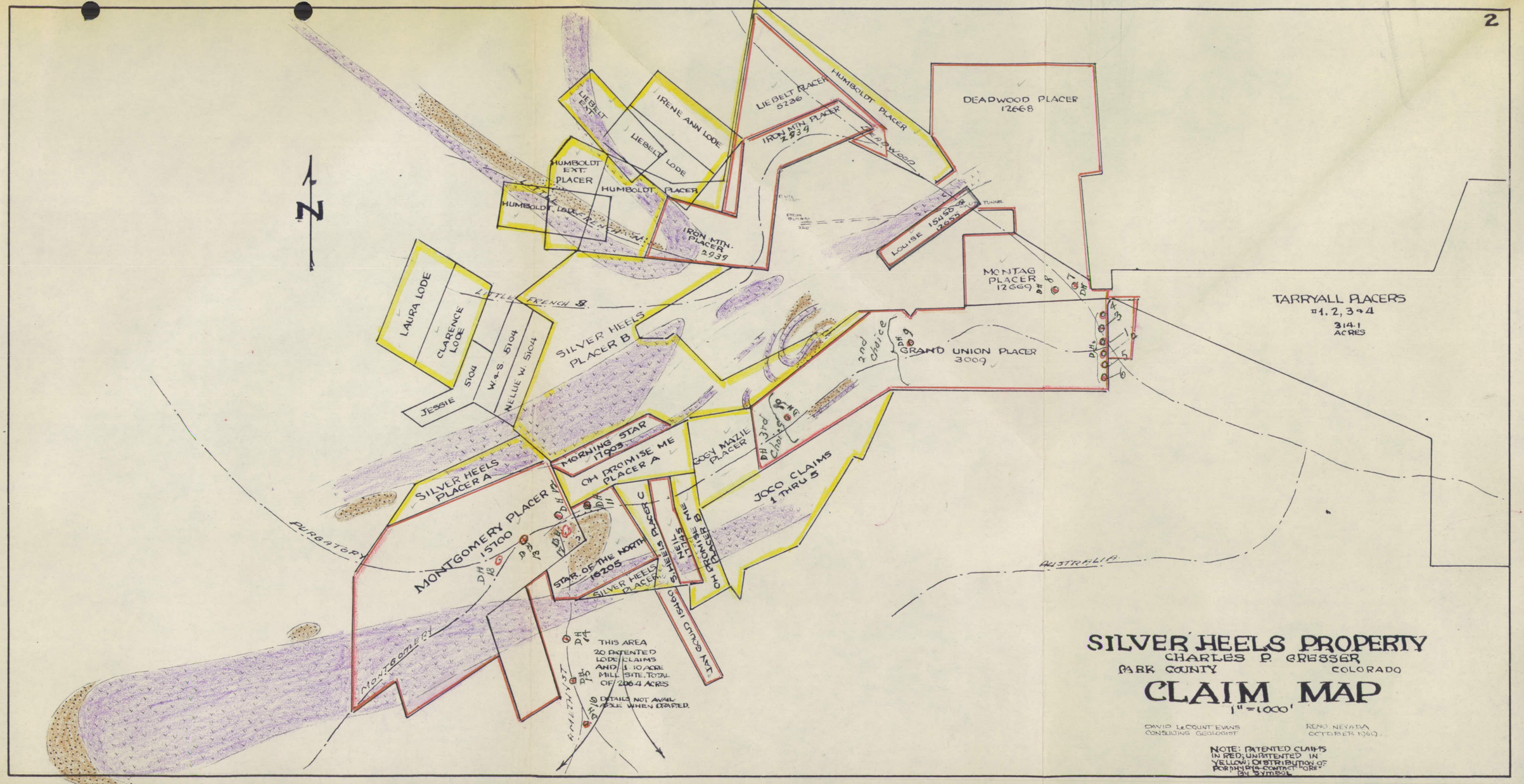
PARK COUNTY COLORADO.

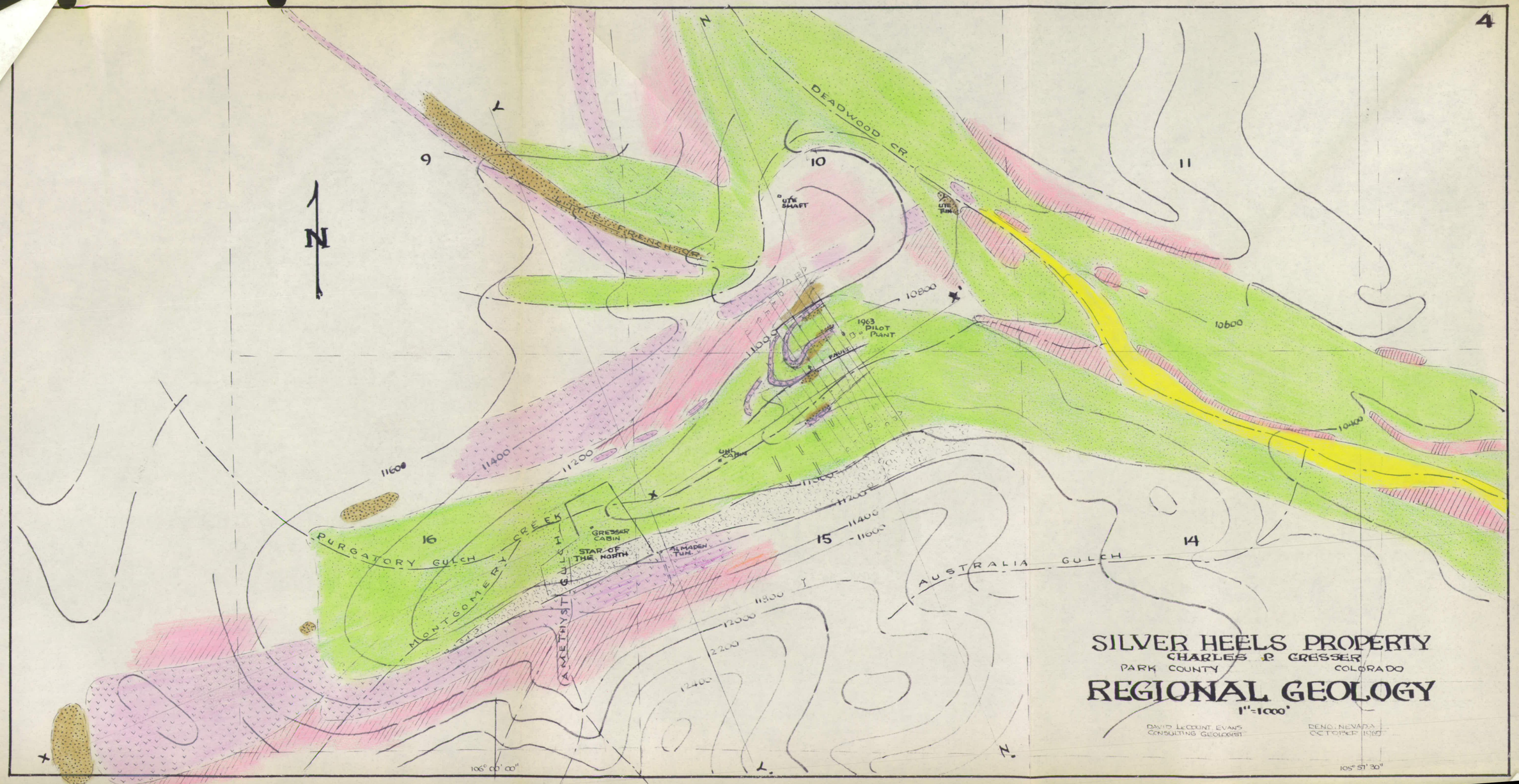
MAJOR GEOLOGICAL UNITS

1" = 2000'

DAVID LE COUNT EVANS
CONSULTING GEOLOGIST

RENO, NEVADA
OCTOBER 1960


N
LIEBELT EXT.
IRENE ANN LODE
LIEBELT LODE
LIEBELT PLACER 5236
HUMBOLDT PLACER
IRON MTN. PLACER 2939
DEADWOOD PLACER 12668
HUMBOLDT EXT. PLACER
HUMBOLDT PLACER
HUMBOLDT LODE
IRON MTN. PLACER 2939
LOUISE 15156-A 12653
MONTAG PLACER 12669
TARRYALL PLACERS #1, 2, 3 & 4 314.1 ACRES
LAURA LODE
CLARENCE LODE
LITTLE FRENCH
SILVER HEELS PLACER B
JESSIE 5104
W.&S. 5104
NELLIE W. 5104
2nd choice
GRAND UNION PLACER 3009
MORNING STAR 17903
OH PROMISE ME PLACER A
COCY MAZIE PLACER
3rd choice
JOCO CLAIMS 1 THRU 5
SILVER HEELS PLACER A
MONTGOMERY PLACER 15700
PURGATORY
STAR OF THE NORTH 16205
SILVER HEELS PLACER
SALT NELL
OH PROMISE B ME PLACER
JOCO CLAIMS 1 THRU 5
AUSTRALIA
MONTGOMERY
THIS AREA 20 PATENTED LODE CLAIMS AND 1 10 ACRE MILL SITE. TOTAL OF 206.4 ACRES
DETAILS NOT AVAILABLE WHEN DRAFTED.
SILVER HEELS PROPERTY
CHARLES P. GRESSER
PARK COUNTY COLORADO
CLAIM MAP
1" = 1000'
DAVID LeCOUNT EVANS
CONSULTING GEOLOGIST
RENO NEVADA
OCTOBER 1969
NOTE: PATENTED CLAIMS IN RED; UNPATENTED IN YELLOW; DISTRIBUTION OF PORPHYRY COMPACT ORE BY SYMBOL



SILVER HEELS PROPERTY

CHARLES P. GRESSER

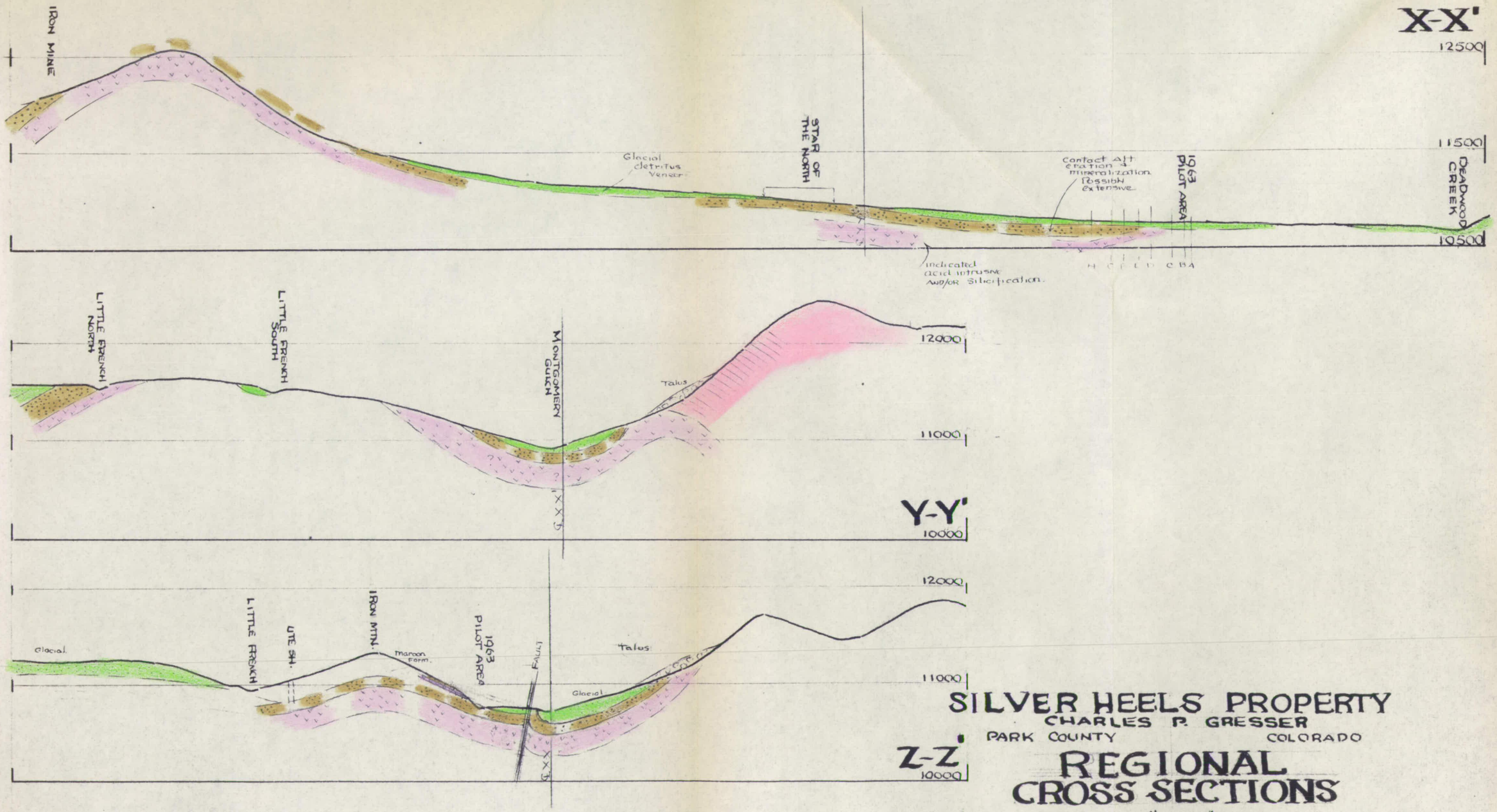
PARK COUNTY COLORADO

REGIONAL GEOLOGY

1"=1000'

DAVID LeCOUNT EVANS
CONSULTING GEOLOGIST

RENO, NEVADA
OCTOBER 1960



SILVER HEELS PROPERTY

CHARLES P. GRESSER

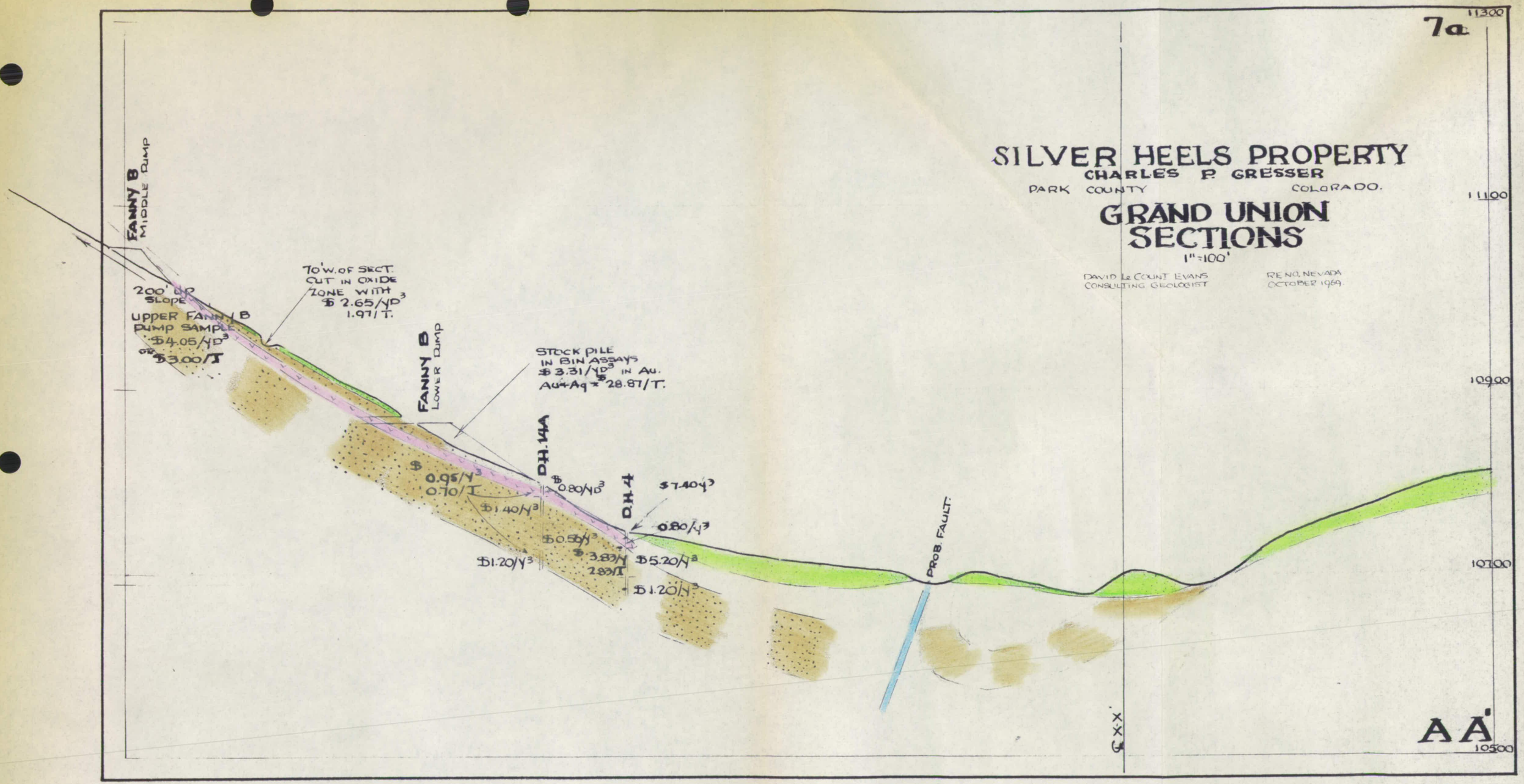
PARK COUNTY COLORADO

REGIONAL CROSS SECTIONS

1" = 1000'

DAVID LeCOUNT EVANS
CONSULTING GEOLOGIST

RENO, NEVADA
OCTOBER 1969


7a
SILVER HEELS PROPERTY
CHARLES P. GRESSER
PARK COUNTY COLORADO.
GRAND UNION
SECTIONS
1" = 100'
DAVID Le COUNT EVANS
CONSULTING GEOLOGIST
RENO, NEVADA
OCTOBER 1969.
11300
11100
10900
10700
10500
FANNY B
MIDDLE DUMP
200' UP
SLOPE
UPPER FANNY B
PUMP SAMPLE
$4.05/YD³
OR $3.00/T
70' W. OF SECT.
CUT IN OXIDE
ZONE WITH
$2.65/YD³
1.97/T.
FANNY B
LOWER DUMP
STOCK PILE
IN BIN ASSAYS
$3.31/YD³ IN Au.
Au+Ag = $28.87/T.
D.H. 14A
D.H. 4
$0.95/Y³
0.70/T
$1.40/Y³
$0.80/Y³
$7.40/Y³
0.80/Y³
$0.50/Y³
$3.83/Y
2.83/T
$5.20/Y³
$1.20/Y³
$1.20/Y³
PROB. FAULT.
℄ X-X'
A A'

7-b

SILVER HEELS PROPERTY

CHARLES P. GRESSER

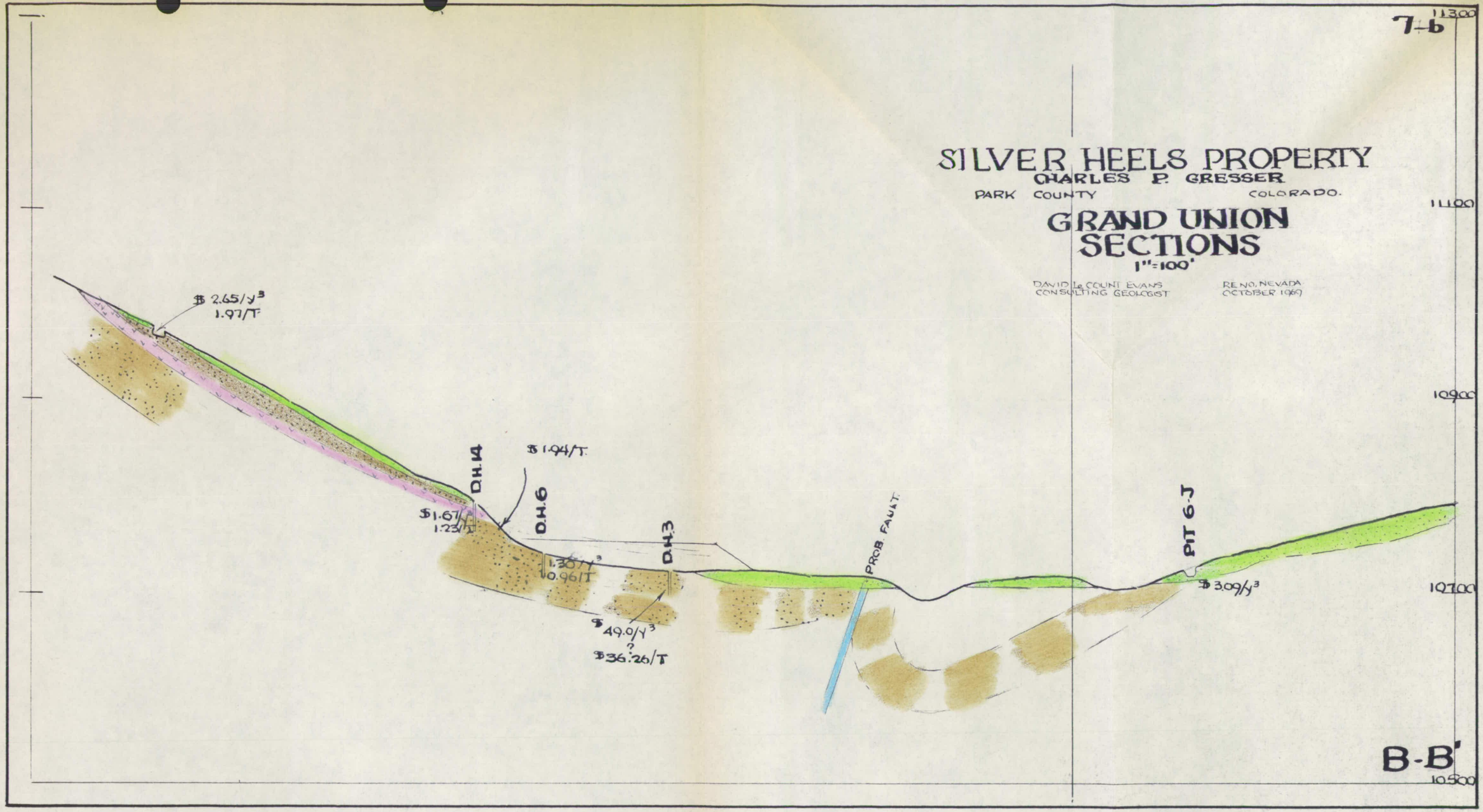
PARK COUNTY COLORADO.

GRAND UNION SECTIONS

1" = 100'

DAVID Le COUNT EVANS
CONSULTING GEOLOGIST

RENO, NEVADA
OCTOBER 1969



7-c

SILVER HEELS PROPERTY

CHARLES P. GRESSER

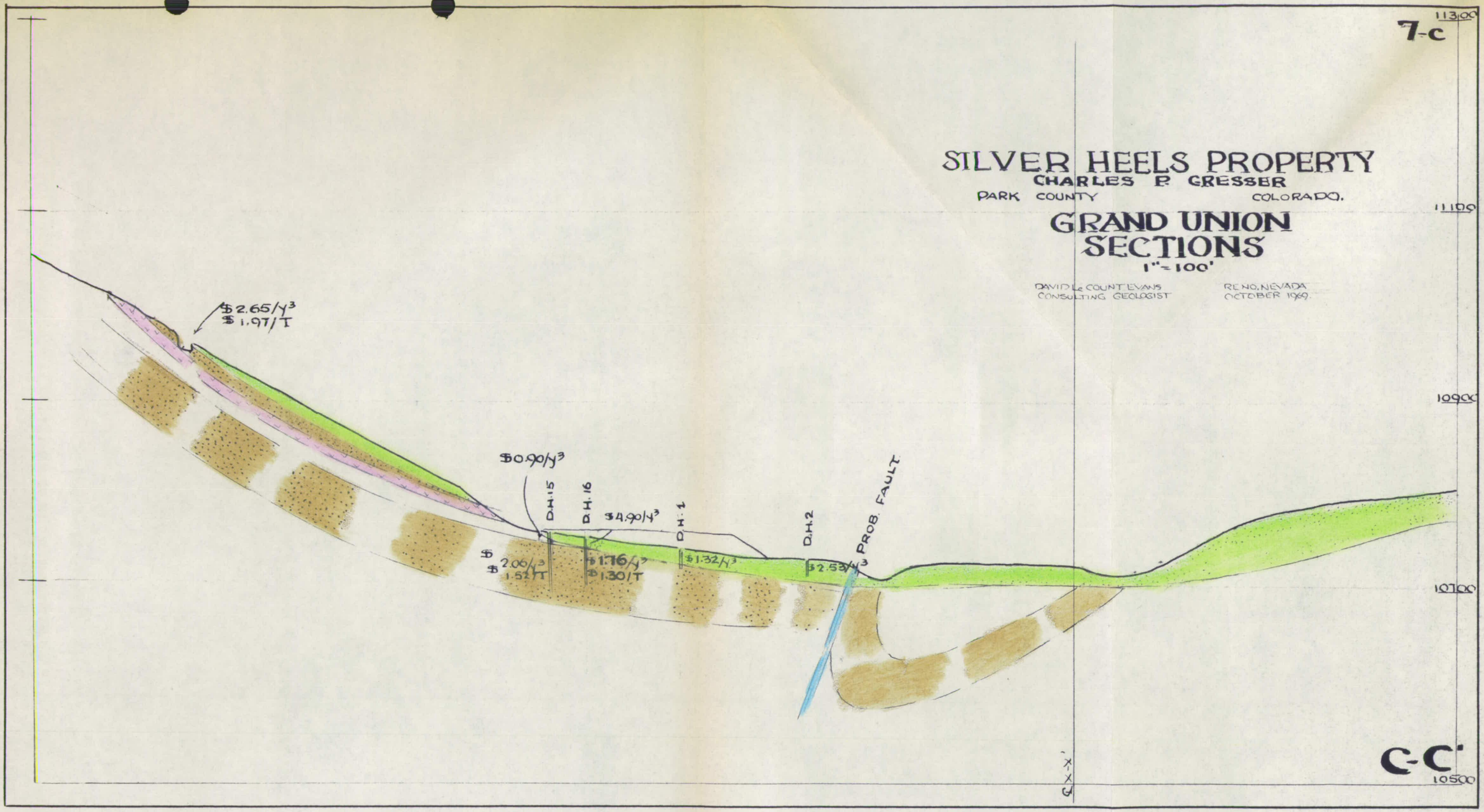
PARK COUNTY COLORADO.

GRAND UNION SECTIONS

1" = 100'

DAVID Le COUNT EVANS
CONSULTING GEOLOGIST

RENO, NEVADA
OCTOBER 1969.



7-d

SILVER HEELS PROPERTY

CHARLES P. GRESSER

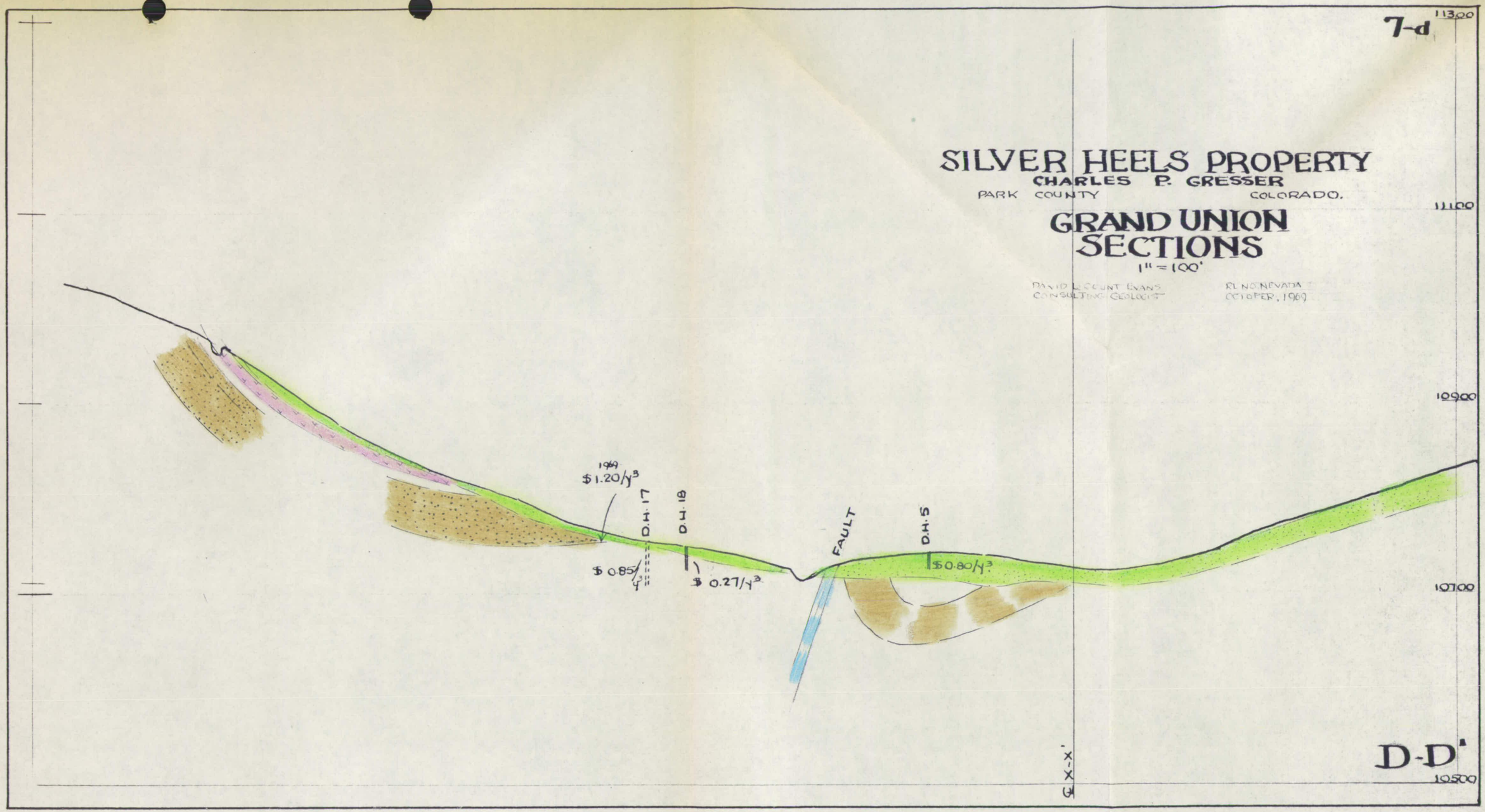
PARK COUNTY COLORADO.

GRAND UNION SECTIONS

1" = 100'

DAVID L. COUNT EVANS
CONSULTING GEOLOGIST

RL NO. NEVADA
OCTOBER, 1969



7-e

SILVER HEELS PROPERTY

CHARLES P. GRESSER

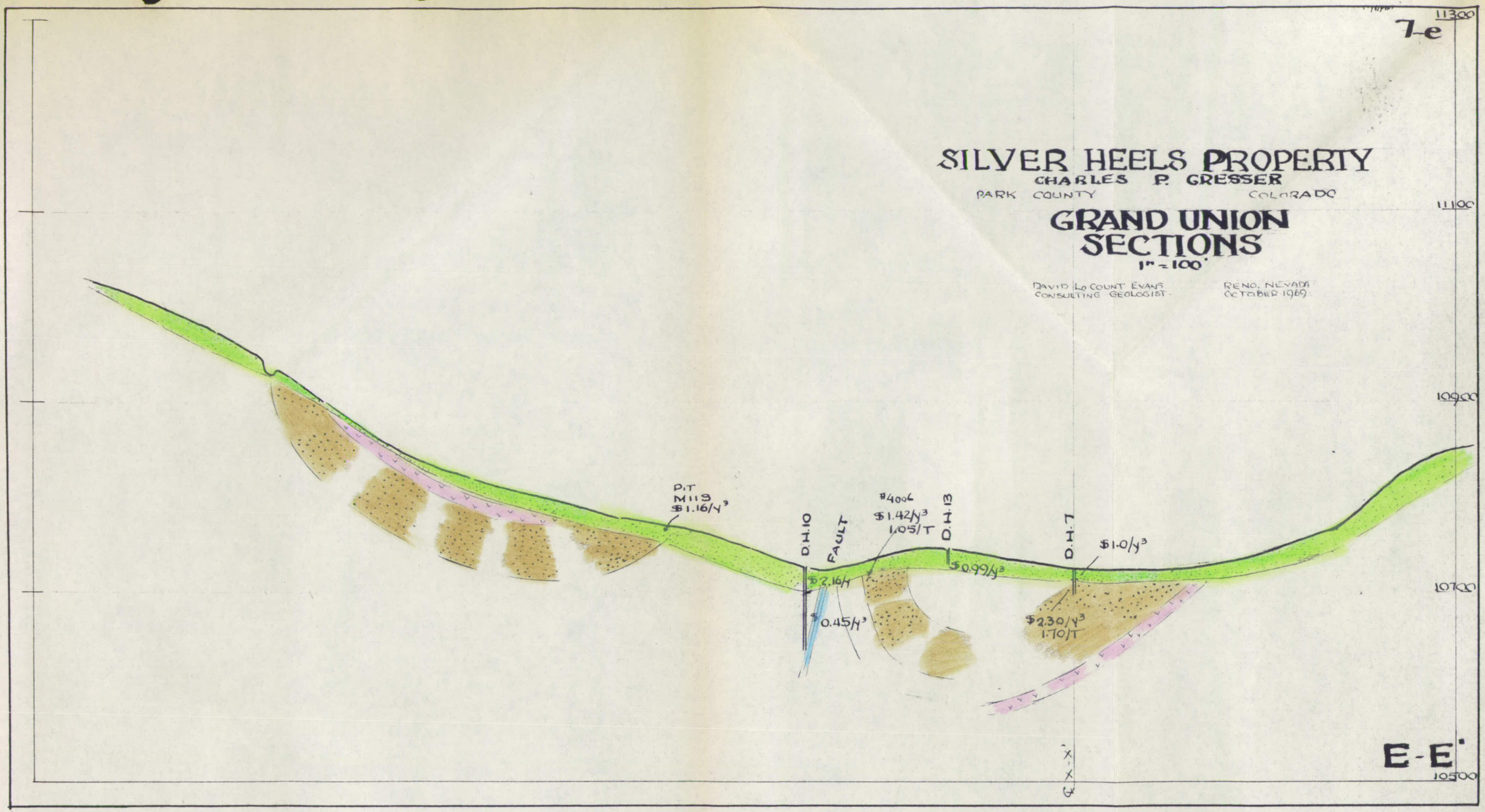
PARK COUNTY COLORADO

GRAND UNION SECTIONS

1" = 100'

DAVID LeCOUNT EVANS
CONSULTING GEOLOGIST

RENO, NEVADA
OCTOBER 1969



7-f

SILVER HEELS PROPERTY

CHARLES P. GRESSER

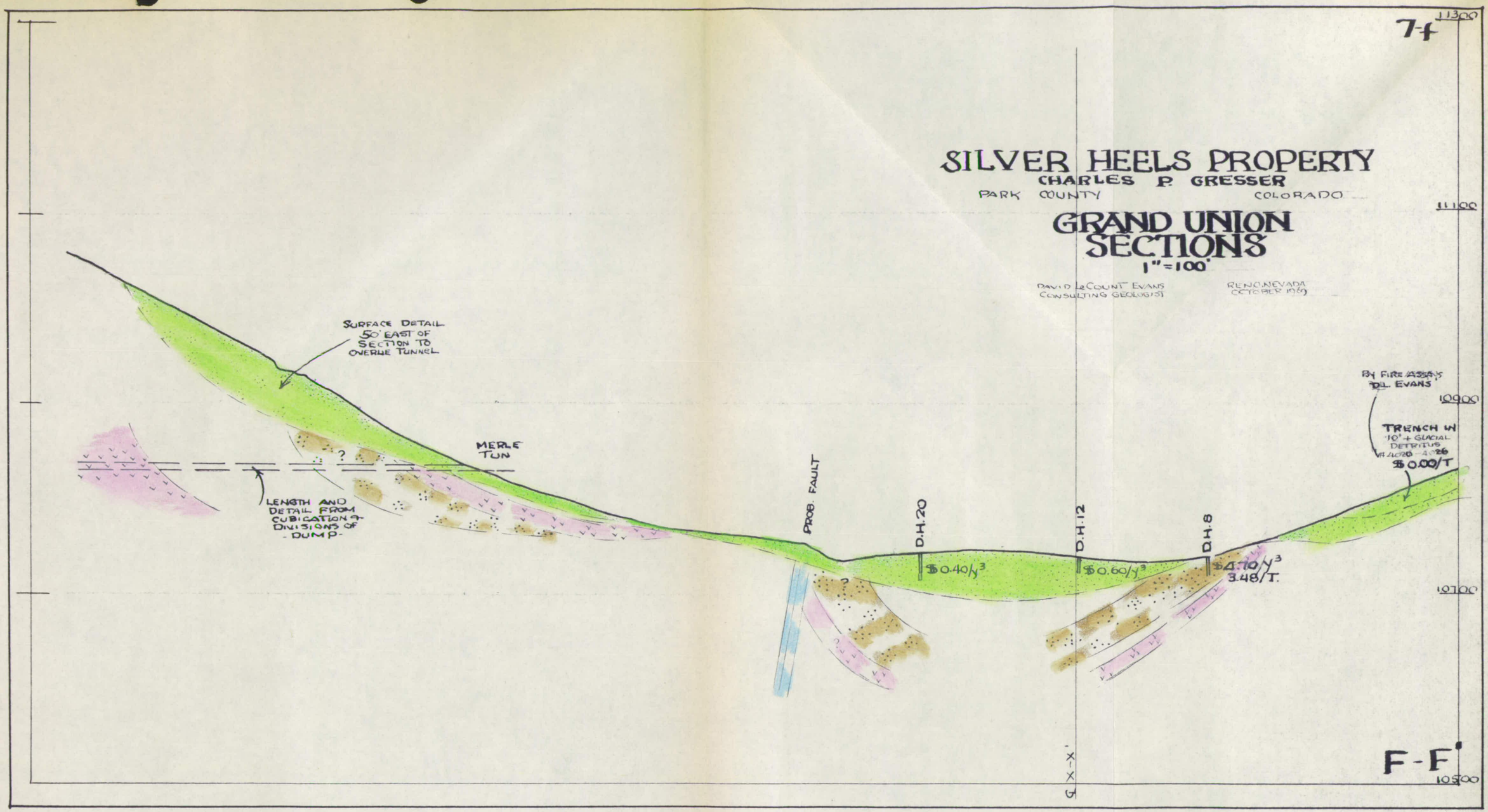
PARK COUNTY COLORADO

GRAND UNION SECTIONS

1" = 100'

DAVID LeCOUNT EVANS
CONSULTING GEOLOGIST

RENO, NEVADA
OCTOBER 1960



SILVER HEELS PROPERTY

CHARLES P. GRESSER

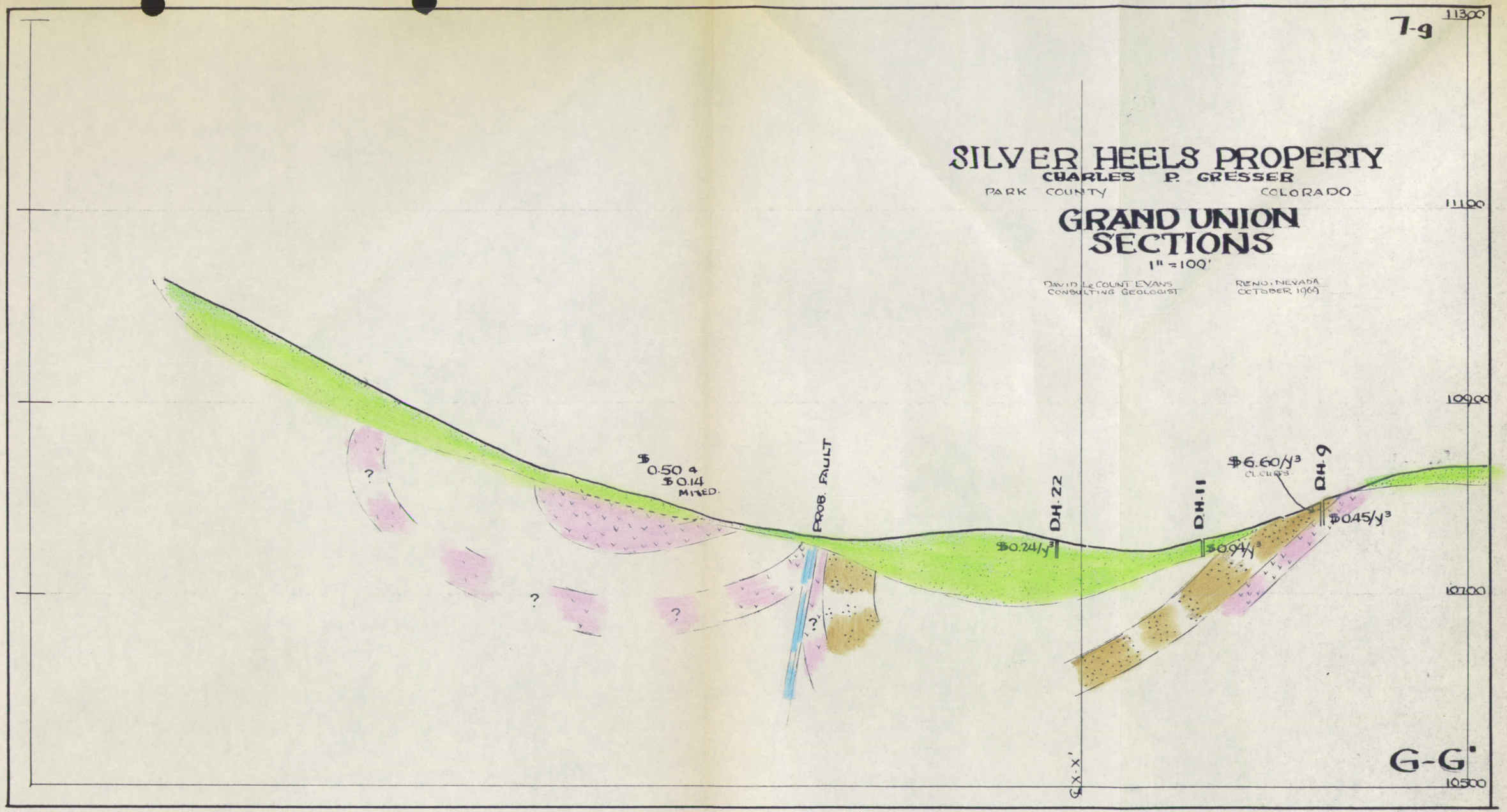
PARK COUNTY COLORADO

GRAND UNION SECTIONS

1" = 100'

DAVID LeCOUNT EVANS
CONSULTING GEOLOGIST

RENO, NEVADA
OCTOBER 1969



7h

SILVER HEELS PROPERTY

CHARLES P. GRESSER

PARK COUNTY COLORADO.

GRAND UNION SECTIONS

1" = 100'

DAVID LeCOUNT EVANS
CONSULTING GEOLOGIST

RENO, NEVADA
OCTOBER 1930.

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code

JUN 26 1972

Mr. Charles P. Gresser
Elysian Silver Heels Mines, Inc.
Post Office Box 400
Idaho Springs, Colorado 80452

Re: OME-6824 (Gold)
Elysian Silver Heels Mines, Inc.
Silver Heels Mines
Park County, Colorado

Dear Mr. Gresser:

In accordance with your letter of June 19, 1972, we are considering your application as having been withdrawn and are placing it in our inactive files.

If you wish to reapply for assistance sometime in the future to explore any portion of the ground included in the withdrawn application, do so by filing a new application, referring to this OME docket number, and furnishing the information pertinent to your new proposal. This information should include new bank letters dated within 90 days of filing the new application. Although data already submitted need not be resubmitted, it would be useful to identify such information in a new application.

If the area is outside the ground already described, a whole new application would be required.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo

cc: DRF
Mineral Resources
OME reading file
Region III
Mr. Kirkemo
130

HKirkemo/cac 6/26/72

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452

June 19, 1972

RECEIVED
JUN 22 1972

TELEPHONE: 567-2881
AREA CODE: 303

OME-6824-Gold
Silver Heels Mining Co.
P. O. Box 400
Idaho Springs, Colo. 80452
Charles P. Gresser

OFFICIAL COPY
RECEIVED
JUN 26 1972
INITIALS | CODE
Cac | 120 m
| 120
| 130

J. William Hasler, Chief,
U. S. Geological Survey, Bldg. 53, Room 28
Office of Mineral Exploration
Denver Federal Center
Denver, Colorado 80225

Dear Mr. Hasler:

This is to inform you that our drilling project at Silver Heels Mine was completed December, 22, 1971. But owing to a report thereof being delayed for more than 90 days we were unable to state any disposition of it.

However, additional exploration being suggested we therefor request that our present application to the OME be withdrawn. But we should much appreciate if we may submit a newly revised program in a different area with an application for assistance at a later date.

Sincerely,

Charles P. Gresser

Charles P. Gresser

1/26/72

If contract is recommended in the future need environmental consideration

Office of Minerals Exploration
Building 53 Room 28

February 3, 1972

OFFICIAL COPY
O. M. E.
RECEIVED
FEB 7 1972

INITIALS	CODE
HR	130

Mr. Charles P. Gresser
Elysian Silver Heels Mines, Inc.
P. O. Box 400
Idaho Springs, Colorado 80452

Re: OME-6824 (Gold-Silver)
Silver Heels Mining Company
Beaver-Tarryall Mining District
Park County, Colorado

Dear Mr. Gresser:

Thank you for your letter dated January 31, 1971, informing us of the progress of the drilling program you recently completed on the east end of the Grand Union placer claim, near the junction of Deadwood and Montgomery Gulches. Since the work was completed during the late summer and fall of 1972, your letter was meant to have been dated January 31, 1972, and our latest conference with you here was January 28, 1972. I am forwarding a copy of your letter to our Washington office for their information.

Sincerely yours,

J. William Hasler

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

cc: Chief, OME with copy of incoming letter ✓
OME chron
Mr. Hasler
OME-6824
Mr. Emerick, with copy of incoming letter

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452
TELEPHONE: 567-2881
AREA CODE: 303

OME Region III
RECEIVED
FEB 1 - 1972
Denver, Colorado

January 31, 1971

OME-6824-Gold
Silver Heels Mining Co.
P. O. Box 400
Idaho Springs, Colo. 80452
Charles P. Gresser

J. Wm. Hasler, Chief
U. S. Geological Survey, Bldg. 53, Room 28
Office of Mineral Exploration
Denver Federal Center
Denver, Colorado 80225

Dear Mr. Hasler:

Owing to most inclement weather at Silver Heels Mine our drilling project took more time than anticipated. However, 55 holes were drilled to bedrock.

The material recovered is being processed by Hazen Research and the results should be available about the last week of February, 1972. A report thereof will be forwarded to you immediately. I should appreciate if you would hold my application for assistance open until that time.

Sincerely,

Charles P. Gresser

Charles P. Gresser

CPG:eg

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration
Building 53 Room 28

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January 24, 1972

Memorandum

To: Chief, Office of Minerals Exploration

Through: Assistant Chief, Office of Minerals Exploration

From: Field Officer, Region III, Office of Minerals Exploration

Subject: OME-6824 (Gold, Silver)
Elysian Silver Heels Mines, Inc.
Beaver-Tarryall Mining District
Park County, Colorado

Transmitted herewith is the report of examination on the above-stated subject.

J. William Hasler

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

Enclosure

UNITED STATES

DEPARTMENT OF THE INTERIOR

ROGERS C. B. MORTON, SECRETARY

U. S. GEOLOGICAL SURVEY

OFFICE OF MINERALS EXPLORATION

REPORT OF EXAMINATION

REGION III

OME-6824 (Gold, Silver)

ELYSIAN SILVER HEELS MINES, INC.

BEAVER-TARRYALL MINING DISTRICT

PARK COUNTY, COLORADO

By

J. William Hasler

Geologist

January 1972

FIELD ON-SITE
EXAM. REPORT

Introduction and Summary

The Elysian Silver Heels, Inc., P. O. Box 400, Idaho Springs, Colorado 80452 applied to the Office of Minerals Exploration, August 4, 1970, for Government assistance to explore for gold and silver on the Silver Heels Mine property in the Beaver-Tarryall Mining District, Park County, Colorado, figure 1. The application was transmitted to Washington, D. C. September 4, 1970. The application was assigned Docket No. OME-6824, September 8, 1970.

The applicant was informed by the Chief, Office of Minerals Exploration, October 2, 1970, that there were a number of items needed to continue the processing of the application. One of the items included consideration of exploration work only on the Grand Union Placer claim, which appeared to be the most promising of the several areas proposed by the applicant. Other items included clarification of property rights and substantial changes in the estimated costs, several of which would not be acceptable under an OME contract and in others the costs appeared excessive. In December of 1970 the applicant was advised to furnish a detailed plan of a newly proposed exploration program to explore nearer the east end of the Grand Union placer. The data was delayed in preparation due to an illness of the applicant, and the application was referred to the field for an examination on March 5, 1971. Because of heavy late spring snows at elevations above 9,000 feet, and a heavy work schedule, the subject property was not examined until June 3, 1971. However, additional field examinations were made in July and August 1971 upon request of the applicant, during and

after additional geologic study had been completed, and an electrical resistivity survey of the Grand Union Placer had been essentially completed.

The applicant, in order to save time and money elected to proceed with exploration drilling as recommended by Mr. Hasler, the examining geologist, the applicant's geologic consultant, A. F. Trites, John C. Antweiler, U. S. Geological Survey, and the Chief, Office of Minerals Exploration. The Grand Union placer was included as one of the applicant's most favorable areas proposed in the original application. As a result of the applicant's decision, and the fact that the work proposed in his alternate or revised program has now been completed by a private consulting firm, any recommendations will depend upon the receipt and evaluation of drilling completed since August of 1971. The applicant's geologic consultant has informally advised the examining geologist that work has been completed and is presently being analyzed by the applicant's contractor, Hazen Research, Inc., Arvada, Colorado.

Recommendations

The examining geologist has been notified informally by the applicant's consulting geologist, Mr. A. F. Trites, that the recommended work on the east end of the Grand Union placer has now been completed, and that the results are presently being collaged and evaluated by the applicant's contractors, Hazen Research, Inc., Arvada, Colorado. No further recommendations will be made until all the available data is furnished this office, and is thoroughly studied and reviewed.

Location and accessibility

The Silver Heels property lies approximately eight miles northwest of Como, Park County, Colorado, in sections 9, 10, 11, 13, 14, 15 and 16, T. 8 S., R. 77 W., NM&M. The property can be reached easily with two-wheel drive vehicles by driving 79 miles southwest of Denver, Colorado, on U. S. Highway 285, then turn right 1-1/2 miles to Como, Colorado. Proceed northwesterly on a dirt road up Tarryall Creek to Montgomery Gulch, then up Montgomery Gulch to the junction of Montgomery and Deadwood Gulches, a distance of some 8 miles. Four-wheel-drive vehicles are advisable beyond the junction of Montgomery and Deadwood Gulches.

PROPERTY

History and Production

Gold Placers 1/

"Placer gold in Park County was discovered in 1859. From then until 1938, inclusive, the value of placer gold mined in the county exceeded $4,000,000. South Platte Valley has accounted for approximately three-fifths of this value, Tarryall something under two-fifths and Beaver virtually all the remainder. Half the aggregate yield occurred prior to 1868, but production has continued, with at least a small output each succeeding year except 1918. Greatest activity since 1868 occurred during 1887, 1922-24, 1935-39."

1/ Singewald, Q. D., Gold Placers and their geologic environment in Northwestern Park County, Colorado, U. S. Geol. Survey Bull. 955-D, pp. 144 and 145, 1950.

"The value of output in the immediate vicinity of Fairplay prior to 1874 was estimated by R. W. Raymond, as quoted by Henderson, at about $1,000,000. Most of this came from the South Platte Valley, and a subordinate part from Beaver Creek. Subsequent output from Park County until 1904 cannot be allocated to districts. From 1904 to 1938, the output from Fairplay, according to the United States Bureau of Mines figures furnished by C. W. Henderson, amounted to 25,934 ounces valued at about $500,000. The yearly average fineness of the gold mined since 1904 has ranged from 0.705 to 0.828, with a mean of approximately 0.800."

"Tarryall Creek and its tributaries were credited by R. W. Raymond, as quoted by Henderson, with an output of about $1,000,000 between 1859 and 1872. According to records of the United States Bureau of Mines, furnished by C. W. Henderson, the output during 1904-38 amounted to 5,701 ounces, valued at about $160,000. The total value of output must have been approximately 1 1/4 million dollars. This amount cannot be precisely allocated among individual placers. Probably the Fortune and Peabody Placers together account for more than a million dollars worth of gold, the Wilson for about one-tenth of a million, the placers in upper Deadwood Gulch for somewhat less,and other small placers for the remainder."

Ownership

The Gresser properties lying in sections 9, 10, 11, 13, 14, 15 and 16 in T. 8 S., R. 77 W. total 1,779.8 acres, of which 810.3 acres represent patented land. The patented and unpatented claims are

all owned with a good merchantable title duly recorded at Park County, Fairplay, Colorado. The claims as itemized by the applicant are as follows; and are shown on Plate 2, included in the application; and are shown on Fig. 1, accompanying this report.

A. Patented Group, Montgomery Trend:

Name of Claim	U. S. Survey #	Approx. Acreage
Grand Union Placer	3009	143.5
Morning Star Lode	17903	10.0
Montgomery Placer	15700	133.7
Star of the North Placer	16205	27.0
Niel Lode	17745	10.3
Queen No. 1 Lode	17667	
Queen No. 2 Lode	17667	
Sleepy Joe Lode	17667	53.5
Crown Point Lode	17667	
Gold King Lode	17667	
Revenge Lode	17667	
King Solomon Lode	16007	10.3
Amethyst Lode	16007	10.3
Annie M. Lode	17821A	8.0
Emma Lode	17521A(?)	8.0
Lena Lode	17821A	8.0
Jay Gould Lode	15460	10.3
Dictator Lode	17821A	8.2
Diadem Lode	17821A	9.5
J. W. Sr. Lode	17821A	
J. W. Sr. #1 Lode	17821A	
J. W. Sr. #2 Lode	17821A	70.0
J. W. Sr. #3 Lode	17821A	
J. W. Sr. #4 Lode	17821A	
Splendor Lode	17821A	
Yellowstone Mill Site	17821A	10.3
	Total . . .	530.9

B. Unpatented Group, Montgomery Trend

Name of Claim	U. S. Survey #	Approx. Acreage
Silver Heels Placer B		154.0
Cogy Mazie Placer		30.8
Oh Promise Me Placer "A"		20.0
Silver Heels Placer "A"		23.0
Bull of the Woods Placer		20.0
Lucky Strike Placer		20.0
Silver Heels Placer		4.5
Silver Heels Placer "C"		10.0
Oh Promise Me Placer "B"		13.0
Golden Gate Lode		20.0
Black Butterfly Lode		20.0
Thelma Placer		34.0
Merle Lode		3.5
Jomco Placer Group #1 to #5		91.1
	Total	463.9

C. Patented Group; Deadwood Trend

Deadwood Placer	12668	103.5
Montag Placer	12669	44.8
Iron Mountain Placer	2939	51.6
Liebelt Placer	5236	41.9
Louise Lode	12655	6.6
	Total	248.4

D. Unpatented Group, Deadwood Trend

Humboldt M. & G. Placer		70.0
Humboldt Ext. Placer		19.0
Tarryall Placer #1		16.5
Tarryall Placer #2		137.6
Tarryall Placer #3		70.0
Tarryall Placer #4		90.0
	Total	403.1

On the strength of a 1969 map, provided by Mr. Gresser, the following appear to have been added to his block since 1963:

E. Added since 1963, Deadwood Trend:

Name of Claim	U. S. Survey #	Approx. Acreage
Irene Ann Lode		52.5
Liebelt Lode		
Liebelt Extension		
Humboldt Lode		8.6
Laura Lode		20.7
Clarence Lode		20.7
Jessie	5104	
W & S	5104	31.0
Nellie W.	5104	
	Total	133.5

Considering the above, Charles P. Gresser is summarized and totalled as follows:

Category	Total Acres
Gresser A	530.9
Gresser B	463.9
Gresser C	248.4
Gresser D	403.1
Gresser E	133.5
Total	1,779.8

Financial Eligibility

The applicant requested a loan totalling $89,560.00 from two banks to explore for gold and silver on the subject property. The requests were denied. Consequently, he applied to the Office of Minerals Exploration for financial assistance because the exploration program was one that he would not undertake full expenditure without other financial assistance.

The applicant states that his share of the costs of the exploration work would be furnished from internal sources, and that he is prepared to pay the costs of exploration until reimbursements are made, provided a contract is executed to complete a prescribed amount of exploration.

Geology

Geologic Setting

In general, placers located within the maximum limits of glaciers of the last or Wisconsin stage are associated with moraines deposited by ice, whereas those farther downstream are associated with water-laid deposits.

Moraines are recognized by their distinctive hummocky forms and by the sedimentologic character of their materials, which form a heterogenous assemblage of rather angular rocks unsorted as to size. By far the most productive localities have been the outer parts of terminal moraines marking maximum ice advance during the Wisconsin glaciation. Those in South Platte and Tarryall Valleys have already been extensively worked and so account for a large share of the output of this region. Smaller though moderately productive placers have been found locally upstream. Some are in secondary terminal moraines deposited during major ice stands or readvances. Those associated with the Alma substage rank second in output. In Deadwood Gulch minor placers are associated with the Briscoe substage. Trivial output here and there has come from other secondary moraines. Still

other placers have been worked in lateral moraines; the most valuable have been those in lateral moraine deposited between the time of maximum ice advance during the Wisconsin glaciation. Where bedrock depressions underlie the surface, particularly in coincidence with ice-border channels, the content of gold is likely to be higher than elsewhere. Even lateral moraines deposited subsequent to the Briscoe substage have been worked locally.

Invariably, the bulk of the gold contained in moraines lies adjacent to the bedrock. Commonly, two other pay streaks, each about a foot thick, are found above the bedrock, but they are less rich and much more lenticular than the one on bedrock. Rarely have more than three pay streaks been found.

Pre-Wisconsin moraines, which doubtless contained as much gold as the later ones, have not been worked, presumably because only the lateral debris is now exposed. The far more favorable terminal lobes have been either completely eroded or else partly eroded and covered by later outwash.

Outwash aprons which extend downstream from the outermost Wisconsin moraines account for a preponderance of the past output and offer greatest hope for the future. In the South Platte and Tarryall Valleys, production prior to 1939 was confined largely to stream channels, where perhaps there was a slight reconcentration of gold from the surface materials. The bulk of the gold, however, occurs at the base of the outwash materials, adjacent either to bedrock or to older gravel, where it cannot have been appreciably

affected by post-glacial erosion. Consequently, there is no good reason to believe that the present stream channels are richer than other parts of the apron. In Beaver Creek, by contrast, the entire apron has been worked within the limit of productive sediments.

"Montgomery Gulch.[2/]--Placers in the upper part of Montgomery Gulch and its tributary, Purgatory Gulch, have little commercial significance. Several men working in Purgatory Gulch found traces of gold but not in commercial quantity during the summer of 1939. Below the mouth of Purgatory Gulch, upturned morainal gravels in the stream bed reveal the larger former workings in the upper Montgomery Gulch. Two very small placers, likewise in moraine, in the western part of sec. 15, T. 8 S., R. 77 W., have not yielded a commercial output. An interesting though small placer in the extreme southeast corner of sec. 16, T. 8 S., R. 77 W., reveals small quantities of gold in talus derived nearly in situ. At the lower end of Montgomery Gulch are placer workings that extend into Middle Tarryall Creek, and are therefore described in the next section. Large commercial placers are not to be expected within Montgomery Gulch, in spite of the fact that it probably was an important contributing source of gold found farther downstream. If further prospecting in Montgomery Gulch is attempted, the most desirable place would be just inside the border of the moraine of the Alma substage."

"Deadwood Gulch.[3/]--Deadwood Gulch has yielded considerably more gold than Montgomery Gulch, for there are a number of workings whose

size suggests a noteworthy profit. Placer diggings in Deadwood Gulch are virtually continuous from the juncture of the two headwater branches west of the Ute mine to a point below the junction with Montgomery Creek. The two localities that have been most productive are the uppermost half mile of the placer ground and the stretch below the moraine of the Alma substage. Gold in the former occurs in glacial moraine and in the latter in outwash gravels formed during the Alma substage. As the most intensely worked portion of the outwash gravel is adjacent to the junction with Montgomery Gulch, it seems probable that gold from Deadwood Gulch was augmented by outwash from Montgomery Gulch during the Alma substage."

"The most favorable ground remaining in Deadwood Gulch lies within the area already worked, so no important extensions are to be anticipated; however, there still remains some unworked gravel. It will be seen from plates 9 and 10 that the placers begin in moraine of the Briscoe substage and extend for a third of a mile downstream. Nearly all the gold, therefore, except in the cut in the north bank, probably was deposited either with moraine or as outwash during the Briscoe substage. If this be true, then the ground between the Ironwood placer and the lower limit of the placer at the Montgomery Creek confluence is rather unpromising."

"Several placers occur as shown on plate 10, associated with an ice-border channel that can be recognized on both sides of Deadwood Creek. Commercially, all are rather insignificant. They indicate, however, that the lateral moraine contains traces of gold,

2/, 3/
Singewald, Q. D., Gold Placers and their Geologic Environment in Northwestern Park County, Colorado; U. S. Geol. Survey Bull. 955-D, pp. 162 and 163, 1950.

and justify the suggestion that accumulations may be found elsewhere in small pockets of similar size and richness. The cost of prospecting, however, hardly warrants a search."

"Two other very small placers may be regarded as outliers of the main Fortune workings."

Applicant's Proposal

The applicant originally proposed exploring for placer gold in several separate areas within the Silver Heels property. These areas included the west end of the property in Purgatory Gulch; on the Montgomery Placer claim; the Star of the North claim, and southward up Amethyst Gulch; eastward along Montgomery Gulch at the west end of the Grand Union Placer; westward along Montgomery Gulch midway in the Grand Union Placer; on the extreme east end of the Grand Union Placer; and northward on the Montag Placer at or near the junction of Deadwood and Montgomery Gulches.

The applicant proposed exploration work in an area along Montgomery Gulch where a number of southeast striking gold bearing veins intersect it. Some sampling was done on them by the examining geologist but gold values proved most disappointing in that the gold values ranged from 0.005 to 0.01 oz. per ton, and silver values were zero, 0.08 and 0.07 oz. per ton. Even though any proposed exploration should test the rocks immediately underlying stream bed material downstream from the moraines, this particular area is not the best area to explore at present.

Examiners Evaluation and Proposal

Numerous conferences were held with the applicant in this office before and since the initial application was submitted. Three field examinations were made, one on June 3, 1971, a second in July 1971 and a third one on August 11, 1971. The first two examinations were made in the company of Mr. Charles P. Gresser, the applicant, and his consulting geologist, Mr. A. F. Trites. The third examination was made in the company of Mr. Gresser, Mr. Trites, and Charles O. Hile and Mr. Donald Slattery, Geophysical Consultants. The applicant, as noted in his letter to the Chief, OME, dated October 15, 1970, had attempted to explore the Silver Heels property beginning in 1953. A report on the subject property dated September 1959 by W. F. Moenke, E. M., as well as additional reports of sampling in 1960 and 1961 yielded possibly the most complete data. A composite map prepared by Al Hack and Associates during October 1964 was also included as a part of the application. Exploration work by the Juniper Oil Company in 1959 consisted of sampling pits that averaged 14 feet in depth and did not exceed 21 feet. The average value recovered from their work was $1.11 per ton. Cleveland Cliffs Iron Company, from October 1961 to September 1962, completed some churn drilling, and their average values were $1.94 per ton.

McCulloch Oil Company did a considerable amount of work on the property from January 31, 1963 to June 21, 1967, during which time the applicant reports an expenditure of $650,000. However, J. C. Antweiler, USGS, reports a loss to McCulloch in the neighborhood

of $1,000,000.00 resulting in no gold production. The applicant reports that their average value was $3.50 per ton.

In William F. Moenke's report of January 11, 1961, he classifies the property into three classes. Class No. 1 consists of stream bed material lying principally on the Grand Union Placer claim 3009, and westward up Montgomery Gulch and he has estimated a volume of some 1,500,000 cubic yards at 56 cts per cubic yard. Mr. Gresser has a note showing some 8,800,000 cubic yards worth .552 cts/cu yd. However, Mr. Moenke calculates some 7,200,000 cu yds (11,500,000 tons) of material available on the Grand Union Placer claim. If a more conservative figure of .50 cts/cubic yard were used there would be a gross value of $3,600,000, and at a cost of .30 cents per cubic yard, there could be a net value of $1,440,000.

The geologic report by David Le Count Evans concludes that the brown gold-bearing gravels of Little French-Deadwood Gulches obviously originated in part from the zone of contact mineralization at the head of Little French Gulch, and probably, in great part, from similar zones concealed by the gravels, and that some 18,000,000 yards of oxide-glacial gravel in the Purgatory-Montgomery Channel has no obvious source in the cliffs bordering Montgomery Gulch. The brown, rotten gravel mass is in sharp contrast to the unoxidized, green-gray metamorphosed rocks flanking the gulch; and it seems inconceivable that the valley mass could be derived from the valley flanks. He proposes that there was indeed some minor contribution from the valley sides but that the majority of the mass was pushed from

contact mineralized zones, completely stripped from the back and upper part of the valley which are now concealed. He states that $3.03 per ton material is low grade but is of sufficient interest to pursue exploration to some extent.

Most of the test pits were not any deeper than 11 feet, and samples to date were taken from near surface material. None of the samples have gone to bedrock, and this is the area which shows the most promise. Consequently, it was suggested that the most favorable area to explore for increased gold values is at depth on and near bedrock near the junction of Montgomery and Deadwood Gulches, at the east end of the Grand Union Placer. Deadwood and Montgomery Gulches both drain areas that have been extensively mineralized with gold. Profitable placering has previously been done downstream for approximately 2 miles, and upstream on Deadwood Gulch for about 1/2 mile. J. C. Antweiler, U. S. Geological Survey, in his memorandum of September 28, 1970, states that the reason this area had not been worked previously was because of a greater depth to bedrock, and that large boulders from the moraine a short distance upstream on Montgomery Gulch made placer operations too difficult. Exposed, gold-rich veins are being rapidly eroded from the steep slopes that form the drainage basins of Montgomery and Deadwood Gulches. Even though these basins were extensively scoured by glaciers, weathering of the porphyries (aided by extensive pyrite oxidation) is so rapid that extensive valley fill has occurred since the last glaciation, and abundant precipitation provides sufficient water in the stream courses to afford appreciable

gold sorting and concentration. Singewald noted (USGS Bulletins 928A and 955) that the most profitable placer mining was downstream from moraines where meltwater facilitated gold concentration. The Grand Union Placer claim lies in such a placer, and therefore, is a most favorable area in which to further explore for placer gold.

Since this area appears to be the most favorable one in which to explore it was suggested to the applicant that some 50 holes in a number of north-south fences more or less normal to the stream channel be drilled to bedrock and sampled most thoroughly for gold and silver.

Results of additional geologic work by A. F. Trites during the summer of 1971 indicated that it would be wise for the applicant to complete a series of profiles across the area with an electrical resistivity outfit to ascertain depths to bedrock as near as possible. This work was completed in August of 1971. Due to our (OME) continued decrease in amounts of funding plus the fact that late fall and winter storms may be encountered before a contract could or would be executed the applicant contracted with Hazen Research, Inc., of Arvada, Colorado, a capable geologic consulting firm in the Denver area, to drill most of the holes that would have been done with OME assistance.

The drilling, I understand, has now been completed. However, the results have not yet been made available to us for review and further consideration. Any recommendation will depend upon a thorough study of the results of this drilling and as to the favorableness of the results.

OME-6824

September 30

In a telephone conversation with Mr. Keating today I explained that proposals offering the best chances of success have first priority on our limited funds in 1972. Presently we are considering three proposals. As we have not received the field report on the subject application, we could not make a decision at the present time.

Mr. Keating said that he would inquire again later in October concerning the decision on the Elysian application.

HKirkemo

Sept. 10

Re: OME-6824 (Gold)
Elysian Silver Heels Mines, Inc.

Mr. Ed Keating, of Congressman Aspinall's office phoned and inquired re status of above application.

Mr. Kirkemo told him that if was pending action in the field, they would write a report and recommendations, and OME in Washington then would act.

Mr. Kirkemo suggested to Mr. Keating that he phone us if needed instead of writing a letter, because the status could be given him immediately and would be much faster than a letter.

gla

Mr. Keating's telephone is:

Code 180 - 225-4431. (When dialing on the tie-line code, drop the "22", i.e.:

180 - 5-4431

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452
TELEPHONE: 567-2881
AREA CODE: 303

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September 3, 1971

Honorable Gordon L. Allott
United States Senator, State of Colorado
5229 Senate Office Building
Washington, D.C. 20510

O.M.E. - 6824 (Gold)
Silver Heels Mines
Park County, Colorado

Dear Senator Allott,

Being the owner of a group of mining claims, 1800 acres, in area approximately 10 square miles, patented and unpatented (50-50) in Park County, Colorado, I have applied to the office of Mineral Exploration, Department of the Interior, for financial assistance to put down a number of churn-drill holes to bed-rock, never attempted before, to ascertain the true values of this mining property, especially gold.

Three reports from independent geologist and engineers have been submitted with this application; also just recently I have had done an Electrical Resistivity survey on the property at my expense in order to establish the depth to be drilled, eliminate unnecessary risks, and locate the drill holes for accessibility and maximum results.

It has taken me eight years to prospect and put this property together mostly with my own money. The above company has only been recently organized and to date has been inoperative. However, much work has been done on the property and is not considered by the professionals as a raw prospect but of great potential. There is both a placer deposit and a vein system considered even more important than the placer.

During the months of July and August, Mr. J. Wm. Hasler, Chief of the Denver division of O.M.E., accompanied by his assistant Geologist, as well as our Geologist, Albert F. Trites, of Denver, made several trips of inspection of the properties in order to enable him to arrive at a fair appraisal towards consideration of our loan application. At some discussion Mr. Hasler related that O.M.E.'s participation in mineral exploration had been curtailed owing to a restricted budget that the funds needed were just not available in the the full amount asked for, and he suggested that we reduce it by one half in our application. This has been done. Above all, I must say that Mr. Hasler has been most cooperative with a fine grasp of the problems of our project.

Past Production: Aside from the numerous tests made with hundreds of assays all attesting to the presence of gold, there was the Fortune Placer right East and below of us that produced Two and One-forth Million dollars in gold during the early part of the Century. All of it came from Silver Heels Mine. Lack of an efficient process of recovery of the metals has been the villain that kept us from getting into production. This is being remedied through the cooperation of the Golden Cycle Technology Corporation, Colorado

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452
TELEPHONE: 567-2881
AREA CODE: 303

Springs, Colorado.

Now I wish to acknowledge and thank you for having mailed me a copy of the Congressional Record of July 19, 1971, relating to your bill S-635, sorely needed by our mining men and the Country as a whole. Apropos and in support thereof may our project in a modest way point up the wisdom of this Act, and that your efforts in behalf of the nation's mineral production may generate the public support of the O.M.E. which it deserves.

Sincerely,

Charles P. Gresser

Charles P. Gresser, President

Copy to:

Senator Peter Dominick, Senator from Colorado
Donald G. Brotzman, Congressman from Colorado
Wayne Aspinal, Congressman from Colorado
Harold Kirkemo, office of Mineral Exploration, Washington, D.C.
J. Wm Hasler, office of Mineral Exploration, Denver, Colorado
Sidney H. Peterson, Treasurer, 1632 Clermont Street, Denver, Colorado

OME - 6824

SKYLINE LABS, INC.
SPECIALISTS IN GEOCHEMICAL EXPLORATION
7190 WEST 50TH PLACE • WHEAT RIDGE, COLORADO 80033 • TEL.: (303) 424-7718

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Denver, Colorado

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April 9, 1971

Mr. Charles Gresser
Elysian Silver Heels Mines, Inc.
P.O. Box 400
Idaho Springs, Colorado 80452

Dear Mr. Gresser:

During the past few days we have reviewed the data you left with us on work completed to date and anticipated exploration on your Silverheels placer mining property in Park County, Colorado. We concur with your general plan of exploration, although we feel that perhaps more detail might be added to the OME application.

Having considered the work that needs to be done on your property, our prior and pending commitments for field work this season, and our relative competence in the areas of placer evaluation versus geochemical exploration, we feel that we must regrettably decline your offer to participate in the exploration of this property. We have a limited staff available for field work, and we feel that our pending commitments would not permit us to do justice to your project as well.

We dislike having to inform a potential client that we will be unavailable, and accordingly we have checked into the possible availability of a competent highly ethical consulting geologist who, like ourselves, is a former U. S. Geological Survey man, and is familiar with the mode of operation of OME. This man is:

Albert F. Trites
7190 West 29th Place
Lakewood, Colorado 80215
Tel. 238-0263

At present, Mr. Trites is apparently available to consider this work, and I'm sure he would be interested in your approaching him.

The facilities of our laboratory are available as support for your project, and we hope that you will continue to call on us, especially for services in the field of geochemical exploration.

Sincerely,

EVP

Edwin V. Post

EVP/dg
Copy to: Bill Hasler

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
3/5/71		120
	Emerick	120
		130
3/5		220
		120M

MAR 5 1971

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: OME-6824 (Gold)
Elysian Silver Heels Mines, Inc.
Silver Heels Mines
Park County, Colorado

The subject application is referred to you for further study, a field examination if warranted, and recommendations.

The information submitted with the original and modified applications has been reviewed and appears adequate. We note that there is only one drilling bid but this is not surprising because Keystone churn drills are hard to locate anymore. The last two proposed drill holes in line 2 (13 holes) appear to be too near the end line of the Montag Placer claim, but since the applicant has more holes than needed in this four line grouping of holes the two can probably be eliminated or moved.

In the estimated costs we question the necessity for both a bulldozer and a dragline for building access roads and wonder why assays won't give the applicant enough information without the item for "Analysis and Evaluation of cuttings." Mobilization is quoted as $1,000 per month but doesn't indicate if the mobilization is for the bulldozer, dragline, churn drill, or all three. There is no demobilization item. It is usual to make the cost of these items a fixed lump sum. The applicant has haulage of the churn drill included with insurance and taxes but it is basically a mobilization and demobilization item. The cost of the supervisor appears to be more than OME allows on a contract.

These are things that can be resolved with the applicant during a field examination if a contract is warranted.

Harold Kirkemo

Harold Kirkemo

cc: Director's Reading File
MINERal Resources - OME Docket - OME Redding - Mr. Emerick - 130
WLEmerick/bsl 3/5/71

MME Form 7
(2/63)

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	Emerick	120
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MAR 5 1971

AIRMAIL

Elysian Silver Heels Mines, Inc.
Box 400
Idaho Springs, Colorado 80452

Re: OME-6824 (Gold)
Elysian Silver Heels Mines, Inc.
Silver Heels Mines
Park County, Colorado

Gentlemen:

The application for assistance in exploring the subject property has been reviewed by the Washington office and referred to Mr. J. William Hasler, Field Officer, Region III, Office of Minerals Exploration, U. S. Geological Survey, Room 203, Building 53, Denver Federal Center, Denver, Colorado 80225.

Mr. Hasler will notify you if he requires additional information concerning the application and possibly to make arrangements for an on-site examination of the property.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
Region III
Mr. Emerick

WLEmerick/bsl 3/5/71

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452
TELEPHONE: 567-2881
AREA CODE: 303

AIRMAIL

December 29, 1970

United States Department of the Interior
Geological Survey
Harold Kirkemo
Chief, Office of
Minerals Exploration
Washington, D.C. 20242

Re: OME-6824 (Gold)
Elysian Silver Heels Mines, Inc.
Silver Heels Mines
Park County, Colorado

Dear Mr. Kirkemo:

In reply to your letter of December 17, 1970, would like to informe you that I have been preparing a detailed plan of the new proposed exploration with a revised estimate of costs thereof.

This should reach you within the next ten days. I trust that it will meet the requrements to proceed further with the processing of the application.

Sincerely yours,

Charles Gresser

Charles Gresser
Elysian Silver Heels Mines, Inc.

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Copy to OME Region III

MME Form 7
(2/63)

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AIRMAIL

DEC 17 1970

Elysian Silver Heels Mines, Inc.
Box 400
Idaho Springs, Colorado 80452

Re: OME-6824 (Gold)
Elysian Silver Heels Mines, Inc.
Silver Heels Mines
Park County, Colorado

Gentlemen:

We have reviewed the additional information furnished in reply to our letter to you, dated October 2, 1970. It was suggested in the above letter that you consider exploring only one of several areas proposed in the application. The Grand Union placer claim was suggested as one area in which an alternate exploration plan might be considered and you appear to agree with the suggestion according to your letter of October 15, 1970.

If you do agree, it will be necessary for you to furnish OME with a detailed plan of the new proposed exploration with a revised estimate of costs in accordance with the proposed exploration plan before we can proceed further with the processing of the application.

Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME Docket
OME Reading File
OME Region III
Mr. Emerick

WLEmerick/gla 12-17-70

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

December 11, 1970

ORIGINAL FILE COPY
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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6824 (Gold)
Elysian Silver Heels Mines Inc.
Silver Heels Mines, Inc.
Silver Heels Mine
Park County, Colorado

Transmitted herewith is a copy of additional data and supplementary material requested by you in a letter to the applicant dated October 2, 1970. The letter to you from Mr. Gresser is dated October 15, however much of the data included was not submitted to me until late November, 1970. I believe most of the questions you asked have been answered.

J. William Hasler

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

Enclosures

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452

TELEPHONE: 567-2881
AREA CODE: 303

October 15, 1970

Mr. Harold Kirkemo
Chief, Office of Mineral Exploration
United States Department of the Interior
Geological Survey
Washington, D. C. 20242

Dear Mr. Kirkemo: Re: OME 6824 (Gold)

Thank you for your informative letter and for providing an opportunity to clean up certain points objected to or at variance in our application.

In explanation of Paragraph #2 of your letter pertaining to the east end line of Grand Union Placer and adjacent claims thereto, we not only own the Tarryall Placer but also have a Patent of the Montag Placer, enclosed herewith marked Exhibit A(1), reserving the Mineral Rights in Iron Hill Placer, shown on the map 10" x 8 1/2" enclosed herein under Exhibit A(2).

Paragraph #3 has been given the consideration suggested in your letter in a thorough manner. Moreover, we would not consider any drilling project whatever unless it went to bedrock.

In succeeding Paragraph #4 on top of Page 2 regarding "Rights in the Land to be explored," these have been clearly established by Abstract of a merchantable title vested in Charles P. Gresser, signed hereto, as sole owner, but recently assigned to above company. No interest is shared with other parties. No stock has been sold. Neither will there be any conflict with other parties. The drilling expected to be done would lie well within our boundaries.

Beginning with a perfunctory investigation of Silver Heels Mine during the summer of 1953, I made preparations to find out all about it. It has taken me eight years to put this property together, "prospecting" it claim by claim with hundreds of assays taken, assisted by four men to do the manual labor.

In support of Paragraph #5, second on Page 2, I am enclosing an assay map compiled by Al Hack, E.M., Denver, and one by Moenke, showing the results of testing and drilling done by several parties, with a concise and succinct description of the latter's methods used.

1. The Juniper Oil Co., a small company, during their tenure of lease, May 1959 to October 1959, put down some pits an average of 14 feet, not any exceeding 21 feet, then leased a small placer machine motor, gasoline powered, with a capacity of 2 to a maximum of 5 tons per day. But they were

in such a hurry to get with it that they rented a larger motor using a 2" pipe in place of the 1", running 10 tons p.d. of material through that little placer machine and sluice boxes. Their engineer, a friend out of a job, with no experience in placer mining (as I learned later), they wanted to do something for him. Not being able to stand the slaughter any longer I terminated the lease and actually paid them to get off. It is a wonder that they recovered any values at all. The samples taken were mainly from the North Star Placer, (just below my cabin); the Montgomery Placer clear up to the West end; the Cogy Mazie Placer; Oh Promise Me Placers C & B; the Neil Placer; the Silver Heels Placer; and from only the West half of the Grand Union Placer. The men told me they counted as many as 300 "colors." But by the time they got into the plastic bag for assaying, very little of it remained. No logs were kept and the "location" of the pits was by driving down a little stake with the respective number written on it. The average value recovered was $1.11 per ton.

2. Cleveland Cliffs Iron Company, from October 1961 to September 1962, very successful in their own field, but would employ none other than their own men excepting operating the drill. They decided on a Churn Drill with a 4" pipe by Boyles Bros., based at Salt Lake City, Utah, with a branch at Denver, to do the drilling. I concurred. But during the very first forenoon the operator lost the shoe to the pipe. My protestations availed me nothing. However, the worst that could have happened was that the engineer in charge of the drilling project was their iron man - he knew absolutely nothing about gold, much less about a placer. My complaints to the Cliffs Co. that their man (Adair by name) was inexperienced and incompetent was answered that he had been making examinations for them satisfactorily for a number of years. No distinction was made between precious metals and iron.

There being a high water level below ground, most of the tests were more or less contaminated with little or no concern as to depth, all coming up in a slurry allowing for no study of either geology or metallurgy. Several engineers consulted were in accord that probably 50% of the values were recovered. In most cases they didn't know whether they drilled to bedrock or through it.

Results: No logs were being kept. The average value recovered was $1.94 per ton. By mutual consent Cleveland Cliffs and I agreed to terminate the lease.

3. McCulloch Oil Co. of California, Jan. 31, 1963, to June 21, 1967. The engineer in charge, J. B. O'Malley, Jr., having no experience in the construction and assembly of a Placer Milling Plant, made a horrible mess of it, consuming a full year's time plus $650,000. As might be expected, the McCulloch people and myself were utterly disillusioned. Now, O'Malley is not without ability. Unbeknown to McCulloch and myself he had three other projects of similar proportions going simultaneously, thus dissipating any chance of success he might have had. All of them wound up total failures.

There had been an agreement providing for exploration to bedrock, channels along the creek and on banks; then to build a pilot plant of 250 tons capacity per day. All of this was ignored. Instead, they began to construct a milling plant of 2,000 tons capacity per day predicated on a process of recovery, the result of laboratory bench work (for which I had paid). However, during

the construction of the mill, fourteen long trenches were being dozed to provide material for a 50,000 ton stockpile. McCulloch had the mill dismantled and shipped to Aspen, Colorado.

THE RESULTS of the various trenches showed an average value of $3.50 per ton. Thereafter McCulloch made no serious effort for several years to carry on a program of either exploration or mining. I terminated the lease with a big financial loss. McCulloch, however, was able to "write it off."

William F. Moenke, E.M.

Also enclosed is a Report by Wm. F. Moenke, E.M. U. Wy., with a major in geology. He was affiliated with me from May, 1958, to August, 1962, and conducted an examination of Silver Heels Mine for three succeeding summers, usually for about five months. He would stay at the guest cabin adjacent to mine - my doing the cooking for both of us. (Also other engineers had a go at it for short periods.)

The property has been extensively examined and recommended. But somehow I have not been able to have one of them go to bedrock or do metallurgical research. The property has been frightfully mishandled. For that reason I shopped around for the most suited. . . .

Drilling Equipment

1. Boyles Bros. I would not have again, besides they are too expensive.

2. I thoroughly checked out Becker Drilling Co. equipment accompanied by an engineer and in consultation with others. Their letter to me and material quotations are enclosed herein. After considerable investigation I decided against using this drill, a rotary with hammer action, although it would be cheaper.

3. Oscar McShane, Superintendent of Drilling Operation. Last spring (during May) Mr. Oscar McShane, of San Francisco, Calif., was recommended to me as one of the best drill men in the U. S. I made a special trip out there for a conference with him and was satisfied that he is the man and to use a keystone drill. I subsequently learned that there is not more than a half dozen competent drill men in the whole U.S.A. The cost of this drilling and service is higher than that of the Becker Drill. But there is little difference between McShane's and the Boyles Bros. equipment. We feel that true samples for testing purposes are more important than cost or time.

4. Drill Holes
With reference of the number of holes that should be drilled or its limitations thereof, taking Mr. Moenke's extensive examination of the whole project into account, this could possibly be best resolved by the geologist through further study of Moenke's report and its practicable application in the field. Any drilling for placer testing should be extensive enough to warrant some kind of estimate of the values contained in the gravels.

Research Institute of the School of Mines

In view of the many disappointments I have had at Silver Heels Mines, I felt I

should have the Research Institute of the School of Mines to participate in the Exploration Project. However, after careful consideration in all its aspects, I came to the conclusion that it would, after all, be a duplication of supervision; second, add materially to the cost.

No Agreement with the Research Institute has been signed and none is contemplated.

David L. Evans, Geologist

Regarding David L. Evans, there is no committment of engagement for his services, especially this project, and he has been so advised.

However, inasmuch as there are some highly competent geologists in your own Department here, would it be possible to designate one from Federal Center to collaborate with us? I most certainly should welcome such an arrangement.

Again, may I assure you that I appreciate the opportunity to present to you a history of the true facts of the Silver Heels Mine.

Sincerely,

ELYSIAN SILVER HEELS MINES, INC.

Charles P. Gresser

Charles P. Gresser

CPG:eg

Enc.

ELYSIAN SILVER HEELS MINES, INC.
BOX 400
IDAHO SPRINGS, COLORADO 80452
TELEPHONE: 567-2881
AREA CODE: 303

December 8, 1970

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O. M. E.
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United States Department of the Interior
Geological Survey
Washington, D. C. 20242
W. L. Emerick, Assistant Chief
Office of Minerals Exploration

Dear Mr. Emerick:

Re: OME 6824 (Gold)
Elysian Silver Heels Mines, Inc.
Park County, Colorado

Your letter of December 3, 1970, really came as no surprise upon being informed that you had not yet received the additional information requested by you in your letter of October 2, 1970.

So much more exploration had been done by myself and others which did not appear in David L. Evans' report, that without it you could not have a clear appraisal of this project. It took some time to prepare this information, such as assays and corresponding assay maps. Also a report by W. F. Moenke, E.M., Denver, who worked four summers for me at Silver Heels Mine. All of this information I submitted to Mr. W. Hasler, Chief, OME, Denver. Enclosed herein is my letter of reply to yours of October 2, 1970, (and submitted to Mr. Hasler), that throws much light on why the property has not been in production 'ere this.

Then something else happened to occasion a further delay to get this information to you sooner that had not been on the agenda. I had to undergo an operation (surgical) at the St. Luke's Hospital, Denver, keeping me there for nearly three weeks. (It was a success and the patient lived.)

May I assure you that I am extremely anxious that you proceed with this application and for two reasons. One, I am in need of it badly; two, I have the utmost conviction that you will be backing a winner, a good one.

I am certain that Mr. Hasler will get this information to you within the next few days. Also I would like to say that I appreciate your courteous letter.

Sincerely,

Charles Gresser

Charles Gresser
Elysian Silver Heels Mines, Inc.

CG:eg

Enc.

MME Form 7
(2/63)

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AIRMAIL

DEC 3 1970

Elysian Silver Heels Mines, Inc.
Box 400
Idaho Springs, Colorado 80452

Re: OME-6824 (Gold)
Elysian Silver Heels Mines, Inc.
Silver Heels Mines
Park County, Colorado

Gentlemen:

On October 2, 1970, we requested additional information which is necessary for the processing of your application.

If you need additional time to prepare this information, please let us know. If we do not receive a reply from you within thirty days from the date of this letter, we must assume that you are no longer interested in proceeding with your application and we shall consider it as having been withdrawn.

Sincerely yours,

William L. Emerick (gla)

W. L. Emerick
Assistant Chief,
Office of Minerals Exploration

cc: Director's Reading File
Mineral Resources
OME docket
OME Reading File
OME Region III
Mr. Emerick

WLEmerick/gla 12-3-70

USGS-OME

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Date	Surname	Code
9/28/70	Kirkemo	

MME Form 7
(2/63)

OCT 8 - 1970

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

Dear Senator Dominick:

This is in reply to your letter of September 14, 1970 to Mr. J. William Hasler, Field Officer, Region III, Office of Minerals Exploration, U. S. Geological Survey, Denver, Colorado, on behalf of Elysian Silver Heels Mines, Inc., Box 400, Idaho Springs, Colorado. The company submitted to our Denver office an application for financial assistance to explore the Silver Heels Mines property in Park County, Colorado.

The application was received in our Washington office on September 8, 1970, and a letter acknowledging receipt and assigning a docket number (OME-6824) was mailed to the applicant the same date. Since then, a review of the application has been in progress.

All factors are being considered in our review such as the geologic probability of a significant discovery being made by the proposed exploration, cost of the exploration in relation to the size and grade of the potential deposit, the plan and method of conducting the exploration, the applicant's title or right to possession of the property, and eligibility of the applicant to participate in the program.

Please be assured that the applicant will be informed of our decision on this application as soon as we have evaluated all of the available information.

Sincerely yours,

W Pecora

Director

cc: General Files
Director's Chron
Mineral Resources
Congressional Liaison
Lewis Helm
OME File
OME Reading File
Mr. Kirkemo
Region III

Not Controlled

HKirkemo/bsl 9/28/70

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

September 23, 1970

Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6824 (Gold and Silver)
Elysian Silver Heels Mines, Inc.
Beaver-Tarryall Mining Districts
Park County, Colorado

Enclosed is a copy of a letter dated September 14, 1970 from Senator Peter H. Dominick, that arrived in this office September 21, 1970 concerning the above referenced docket.

Mr. Gresser, the applicant, submitted the application for financial assistance to this office September 3, 1970. The application was sent to Washington September 3, 1970 and was assigned OME Docket No. 6824. The application is being reviewed in Washington as well as by John C. Antweiler, U. S. Geological Survey, Denver, Colorado. Mr. Antweiler has examined and sampled the property in company with U. S. Bureau of Mines Engineers relative to the Heavy Metals program, and he will prepare a memorandum concerning the subject application at an early date.

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

Enclosure

COLORADO

ARMED SERVICES
LABOR AND PUBLIC WELFARE
SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS
SELECT COMMITTEE ON SMALL BUSINESS

United States Senate
WASHINGTON, D.C. 20510

September 14, 1970

U.S. Bureau of Mines
RECEIVED
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Denver, Colorado

Mr. J. William Hasler
Office of Mineral Exploration
U. S. Geological Survey
Denver Federal Center
Building 53, Room 203
Denver, Colorado 80225

Dear Mr. Hasler:

It has come to my attention that the Elysian Silver Heels Mines, Inc., Box 400, Idaho Springs, Colorado, has filed an application for financial assistance in the exploration for silver and gold ores in Park County, Colorado.

Because of the time element in getting this mining exploration program underway, I would appreciate anything you could do to expedite the processing of this application.

Best regards.

Sincerely,

Peter H. Dominick

Peter H. Dominick
United States Senator

PHD:er

Copy to Washington
September 23, 1970

OME Form 7
(2/63)

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Date	Surname	Code
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OCT 2 1970

AIRMAIL

Elysian Silver Heels Mines, Inc.
Box 400
Idaho Springs, Colorado 80452

Re: OME-6824 (Gold)
Elysian Silver Heels Mines, Inc.
Silver Heels Mines
Park County, Colorado

Gentlemen:

Preliminary review of your application for financial assistance to explore the Silver Heels Mines property indicates that additional information on a number of items is necessary before we can continue its processing. An alternate exploration program should be considered as the plan submitted is more typical of prospecting than exploring and would not be eligible for assistance under the OME program.

We suggest that you consider exploring only one of the several areas proposed in the application. Of the areas shown on Figure 2, the Grand Union placer claim seems to merit first consideration, particularly the area in the vicinity of the junction of Montgomery and Deadwood Creeks. However, we would not consider participating in a drilling program with holes located within 100 feet of the boundary of your property as is the case with your proposed holes 1 through 6. Figure 2 indicates that you do not own the Tarryall placer claim adjoining the east end of the Grand Union claim. Exhibit A attached to the Assignment in the application indicates that you either own the claim or have an interest in it. This difference should be clarified if the east end of the Grand Union claim is to be explored.

Perhaps an evaluation of the placer deposit on the Grand Union claim could be made with lines of drill holes trending normal to Montgomery Creek as illustrated by the line containing proposed holes 1 through 6 on Figure 2. Spacing between lines and between holes in each line would depend upon the width of the deposit, topography, and accessibility. Each hole should be drilled to or into bedrock in order to sample the base of the gravel and the weathered surface layer of the bedrock.

In the event of an OME contract to explore the Grand Union placer claim, we would require that your rights in the land to be explored are clearly established. This would include also rights to adjoining claims which may benefit from such exploration. If you share an interest in certain claims with other parties, what is the extent of your interest, who are the other parties, and what is the extent of their interests? Lien and Subordination Agreements must be executed by all other parties who have interests in the claims, or, in lieu thereof, you would have to post a performance bond in the amount of the Government's share in a contract.

Some of the items in your Cost Estimate Summary would not be necessary to accomplish the work in the alternate program mentioned above, and the costs of some of the allowable items would not be acceptable to the Government as they exceed costs usually allowed for such services. The services of a consulting engineer to supervise the proposed drilling appear to be unnecessary as the project presumably would be supervised by a geologist or mining engineer provided by the Colorado School of Mines Research Institute with whom you have a contract. Please note under Item 7, Estimate of Costs, that cost estimates for any proposed independent contract should be supported by bids from three contractors if possible. You furnished only one cost estimate for drilling.

In summary, we suggest that you furnish all of the information required under Item 2, Applicant's Rights in Land, that you consider submitting another plan to explore the Grand Union placer claim area, and revise the Estimate of Costs in accordance with the alternate drilling plan. Should you have any questions on these or other items we will be glad to help you.

Submittal of the information discussed above should not be construed as a commitment by the Government that a contract will be prepared.

Sincerely yours,

Harold Kirkemo (bsl)

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Mineral Resources File
OME Docket
OME Reading File
OME Region III
Mr. Kirkemo

HKirkemo/bsl 10/2/70

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225

Office of Minerals Exploration
Building 53 Room 200

September 29, 1970

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Memorandum

To: Chief, Office of Minerals Exploration

From: Field Officer, Region III

Subject: OME-6824 (Gold and Silver)
Elysian Silver Heels Mines, Inc.
Beaver-Tarryall Mining District
Park County, Colorado

Transmitted herewith is a copy of a memorandum on the above-stated application, written and reviewed by John Antweiler of the U. S. Geological Survey.

J. William Hasler
mc

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

Enclosure

OPTIONAL FORM NO. 10
MAY 1962 EDITION
GSA FPMR (41 CFR) 101-11.6

UNITED STATES GOVERNMENT

Memorandum

TO : J. William Hasler
Office of Minerals Exploration

DATE: September 28, 1970

FROM : John C. Antweiler
Branch of Exploration Research

SUBJECT: OME-6824 (Application for exploration assistance in Beaver-Tarryall Mining District by Elysian Silver Heels Mines, Inc.)

The most reasonable locality for testing for placer gold is at the east end of the Grand Union Placer (Plate 2 of report). Deadwood and Montgomery Creeks, both of which drain areas extensively mineralized with gold, join at this locality. The stream gradients flatten here, and should therefore favor placer gold accumulation. Profitable placering has previously been done downstream about 2 miles and upstream on Deadwood Creek about 1/2 mile, but this ground can be considered as essentially virgin territory. Reasons that it has not been worked are that the depth to bedrock appears to have been too great, and large boulders from the moraine a short distance upstream on Montgomery Creek made placering difficult. Exposed, gold-rich veins are being rapidly eroded from the steep slopes that form the drainage basins of Montgomery and Deadwood Creeks. Even though these basins were extensively scoured by glaciers, weathering of the porphyries (aided by extensive pyrite oxidation) is so rapid that extensive valley fill has occurred since the last glaciation; abundant precipitation provides sufficient water in the stream courses to afford appreciable gold sorting and concentration. Singewald noted (USGS Bulletins 928-A and 955) that the most profitable placer mining was downstream from moraines where meltwater facilitated gold concentration. The Grand Union Placer should be favorable ground on this basis.

The area indicated as "2nd choice" on Plate 2 is the area on which the McCullough Oil Company constructed a mill in the 1960's and stockpiled about 50,000 tons of surface gravels, The McCullough Oil Company operation was a complete failure and resulted in the loss of nearly $1,000,000 to the company. Reasons for failure were (1) the erroneous belief, based on fictitious assays, that the surface gravels had average gold values of about $1.00/cu.yd.; (2) an untried, and utterly ridiculous gold recovery system, designed by a mechanical engineer with no mining experience. Testing of the gravels by an independent company (Bullock Engineering Company, Denver, Colorado), by the U.S. Bureau of Mines (through Ottey Bishop, Denver), and by myself have shown these surface gravels, which are mainly morainal material, have from 1 to 5 cents worth of gold per cubic yard. However, the deep gravels have not been tested; no bedrock sample has even been taken. If promising gold values are found at the east end of the Grand Union Placer, this portion of it should be tested to obtain information on the continuity of values.

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

5010-108

The "3rd choice" locality might have gold accumulations for a different reason from that of the other sites. Stringers or ribs of porphyry which emanate from the Montgomery Gulch stock occur as more resistant rock material across the stream valley on the west end of the Grand Union Placer. These "ribs" conceivably could act as gold traps to collect gold released from the veins in Amethyst, Montgomery, and Purgatory Gulches. Moreover, in this vicinity are mineralized contact metamorphic zones near the apex of the Montgomery Gulch stock. These mineralized zones carry small values in gold and could enhance the placer values considerably.

I do not believe any of the other sites shown on the map are worthy of testing, at least until economic mining areas may have been outlined farther downstream.

Inasmuch as mineralized and altered areas extend north, west, and east of the map area of Plate 2, but center at the apex of the stock in Montgomery Gulch, it appears possible that an extensive area of low-grade gold mineralization could be blocked out by geochemical and geophysical methods, and drilling. Past exploration in the district has been haphazard at best. The present application for exploration assistance does not mention exploration for lode gold; the rich, but small veins that can be found in many places on the slopes above the stream drainages could not sustain a mining enterprise, but the disseminated pyrite-magnetite-hematite-epidote-garnet contact metamorphic zones peripheral to the stock do have gold mineralization and may be worth exploring.

The geologic work in Mr. Gresser's report was done by David LeCount Evans. I spent one day in the field with Mr. Evans and believe he is competent and sincere.

I also spent one day in the field with Ottey Bishop of the U.S. Bureau of Mines. Mr. Bishop may have spent additional time there, so it might be desirable to seek his opinion of the area.

At Mr. Gresser's request, I spent one day on the property with consultants from the Colorado School of Mines Research Foundation, who had been retained by Mr. Gresser upon the recommendation of Ottey Bishop. Mr. Gresser, sour from the unhappy experiences with McCullough Oil Company's abortive enterprise, sought help from the Bureau of Mines (Ottey Bishop) and from USGS (that's how I got involved). Neither Mr. Bishop nor I felt that we could assume any kind of consulting capacity, and therefore suggested that he obtain help through the School of Mines, which he did.

As part of my regular project study I obtained familiarity with the area through collection of about 40 samples of vein, disseminated, and placer gold--not only from the areas covered by Mr. Gresser's claims, but from the entire area affected by the Montgomery Gulch stock intrusive. These gold samples are low in silver and have a trace element assemblage that includes Cu, Bi, Sb, and Pb. With these samples I hope to establish a relationship of gold composition to depositional temperature as indicated by associated minerals (such as magnetite, epidote, pyrite), rock alteration, etc.

Based on the studies of Singewald, Evans, and my own investigations, I believe the area has gold production potential and, therefore, is worthy of OME consideration.

John C. Antweiler

John C. Antweiler

September 8, 1970

Elysian Silver Heels Mines, Inc.
Box 400
Idaho Springs, Colorado 80452

Subject: OME-6824

Gentlemen:

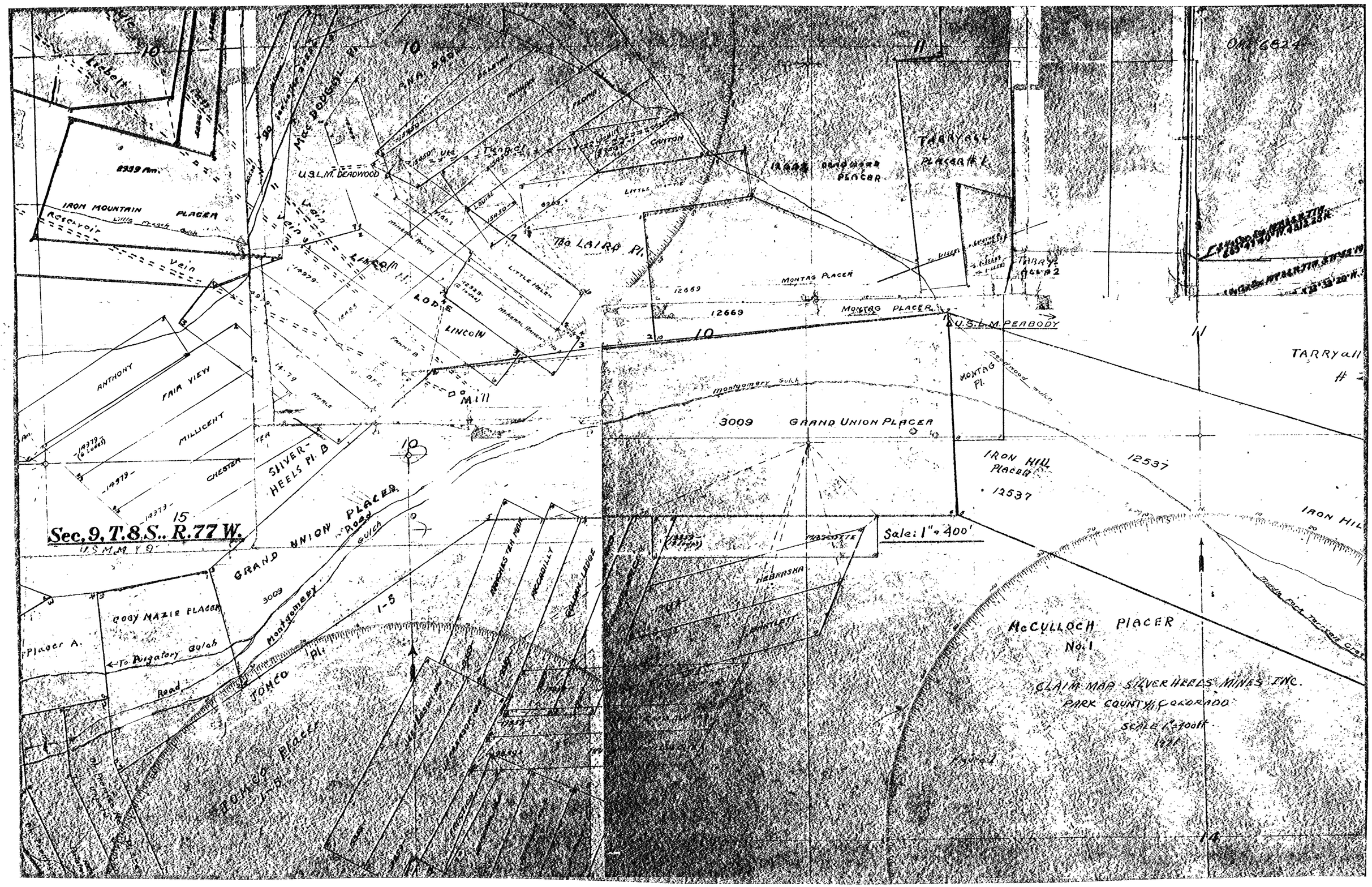
Your application for exploration assistance, dated August 4, 1970, submitted to our office at Denver, Colorado, has been assigned Docket No. OME-6824.

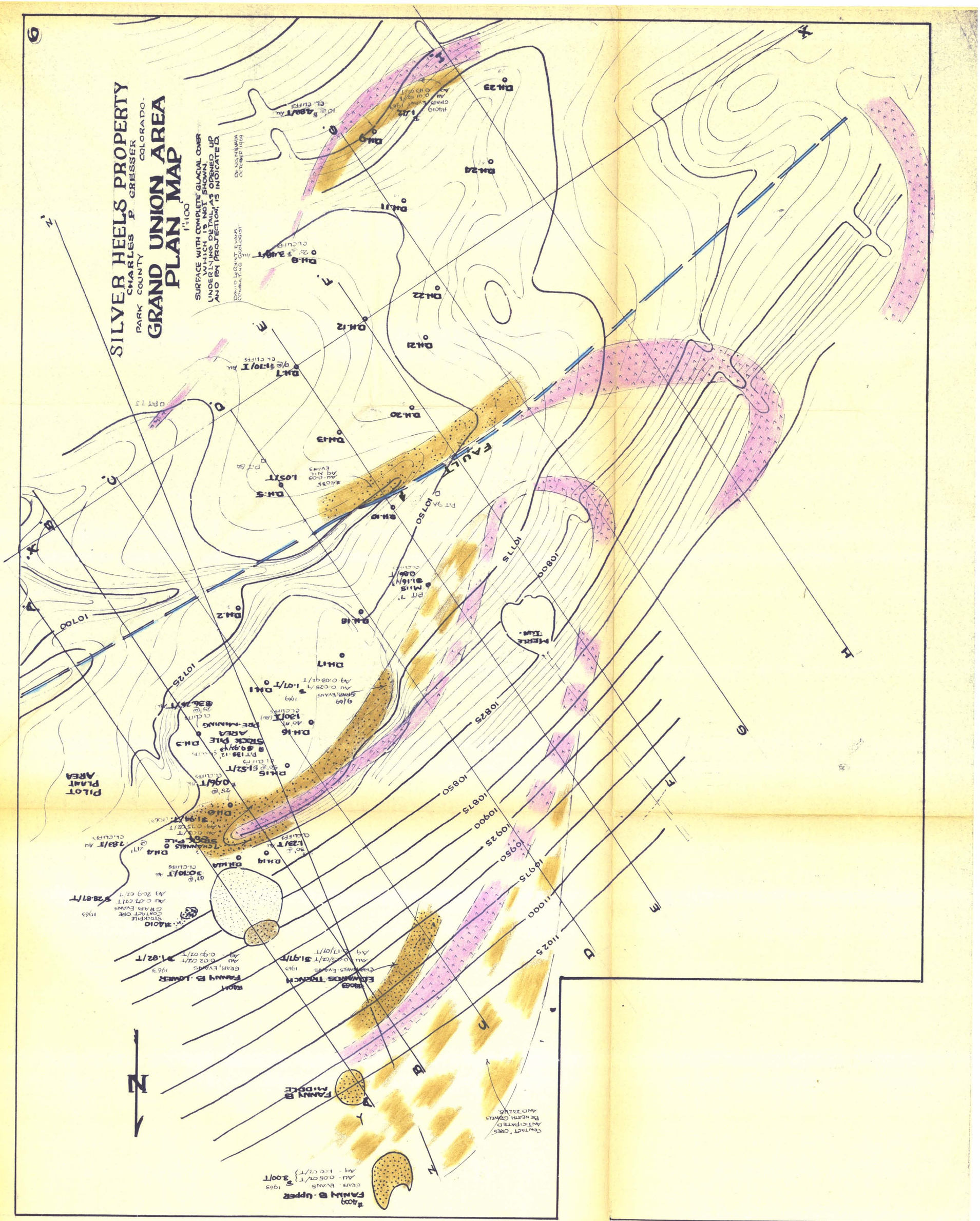
Please identify all future correspondence relating to your application by this docket number.

Sincerely yours,

Harold Kirkemo
Chief, Office of
Minerals Exploration

Copy to Region III


Sec. 9, T. 8 S., R. 77 W.
U.S.M.M. 19
Sale: 1" = 400'
CLAIM MAP SILVER HEELS MINES INC.
PARK COUNTY, COLORADO
SCALE 1" = 400 ft.
1961
McCULLOCH PLACER
No. 1
GRAND UNION PLACER
3009
IRON HILL PLACER
12537
MONTAG PLACER
12669
TARRYALL PLACER #1
TARRYALL PLACER #2
U.S.L.M. PEABODY
U.S.L.M. DEADWOOD
IRON MOUNTAIN PLACER
Reservoir
Little Branch Gulch
Lincoln Lode
Lincoln Mill
Mac DOUGAL Pl.
Tio LAIRD Pl.
Montgomery Gulch
Deadwood Gulch
Montag Pl.
Silver Heels Pl. B
Anthony
Fair View
Millicent
Chester
Mineral Ranch
Little Helen
Canyon
Louise
Nebraska
Mascotte
Bartlett
Rochester Tea Pot
Accolity
Golden Ledge
Middle Park Tarryall Ditch
Jomco Pl.
JOMCO PLACER
J.H.
Placer A.
Cody Mazie Placer
To Purgatory Gulch Road
Grand Union Placer Road
Gulch
I-5
Liberty
Vein
Lode
Mill
Meale
Fanny B
BFE
Iron Hill
Placer
Tarryall
#


SILVER HEELS PROPERTY
CHARLES P. GRESSER
PARK COUNTY COLORADO.
GRAND UNION AREA
PLAN MAP
1"=100'
SURFACE WITH COMPLETE GLACIAL COVER WHICH IS NOT SHOWN, UNDERLYING DETAIL, AS OPENED UP AND ON PROJECTION, IS INDICATED.
DAVID LE CONT EVANS CONSULTING GEOLOGIST
DR. NOVEMBER OCTOBER 1969
FAULT
PILOT PLANT AREA
STOCK PILE AREA
PRE-MINING
FANNY B. UPPER
FANNY B. LOWER
FANNY B. MIDDLE
EDWARDS TRENCH
STOCKPILE CONTACT ORE GRAB EVANS
CONTACT ORES ANTICIPATED BENEATH GRAVELS AND TALUS.
MERRE TUN.
N