MME Form 9
Rev. Nov. 65

UNITED STATES
DEPARTMENT OF THE INTERIOR
Geological Survey

OFFICIAL DOCKET FILE

Contract No. _____ Docket No. 6823

Application
- [ ] Denied
- [x] Withdrawn

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

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

Folder No. 1:

**Left Side**

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

**Right Side**

- [ ] Project Summary (final)
- [ ] Work Completed Analysis (final)
- All other material filed in chronological order including the following reports if checked:
- [ ] Field Team 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
- [ ] 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

August 13, 1970
15745 El Estado
Dallas, Texas 75240

Department of the Interior
U.S. Geological Survey
Office of Minerals Exploration
Washington, D.C. 20242

To Whom It May Concern:

In behalf of Ken Lee and Associates I respectfully submit to you the enclosed information regarding an application for exploration assistance funds for the Passover Claims #1, 2, 3, 4 and 5 as described within the enclosed information.

To date we have inspected the aforementioned claims and secured assay results that indicate a feasible continuation of exploration. We have attempted in the past weeks to obtain funds from several lending institutions as summarized in the enclosed letters from two banks. We have found that funds are not available through any other source at this time.

As a brief resume of the individuals concerned:

Ken Lee, Marvin D. Strader and Alvin Stanley Dedmon are all now actively engaged in successful businesses and are not technically qualified individually to completely undertake the exploration. As a result we have therefore employed the services of a qualified mining engineer to manage and continue the project. Mr. Tom Carlisle, the engineer (resume enclosed), has been offered a working percentage should the project be successful. We believe he is well qualified both technical as well as from an administrative business standpoint.

The cost of completion of the exploration project from our estimates (based on research) should not exceed $75,000.00 (Seventy-five thousand dollars). We are therefore applying for financial assistance based on a total project cost of the $75,000.00 (seventy-five thousand dollars). Should your department allow our request based on a 62-1/2% (sixty-two and one-half percent) participation basis, we will contribute personal funds, on a monthly basis, to immediately begin the project.

The normal weather conditions in Idaho at this time would indicate that time is of the utmost essence in continuing this project.

We have to date made preparations to proceed immediately upon receiving word from your department.

Respectfully submitted,

Ken Lee

Ken Lee, President
Ken Lee and Associates

KL/ml
enc.

For equipment $ 22,600
Salaries + benefits - 40,950
Operating Expenses - 11,100

$ 75,752

4 @ 250 = 1000
2 @ 250 500
2 @ 250 500
2000

$ 37.876 / foot

1000 ) 75752.000
65 00
15752
14000
1752 0
1600 0
152 0
140 00
120 0

To support estimates submit bids.

Drill holes must be drilled not less than 100' from outer boundaries of an area.

Ken Lee & Associates
OME-6823

Financial Eligibility:
1. (a) O.K.
(b). OK.
(c) OK.

This is prospecting
Supervision & help more than 50% of total cost.

2. Applicants Rights to Land:
(a) O.K.
* (b). Need book + page number for each recorded location.
(c). Not applicable.

3. Physical Description:
(a). Apparently a pit all there is — 136' long or 160'?
(b). —
(c). No past production
(d). No known reserves
* (e). Ore minerals but no geology — need some geology if possible. What in underlying area. Show on map why ore bodies are where they are. Which direction does mineralized zone go & width. Dip?
(f.) Spectrographic assays.
(g). Not much of a report. Need more geologic work. There is not enough geology to support proposal.
Show where mineralized zone or vein crosses claims.

4 — OK.
5. Exploration Work:
(a)

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)

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

Kenneth L. Lee, 15745 El Estado,
Dallas, Texas 75240
Marvin D. Strader, 1118 Lavon Drive
Garland, Texas 75040
Alvin S. Dedmon, 9417 Mixon Drive #233,
Dallas, Texas 75220

DBA: Ken Lee and Associates

APPLICANT DO NOT USE THIS BLOCK

DOCKET NUMBER: 6823

DATE RECEIVED: 8-18-70

REGION: I

DIVISION CODE:

**BUSINESS ORGANIZATION** *(Check one)*

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

STATE IN WHICH FIRM IS ORGANIZED: TEXAS

**LIST CORPORATE OFFICERS OR PARTNERS HERE, IF APPLICABLE**

| NAME | ADDRESS | TITLE |
|---|---|---|
| Kenneth L. Lee | 15745 El Estado, Dallas, Texas | Pres. |
| Marvin D. Strader | 1118 Lavon Dr., Garland, Texas | Partner |
| Alvin S. Dedmon | 9417 Mixon Dr.,#233,Dallas, Texas | Partner |

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

ESTIMATED COST OF PROJECT: $75,000.00

| PROPERTY NAME | LOCATION COUNTY | STATE |
|---|---|---|
| Passover Claims #1, 2, 3, 4 and 5 | Custer | Idaho |

## 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.

Aug. 14, 1970
DATED

Ken Lee
(Signature)

Pres. - Ken Lee and Associates
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).]

REQUIRED INFORMATION ENCLOSURES AS FOLLOWS:

1. Financial Eligibility:
   1-A Letter to Richardson Heights Bank and Trust
   1-A-1 Letter of reply from Richardson Heights Bank and Trust

   1-AA-1 Letter to Mercantile National Bank of Dallas, Texas
   1-AA-2 Letter of reply from Mercantile National Bank of Dallas, Texas

   1-B-- Not Applicable

   1-C-1 Dedmon's financial statement
   1-C-2 Lee's financial statement
   1-C-3 Strader's financial statement
   1-C-4 Proposal for personal contributions

2. Applicant's Right in Land:
   A. Registered and recorded claims documents
      Passover #1, #2, #3, #4, and #5
      Part 1, 2, 3, 4 and 5

   B. Part 1, Legal description of Passover #1, #2, #3, #4, and #5

   C. Title Report by Custer County Title, Inc.

3. Physical Description:
   A. Letter from Tom Carlisle (engineer)
   Part 1 - Attachment #2 ref: 2C and 2A all parts
   Part 2 - Map of Challis National Forest with claims location
   Part 3 - Southern Spectrographic Lab. assay report
   Part 4 - Explanation (drawing) of proposed work to be continued toward exploration by engineer

   B. Refer to Exh. 3A - Engineer's report to owners

   C. Statement of original knowledge of claims and work expended to claims by Mr. Ken Lee.

   D. See Exh. 3-A, Part 3, Attch. #3 of engineer's report

   E. Statement of geology from engineer's report, see 3-A

   F. Part A. recap by engineer of where and how samples were taken
      Part B. see 3-A, part 3, Attch #3 of engineer's report for assay from claim

   G. Enclosed -- return not requested

4. Accesibility of Property:

   A. and B. Location and contacts regarding OME representative

5. Exploration Work:
   A. See exh. A. and all enclosures and Attachment to Exh. A. engineer's report

   B. App. 2 miles of access road through the area up to claims 1 thru 5. Bladed bare surface (rock) road should suffice for 98% of roadway through utilization of catapiller tractor.

   C. Immediately -- see exh. 3-A and attachments to exh. 3-A.

6. Experience:
   See exhibit #6 - resume of Tom Carlisle

7. Estimate of costs:
   A, B, C, D, E, AND G - See exh. #3-A, engineer's report. Including cost-estimates based on pricing of equipment and estimates provided via telephone conversations between Mr. Carlisle (engineer) and several contractors for all necessary, estimated work to be completed as outlined within Mr. Carlisle's letter.

   The result of the research revealed the lower cost method would be to purchase equipment. To insure maximum manpower effort, we will hire and personally supervise all labor necessary.

   F. We will utilize a mobile office for crew quarters, laboratory work and tool storage. Estimated cost of $4,500.00. Purchase will be secured through a bid basis from three suppliers. Estimate is based on verbal cost estimates secured by Carlisle.

Exh. 1-A-1

Exh # 1-A-1

August 6, 1970
15745 El Estado
Dallas, Texas 75240

Mr. D. H. Holland, President
Richardson Heights Bank and Trust
820 West Arapaho Road
Richardson, Texas 75080

Dear Mr. Holland:

In September of 1969, our group of individuals, to include Messrs. Dale Strader, Stan Dedmon, filed a claim on five (5) silver and copper mining claims in the Stanley Basin Area in Idaho. To further investigate our claims, we employed the services of a mining engineer. The engineer and a representative from our group proceeded to take samples, sketch maps and make other improvements on our claims during the month of July, 1970.

As a result of our investigation we now have our assay reports showing the availability of both silver and copper (reports attached). We believe the assay results merit a further investment to complete the phases of work as follows:

1. Lease heavy equipment (catapiller) for beaching and digging water pits on the claims as well as developing road ways on the five (5) claims.

2. The purchase of a core drilling rig to core sample and block the ore reserves.

3. Survey and document all assays on the ore bodies contained within the five (5) claims.

4. Prepare for removal of ore bearing materials.

5. Purchase of miscellaneous equipment i.e. water pumps, hoses, building for on site lab work, jeep (or comparable equipment for transportation in a rugged terrain).

The entire project, according to estimates from the engineer and equipment suppliers, will necessitate approximately seventy-five thousand dollars ($75,000.00).

It is our opinion, based on preliminary engineering reports and assays that the claims contain a minimum of four million dollars ($4,000,000.00) worth of recoverable silver and copper.

We therefore would propose a pay back of the loan through the assignment of an override to the bank until such time as the loan and interest has been retired.

Due to the weather conditions during the winter and spring months, we should be in a position to begin retirement of the endebtedness by August of 1970.

We would appreciate the opportunity to further discuss our project with you at your nearest convenient time.

Best regards,

Ken Lee

Ken Lee, President
Ken Lee and Associates

KL:ml

EXH 1-A-2

EXH # 1-A-2

RICHARDSON HEIGHTS BANK & TRUST

RICHARDSON, TEXAS

D. H. HOLLAND
PRESIDENT

August 7, 1970

Mr. Ken Lee
15745 El Estado
Dallas, TX 75240

Dear Mr. Lee:

We regret to advise that we will not be in a position to consider your request for a loan amounting to $75,000.

Primarily, we are simply not in a cash position to handle a loan of this size at this time.

Sincerely,

D. H. Holland

DHH:ke

820 W. ARAPAHO RD. / P. O. BOX 749 / ZIP CODE 75080 / AREA CODE 214 - 235-1231

Exh 1-AA-1

Exh # 1-AA-1

August 12, 1970
15745 El Estado
Dallas, Texas 75240

Mr. Robbie Cook, Vice President
Mercantile National Bank at Dallas
Dallas, Texas

Dear Mr. Cook:

In September of 1969, our group of individuals, to include Messrs. Dale Strader, Stan Dedmon, filed a claim on five (5) silver and copper mining claims in the Stanley Basin Area in Idaho. To further investigate our claims, we employed the services of a mining engineer. The engineer and a representative from our group proceeded to take samples, sketch maps and make other improvements on our claims during the month of July, 1970.

As a result of our investigation we now have our assay reports showing the availability of both silver and copper (reports attached). We believe the assay results merit a further investment to complete the phases of work as follows:

1. Lease heavy equipment (catapiller) for beaching and digging water pits on the claims as well as developing road ways on the five (5) claims.

2. The purchase of a core drilling rig to core sample and block the ore reserves.

3. Survey and document all assays on the ore bodies contained within the five (5) claims.

4. Prepare for removal of ore bearing materials.

5. Purchase of miscellaneous equipment i.e. water pumps, hoses, building for on site lab work, jeep (or comparable equipment for transportation in a rugged terrain).

The entire project, according to estimates from the engineer and equipment suppliers, will necessitate approximately seventy-five thousand dollars ($75,000.00).

It is our opinion, based on preliminary engineering reports and assays that the claims contain a minimum of four million dollars ($4,000,000.00) worth of recoverable silver and copper.

We therefore would propose a pay back of the loan through the assignment of an override to the bank until such time as the loan and interest has been retired.

Due to the weather conditions during the winter and spring months, we should be in a position to begin retirement of the endebtedness by August of 1970.

We would appreciate the opportunity to further discuss our project with you at your nearest convenient time.

Best regards,

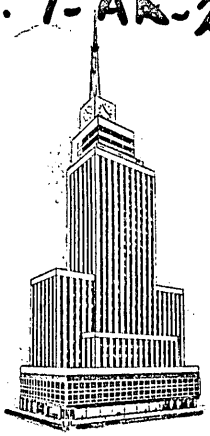
Ken Lee

Ken Lee, President
Ken Lee and Associates

KL:ml

EXH. 1-AA-2

EXH. # 1-AA-2



# MERCANTILE NATIONAL BANK

AT DALLAS
DALLAS, TEXAS

August 12, 1970

ROBBIE L. COOK
VICE PRESIDENT

Mr. Ken Lee, President
Ken Lee and Associates
15745 El Estado
Dallas, Texas 75240

Dear Mr. Lee:

We are unable to grant your request for a loan in the amount of $75,000.00 due to money shortage and the nature of this particular business since we do not feel that we are equipped to handle this type loan. However, we do appreciate your giving us the opportunity and will be looking forward to trying to serve you in the future.

Yours very truly,

Robbie L. Cook

Robbie L. Cook
Vice President

RLC:vj

Exhibit #1-C-Part #1

STAN DEDMON

BALANCE SHEET

July 15, 1970

ASSETS

| | | |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash in bank | | $ 1,200.00 |
| Accounts receivable | | 9,150.00 |
| Cash value life insurance | | 800.00 |
| I.S.D. funds | | 1,862.00 |
| Accrued retirement | | 2,480.00 |
| Livestock (F.M.V.) | | 2,500.00 |
| Total current assets | | 17,992.00 |
| INVESTMENTS -- Stocks and bonds | | 48,250.00 |
| REAL ESTATE AND FURNISHINGS | | |
| Duplex apartment | $ 16,000.00 | |
| Duplex furniture | 1,000.00 | |
| Personal furniture | 6,800.00 | |
| Automobile (2) | 4,100.00 | |
| Total Real Estate and Furnishings | | 27,900.00 |
| TOTAL ASSETS | | $ 94,142.00 |

LIABILITIES AND NET WORTH

| | | |
|---|---|---|
| CURRENT LIABILITIES: | | |
| Accounts payable - trade | | 500.00 |
| Notes Payable: | | |
| North State Bank Amarillo, Texas | $ 4,250.00 | |
| 1st National Bank- Beaver, Oklahoma | 2,900.00 | |
| Total Current Liabilities | | 7,150.00 |
| LONG TERM LIABILITIES - Duplex Apartment | | 12,500.00 |
| TOTAL LIABILITIES | | $ 20,150.00 |
| NET WORTH | | $ 73,992.00 |
| | | $ 94,142.00 |

## ADDENDUM

STOCKS AND BONDS (Cost):

| | | |
|---|---|---|
| 500 shares | - Computer Info. Mngt. Co. | $ 2,000.00 |
| 25,000 shares | - U.S. Computer Corp. | 20,000.00 |
| 30,000 shares | - Computer Tax of Alaska | 15,000.00 |
| 2,000 shares | - Shur Glo Ind | 6,250.00 |

REAL ESTATE:

Duplex Apartment - 2706 Duncan Drive
Amarillo, Texas

ASSETS PLEDGED (Stocks):

1,000 shares - Shur Glo Ind - North State Bank
Amarillo, Texas

500 shares - Computer Info. Mngt. Co.- 1st National Bank
Beaver, Oklahoma

15,000 shares- U.S. Computer Corp. - Republic National Bank
Dallas, Texas

MONTHLY EARNINGS:

| | | |
|---|---|---|
| Salary (personal) | $ 1,850.00 | |
| Salary (wife) | 500.00 | (Richardson Independent Sch Dis |
| Rental Property | 210.00 | |
| Total | $ 2,560.00 | |

Exh - 1-C-Part 2

KEN LEE
Personal Financial Statement
August 12, 1970

## Assets

| | | |
|---|---|---|
| **Current Assets** | | |
| Cash on hand and in bank | | $ 3,300.00 |
| Cash surrender value of life insurance policies | $ 4,250.00 | |
| Less loan | 2,500.00 | 1,750.00 |
| Total Current Assets | | 50,500.00 - ? 5,050.00 |
| **Investments** | | |
| Oil Lease (cost) | 1,250.00 | |
| Stock U.S. Computer Corp. (cost) | 1,200.00 | |
| Kendale Cement Co - Partnership | 1,250.00 | |
| Stock Kendale Homes, Inc. (FMV) | 12,500.00 | |
| Jack's Office Supply - Partnership | 1,450.00 | |
| Total Investments | | 17,650.00 |
| **Real Estate and Personal Property** | | |
| Residential Property | 13,000.00 | |
| Automobile | 3,000.00 | |
| Household furniture | 7,400.00 | |
| Jewelry and fur | 1,600.00 | |
| Total real estate and personal property | | 25,000.00 |
| Total Assets | | $47,700.00 |

## Liabilities and Net Worth

| | |
|---|---|
| **Current Liabilities** | |
| Miscellaneous Charge Accounts | $ 600.00 |
| Car Loan | 720.00 |
| Total Current Liabilities | 1,320.00 |
| Mortgage Payable - residential property | 5,200.00 |
| Total Liabilities | 6,520.00 |
| Net Worth | 41,180.00 |
| Total Liabilities and Net Worth | $47,700.00 |

Exhibit 1-C-Part 3

MARVIN D. STRADER
Personal Financial Statement
August 12, 1970

## Assets

| | | |
|---|---|---|
| **Current Assets** | | |
| Cash on hand and in bank | | $ 3,550.00 |
| Savings certificate | | 1,000.00 |
| Cash surrender value of life insurance policies | $ 4,500.00 | |
| Less loan | 2,150.00 | 2,350.00 |
| Total Current Assets | | 6,900.00 |
| **Investments** | | |
| Oil lease (cost) | 1,250.00 | |
| Texas Franchise for Facialilt (cost) | 1,000.00 | |
| Stock Kendale Homes (FMV) | 12,500.00 | |
| Kendale Cement Co. - Partnership | 1,250.00 | |
| Leader Real Estate Co. (FMV) | 3,000.00 | |
| Coin Collection (FMV) | 2,100.00 | |
| Total Investments | | 21,100.00 |
| **Real Estate and Personal Property** | | |
| 5 acres land - San Louis, Col. | 250.00 | |
| Automobile | 1,900.00 | |
| Household Furniture | 8,700.00 | |
| Jewelry and fur | 2,900.00 | |
| Total Real Estate and Personal Property | | 13,750.00 |
| Total Assets | | $41,750.00 |

## Liabilities and Net Worth

| | |
|---|---|
| **Current Liabilities** | |
| Open Charge Accounts | $ 300.00 |
| Bank loan | 700.00 |
| Total Liabilities | 1,000.00 |
| **Net Worth** | 40,750.00 |
| Total Liabilities and Net Worth | $41,750.00 |

Exh. 1-C. PART 4

1. C. Based on our present situation all three individuals that is, Ken Lee, Dale Strader, and Stan Dedmon, are to contribute funds necessary on a monthly basis or as required from our normal cash flow and income. In the event that the above mentioned method should not allow an equitable contribution each individual will then make arrangements to borrow additional funds on a personal basis from our banking sources.

Sch #2-A-Page 1

# NOTICE OF QUARTZ LOCATION

TO WHOM IT MAY CONCERN:

Notice is hereby given, that Kenneth LeRoy Lee

citizen.... of the United States of America (or ha.... declared ...h..... intention to become such), of the age of twenty-one years, did on the ..... day of ....., 19..... discover a vein or lode of Quartz or rock in place, bearing gold, silver, or other precious metals or valuable deposits, within the limits of the hereinafter described claim, do.... this 29... day of Sept., 1969., hereby locate under and in accordance with the Revised Statutes of the United States (Chapter VI Title XXXII) and laws of the State of Idaho the Pass Over No. 1 MINING CLAIM; That said claim extends 300 ft. linear feet in a Westardly direction along said vein or lode from the point of discovery; and 1275 linear feet in a Southwardly direction along said vein or lode from the point of discovery; and extends 300 feet on the Eastwardly side from the middle of said lode and 225 feet on the Northwardly side from the middle of said ledge. That said point of discovery is shown by a certain blazed tree and is 25 linear feet in a Westardly direction from Discovery. Located on south Westardly slope of Hopper Mountain about 2 miles from Lowman Road and Bull Trout Junction

The adjoining claims are: This Claim joins Pass over Claim and is situated in a south Westwardly direction

That said claim is situate in the Stanley Mining District, in the County of Custer, State of Idaho.

Kenneth LeRoy Lee

LOCATOR....

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I, Kenneth LeRoy Lee, do solemnly swear that I am a citizen of the United States of America (or have declared my intention to become such) and that I am acquainted with the mining ground described in this notice of location and herewith called the Pass Over No. 1 ledge, lode or Claim; that the ground and claim herein described, or any part thereof, has not to the best of my knowledge and belief been located according to the laws of the United States and of this State, or if so located that the same has been abandoned or forfeited by reason of the failure of such locators to comply in respect thereto with the requirements of said laws, and that I have opened new ground to the extent or depth of ten feet, or made an open cut upon the vein ten feet in length and with a face ten feet in height, or have made a crosscut tunnel or tunnel on the vein ten feet in length and ten feet below the surface measured from the bottom of such tunnel, or have drilled a hole or holes in the manner provided by law, as required by the laws of Idaho.

Kenneth LeRoy Lee

Subscribed and sworn to before me this 29th day of Sept., A. D., 1969.

SEAL

Eva Manns
Custer County Recorder ~~Notary Public~~

By Margaret Leaton Deputy

No. 127695

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I hereby certify that this instrument was filed for record at request of Kenneth LeRoy Lee at 10 minutes past 2:00 o'clock P.M., this 29th day of Sept., A. D. 1969. in my office, and duly ~~recorded in Book~~ ..... ~~of Quartz Locations, at page~~ Filmed & Indexed

Eva Manns
Ex-Officio Recorder
Custer County, Idaho

Fees $2.00

By Margaret Leaton Deputy

Ch # 2-A-Part 2

# NOTICE OF QUARTZ LOCATION

TO WHOM IT MAY CONCERN:

Notice is hereby given, that Kenneth LeRoy Lee

citizen.... of the United States of America (or ha.... declared ...h..... intention to become such), of the age of twenty-one years, did on the ..... day of ....., 19..... discover a vein or lode of Quartz or rock in place, bearing gold, silver, or other precious metals or valuable deposits, within the limits of the hereinafter described claim, do.... this 29.... day of Sept....., 1969., hereby locate under and in accordance with the Revised Statutes of the United States (Chapter VI Title XXXII) and laws of the State of Idaho the Pass Over No. 2 MINING CLAIM; That said claim extends 300 linear feet in a Westwardly direction along said vein or lode from the point of discovery; and 1350 linear feet in a Southwardly direction along said vein or lode from the point of discovery; and extends 300 feet on the Eastwardly side from the middle of said lode and ...150..... feet on the Northwardly side from the middle of said ledge. That said point of discovery is shown by a certain blaze tree and is 75 linear feet in a Westwardly direction from discovery on a pine tree Located on north eastwardly slope of Copper Mountain About 2 miles from Lowman road and Bull Trout Junction

The adjoining claims are; This Claim joins Pass Over Claim and is situated in a north eastwardly direction No. 3 Claim joining in a Westwardly direction also No. 4 & 1 Claim in a south northwardly direction

That said claim is situate in the Stanley Mining District, in the County of Custer, State of Idaho.

Kenneth LeRoy Lee

LOCATOR....

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I, Kenneth LeRoy Lee, do solemnly swear that I am a citizen of the United States of America (or have declared my intention to become such) and that I am acquainted with the mining ground described in this notice of location and herewith called the Pass Over #2 ledge, lode or Claim; that the ground and claim herein described, or any part thereof, has not to the best of my knowledge and belief been located according to the laws of the United States and of this State, or if so located that the same has been abandoned or forfeited by reason of the failure of such locators to comply in respect thereto with the requirements of said laws, and that I have opened new ground to the extent or depth of ten feet, or made an open cut upon the vein ten feet in length and with a face ten feet in height, or have made a crosscut tunnel or tunnel on the vein ten feet in length and ten feet below the surface measured from the bottom of such tunnel, or have drilled a hole or holes in the manner provided by law, as required by the laws of Idaho.

Kenneth LeRoy Lee

Subscribed and sworn to before me this 29th day of Sept., A. D., 1969.

SEAL

Eva Mann
Custer County Recorder ~~Notary Public~~

By Margaret Leaton Deputy

No. 127696

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I hereby certify that this instrument was filed for record at request of Kenneth LeRoy Lee at 10 minutes past 2:00 o'clock PM., this 29th day of Sept., A. D. 1969. in my office, and duly ~~recorded in Book~~ ~~of Quartz Locations, at page~~ Filmed & Indexed

Eva Mann
Ex-Officio Recorder
Custer County, Idaho

Fees $2.00

By Margaret Leaton Deputy

Exh. # 2-A. Part 3

# NOTICE OF QUARTZ LOCATION

TO WHOM IT MAY CONCERN:

Notice is hereby given, that Kenneth LeRoy Lee

citizen of the United States of America (or have declared intention to become such), of the age of twenty-one years, did on the 29 day of Sept, 1969 discover a vein or lode of Quartz or rock in place, bearing gold, silver, or other precious metals or valuable deposits, within the limits of the hereinafter described claim, do this 29 day of Sept, 1969, hereby locate under and in accordance with the Revised Statutes of the United States (Chapter VI Title XXXII) and laws of the State of Idaho the Pass Over No. 3 MINING CLAIM; That said claim extends 300 linear feet in a Westwardly direction along said vein or lode from the point of discovery; and 100 linear feet in a Southwardly direction along said vein or lode from the point of discovery; and extends 300 feet on the Eastwardly side from the middle of said lode and 1400 feet on the Northwardly side from the middle of said ledge. That said point of discovery is shown by a certain blazed tree and is 25 linear feet in a Westwardly direction from discovery

Located on South Westwardly slope of Copper Mountain about 2 miles from Lowmen Road in Bull Trout Junction

The adjoining claims are; This Claim joins Pass Over Claim and is situated in a Northwardly direction also Claim No. 4 joining in a southwardly direction and No. Claim joining in a southwardly direction Claim No. joining in a eastwardly direction

That said claim is situate in the Stanley Mining District, in the County of Custer, State of Idaho.

Kenneth LeRoy Lee

LOCATOR

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I, Kenneth LeRoy Lee, do solemnly swear that I am a citizen of the United States of America (or have declared my intention to become such) and that I am acquainted with the mining ground described in this notice of location and herewith called the Pass Over #3 ledge, lode or Claim; that the ground and claim herein described, or any part thereof, has not to the best of my knowledge and belief been located according to the laws of the United States and of this State, or if so located that the same has been abandoned or forfeited by reason of the failure of such locators to comply in respect thereto with the requirements of said laws, and that I have opened new ground to the extent or depth of ten feet, or made an open cut upon the vein ten feet in length and with a face ten feet in height, or have made a crosscut tunnel or tunnel on the vein ten feet in length and ten feet below the surface measured from the bottom of such tunnel, or have drilled a hole or holes in the manner provided by law, as required by the laws of Idaho.

Kenneth LeRoy Lee

Subscribed and sworn to before me this 29th day of Sept, A. D., 1969.

SEAL

Eva Mann
Custer County Recorder ~~Notary Public~~
By Margaret Leaton Deputy

No. 127697

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I hereby certify that this instrument was filed for record at request of Kenneth LeRoy Lee at 10 minutes past 2:00 o'clock P.M., this 29th day of Sept, A. D. 1969 in my office, and duly ~~recorded in Book~~ ~~of Quartz Locations, at page~~ Filed & Indexed

Eva Mann
Ex-Officio Recorder
Custer County, Idaho
By Margaret Leaton Deputy

Fees $2.00

Exh. # 2-A-Part 4

# NOTICE OF QUARTZ LOCATION

TO WHOM IT MAY CONCERN:

Notice is hereby given, that Kenneth LeRoy Lee

citizen of the United States of America (or have declared intention to become such), of the age of twenty-one years, did on the 29 day of Sept, 1969 discover a vein or lode of Quartz or rock in place, bearing gold, silver, or other precious metals or valuable deposits, within the limits of the hereinafter described claim, do this 29 day of Sept, 1969, hereby locate under and in accordance with the Revised Statutes of the United States (Chapter VI Title XXXII) and laws of the State of Idaho the Pass Over No. 4 MINING CLAIM; That said claim extends 50 linear feet in a Westerly direction along said vein or lode from the point of discovery; and 750 linear feet in a Southwardly direction along said vein or lode from the point of discovery; and extends 550 feet on the Eastwardly side from the middle of said lode and 750 feet on the Northwardly side from the middle of said ledge. That said point of discovery is shown by a certain Blazed tree and is 10 linear feet in a Westwardly direction from discovery

Located on South Westwardly slope of Copper Mountain about 2 miles from Lowman Road and Bull Mount Junction

The adjoining claims are; This Claim joins Pass Over Claim and is situated in a Westwardly direction. No. 1 Claim joining in a south Eastwardly direction. No. 2 & 3 Claims joining in a north Eastwardly direction

That said claim is situate in the Stanley Mining District, in the County of Custer, State of Idaho.

Kenneth LeRoy Lee

LOCATOR

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I, Kenneth LeRoy Lee, do solemnly swear that I am a citizen of the United States of America (or have declared my intention to become such) and that I am acquainted with the mining ground described in this notice of location and herewith called the Pass Over #4 ledge, lode or Claim; that the ground and claim herein described, or any part thereof, has not to the best of my knowledge and belief been located according to the laws of the United States and of this State, or if so located that the same has been abandoned or forfeited by reason of the failure of such locators to comply in respect thereto with the requirements of said laws, and that I have opened new ground to the extent or depth of ten feet, or made an open cut upon the vein ten feet in length and with a face ten feet in height, or have made a crosscut tunnel or tunnel on the vein ten feet in length and ten feet below the surface measured from the bottom of such tunnel, or have drilled a hole or holes in the manner provided by law, as required by the laws of Idaho.

Kenneth LeRoy Lee

Subscribed and sworn to before me this 29th day of Sept, A. D., 1969

SEAL

Eva Mann
Custer County Recorder ~~Notary Public~~
By Margaret Leaton Deputy

No. 127698

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I hereby certify that this instrument was filed for record at request of Kenneth LeRoy Lee at 12 minutes past 2:00 o'clock P.M., this 29th day of Sept, A. D. 1969 in my office, and duly ~~recorded in Book~~ ~~of Quartz Locations, at page~~ Filmed & Indexed

Eva Mann
Ex-Officio Recorder
Custer County, Idaho
By Margaret Leaton Deputy

Fees $2.00

Exh. # 2-A-Part 5

# NOTICE OF QUARTZ LOCATION

TO WHOM IT MAY CONCERN:

Notice is hereby given, that Kenneth Leroy Lee

citizen.... of the United States of America (or ha.... declared ...h..... intention to become such), of the age of twenty-one years, did on the 29... day of Sept., 1969.. discover a vein or lode of Quartz or rock in place, bearing gold, silver, or other precious metals or valuable deposits, within the limits of the hereinafter described claim, do.... this 29... day of Sept., 1969., hereby locate under and in accordance with the Revised Statutes of the United States (Chapter VI Title XXXII) and laws of the State of Idaho the Pass Over No. 5 MINING CLAIM; That said claim extends 300 linear feet in a Westerly.. direction along said vein or lode from the point of discovery; and 750 linear feet in a Southerly.. direction along said vein or lode from the point of discovery; and extends 300 feet on the Easterly side from the middle of said lode and 750 feet on the North side from the middle of said ledge. That said point of discovery is shown by a certain blazed post (tree) and is 20 linear feet in a Westerly direction from the discovery.

Located on the Westerly side of Copper Mountain about two miles from Lowman road and Bull Trout Junction.

The adjoining claims are; Pass Over No. 4 on the West

That said claim is situate in the Stanley Mining District, in the County of Custer, State of Idaho.

Kenneth LeRoy Lee

LOCATOR....

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I, Kenneth LeRoy Lee, do solemnly swear that I am a citizen of the United States of America (or have declared my intention to become such) and that I am acquainted with the mining ground described in this notice of location and herewith called the Pass Over #5 ledge, lode or Claim; that the ground and claim herein described, or any part thereof, has not to the best of my knowledge and belief been located according to the laws of the United States and of this State, or if so located that the same has been abandoned or forfeited by reason of the failure of such locators to comply in respect thereto with the requirements of said laws, and that I have opened new ground to the extent or depth of ten feet, or made an open cut upon the vein ten feet in length and with a face ten feet in height, or have made a crosscut tunnel or tunnel on the vein ten feet in length and ten feet below the surface measured from the bottom of such tunnel, or have drilled a hole or holes in the manner provided by law, as required by the laws of Idaho.

Kenneth LeRoy Lee

Subscribed and sworn to before me this 29th day of Sept., A. D., 1969.

SEAL

Eva Manor
Custer County Recorder ~~Notary Public~~
By Margaret Leaton Deputy

No. 127699

STATE OF IDAHO )
COUNTY OF CUSTER ) ss.

I hereby certify that this instrument was filed for record at request of Kenneth LeRoy Lee at 10 minutes past 2:00 o'clock P.M., this 29th day of Sept., A. D. 1969. in my office, and duly ~~recorded in Book~~ ..... ~~of Quartz Locations, at page~~ Filed & Indexed

Eva Manor
Ex-Officio Recorder
Custer County, Idaho

Fees $2.00

By Margaret Leaton Deputy

Exh #2-B Part 1

LEGAL DESCRIPTION OF PASSOVER #1

Sections 4 and 9, Township 11N., Range 11E.
Metes and bounds see exhibit #2-A, part 1. #127695
Officially recorded, Custer County, Challis, Idaho.

LEGAL DESCRIPTION OF PASSOVER #2

Sections 4 and 9, Township 11N., Range 11E.
Metes and bounds see exhibit #2-A, part 2. #127696
Officially recorded, Custer County, Challis, Idaho.

LEGAL DESCRIPTION OF PASSOVER #3

Sections 4 and 9, Township 11N., Range 11E.
Metes and bounds see exhibit #2-A, part 3, #127697
Officially recorded, Custer County, Challis, Idaho

LEGAL DESCRIPTION OF PASSOVER #4

Sections 4 and 9, Township 11N., Range 11E.
Metes and bounds see exhibit #2-A, part 4, #127698
Officially recorded, Custer County, Challis, Idaho

LEGAL DESCRIPTION OF PASSOVER #5

Sections 4 and 9, Township 11N., Range 11E.
Metes and bounds see exhibit #2-A, part 5. #127699
Officially recorded, Custer County, Challis, Idaho

Exhibit # 2-C

# Custer County Title, Inc.

BOX 37
Challis, Idaho 83226

HOWARD BAXTER, SECTY.
TEL. 879-2340

J. LESSIL SHARP, PRES.
TEL. 879-2434

Our No. 1866.

Mr. Kenneth LeRoy Lee
C/o L. I. Lee
Murtaugh, Idaho 83344

Re: Passover Mines in Custer County, Idaho
(Unpatented)

Dear Mr. Lee:

At your request, we have searched our Tract Indices of Custer County Records as to the following described property:

Pass Over Mining Claim as described in Quartz Location Notice dated September 29, 1969, recorded by filming under Recorder's Reception No. 127694,
Pass Over Mining Claim No. 1 as described in Quartz Location Notice dated September 29, 1969, recorded by filming under Recorder's Reception No. 127695,
Pass Over No. 2 Mining Claim as described in Quartz Location Notice dated September 29, 1969, recorded by filming under Recorder's Reception No. 127696,
Pass Over No. 3 Mining Claim as described in Quartz Location Notice dated September 29, 1969, and recorded by filming under Recorder's Reception No. 127697,
Pass Over No. 4 Mining Claim as described in Quartz Location Notice dated September 29, 1969, and recorded by Filming under Recorder's Reception No. 127698,
Pass Over No. 5 Mining Claim as described in Quartz Location Notice dated September 29, 1969, and recorded by Filming under Recorder's Rectptinn No. 127699,
All located in Stanley Mining District on the southwesterly slope of Cppper Mountain about 2 miles from Lowman Road and Bull Trout Junction in the County of Custer, State of Idaho, according to the records of said Custer County

and as of June 22, 1970, at 8 a.m., we find:

Said Notices were filed by Kenneth LeRoy Lee.

We have also searched our General Index for judgments and income tax liens against Kenneth LeRoy Lee and as of the above date we find none.

We have also searched our General Index for taxes and other encumbrances and find none.

This is not a title report and no examination of the title to the premises herein described has been made. For this reason no liability is assumed hereunder, and the Company will not be responsible for errors or ommissions contained herein.

CUSTER COUNTY TITLE, INC.

By J. Lessil Sharp, Title Officer.

Exh # 3-A

TO: Mr. Ken Lee
Ken Lee and Associates
Dallas, Texas

FROM: G. T. Carlisle
Chief Engineer
Idatex Mining

SUBJECT: Exploration of Passover Claims #1, 2, 3, 4 and 5

Gentlemen:

The following is a brief description of projected cost and methods of outlining the copper, silver and molybdenum bearing orebody underlying the Passover Claims number 1, 2, 3, 4 and 5 on the southern slope of copper mountain, Challis National Forest, Idaho.

A brief review of pertinent facts shows that we have five valid claims with no counter-claims (see Attachment #1) in the Challis National Forest, located approximately as shown by the X on the attached map of the Challis National Forest (see Attachment #2). Claim Passover #1 has an adit of approximately 136 feet depth, located on center claim. This adit cuts a mineralized zone of approximately 25 feet thickness, dip 60°, about 30 feet from the adit entrance. This zone assays 1.28% copper, 0.06% molybdenum and 0.008% silver, with a specific gravity of 3.1 (see Attachment #3, sample #15, report from Southern Spectrographic Laboratory). The sample was taken from three locations along the mineralized zone and cut to average. Workings within the zone prove that it extends at least 25 feet perpendicular to the adit on the west side of the adit. There are no workings to the east. Outcrops approximately 300 feet south of the adit toward the top of the mountain indicate that the adit is in the approximate center of the orebody. Passover claims #2, 3, 4 and 5 lie two on each side of Passover #1 and samples from the discovery pits indicate content of copper at 0.1 to 1.0%, and silver at 0.001 to 0.01% (see attachment #3, samples #9, 10, 11, and 12). This is comparable to assays of overburden on Passover #1 (see Attachment #3, samples 16 and 17) and may indicate mineralization beneath Passover #2, 3, 4 and 5. As of this date, extensive mineralization on Passover #1 is probable and #2, 3,4 and 5 is possible.

The attempt to prove actual orebody extent will proceed as follows:

With an X-ray diamond drill from Broyles Ltd., we will proceed to drill Passover #1 with four holes to 250 feet vertical depth on claim corners, 2 holes 250 feet deep on claim boundaries horizontal from the adit and 2 holes 250 feet deep on claim center 375 feet above and below the adit (see Attachment #4). Dependent upon results of assays from these drill holes, we will then proceed to explore Passover Claims #2, 3, 4 and 5 in the manner described above, working from each discovery rather than the adit. Surveying will be done concurrently.

Estimated costs are as follows:

MACHINERY AND EQUIPMENT

| | | |
|---|---|---|
| 1. | X-ray diamond drill and associated equipment | $ 3,600.00 |
| 2. | Used crawler type tractor | 9,000.00 |
| 3. | Four-wheel drive vehicle with winch | 2,500.00 |
| 4. | Office and laboratory trailer (equipped) | 4,500.00 |
| 5. | Water pump and tanks | 800.00 |
| 6. | Transit and related equipment (including drawing board and calculator) | 1,200.00 |
| 7. | Miscellaneous | 1,000.00 ? |
| | ESTIMATED TOTAL | $22,600.00 |

MOVING EXPENSES

Dallas to Stanley, Idaho; three families, Carlisle, Jones and McLaughlin $ 4,500.00 ono

SALARIES AND BENEFITS (monthly)

| POSITION | WAGES | BENEFITS | EXPENSES |
|---|---|---|---|
| Chief Engineer (Carlisle) | $1,200.00 | $200.00 | $350.00 |
| Drill Foreman (Jones) | 800.00 | 150.00 | 150.00 |
| Chief of Party (McLaughlin) | 800.00 | 150.00 | 150.00 |
| Drill Helper | 500.00 | 100.00 | ---- |
| Rodman | 500.00 | 100.00 | ---- |
| Draftsman | 600.00 | 125.00 | ---- |
| Chemist (for assays) | 800.00 | 150.00 | ---- |
| Subtotal monthly | $5,200.00 | $975.00 | $650.00 |
| Total monthly | | | $6,825.00 |
| For six months exploration | | | $40,950.00 |

OPERATING EXPENSES (monthly)

| | | |
|---|---|---|
| 1. | Fuel (Drill, Jeep, dozer) | $ 450.00 |
| 2. | Diamond drill bits | 500.00 |
| 3. | Chemicals and office materials | 300.00 |
| 4. | Equipment and maintenance | |
| | a. Dozer | 500.00 |
| | b. Drill | 50.00 |
| | c. jeep | 50.00 |
| | Total monthly | $ 1,850.00 |
| | For six months exploration | $11,100.00 |
| OVERALL COST OF EXPLORATION | | $75,752.00 |

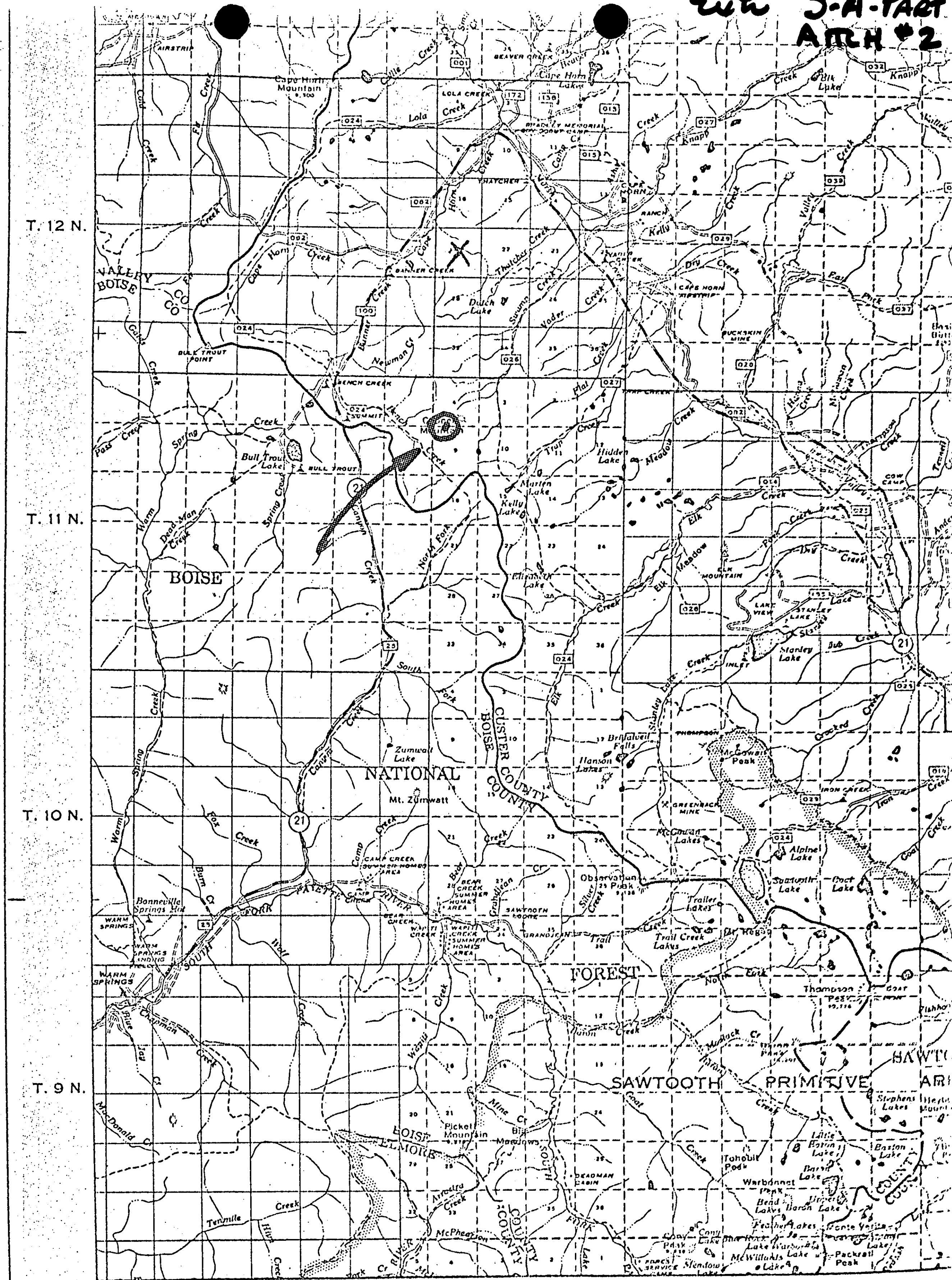
Respectfully submitted,

G. T. Carlisle

G. T. (Tom) Carlisle
Chief Engineer

GTC/ml
list of attachments
#1. Letter on claims search
#2. Map of Challis National Forest with claims location
#3. Report of Assay from Southern Spectrographic Laboratory
#4. Sketch of claims with proposed holes.

Exh # 3-A-Part 2
Attch #2



Exh. # 3-A-Part 3

# SOUTHERN SPECTROGRAPHIC LABORATORY ATTCH # 3

P. O. BOX 6014 • 2824 N. WESTMORELAND • DALLAS, TEXAS 75222
FEderal 1-3243



G. T. Carlisle
2800 Routh, Suite 206
Dallas, Texas 75238

Re:

Report of Semi-quantitative Analysis No. 70-300 Date: 7/13/70

| | No. 9 | No. 10 | No. 11 |
|---|---|---|---|
| Over 10% | Si, Ca | Si, Ca | Si |
| 1-10% | Al, Na, Fe, K | Al, Na, K, Zn, Fe | Al, Na, K, Fe, Ca |
| 0.1-1.0% | Mg, Cu, Zn, Mn | Mg, Pb, Cu, Mn, Mo | Mg, Zn, Mn |
| 0.01-0.1% | Pb, Ba, Ni, Cr, Mo | Ba, Ni, Cr | Pb, Ba, Cu, Ni, Cr, Mo |
| 0.001-0.01% | Sn, V, Ag, Sr | Sn, V, Ag, Co, Sr | Sb, Sn, V, Ag, Co, Sr |
| less than 0.001% | Sb, Ti, Co | Sb, Ti | Ti |

Semi-quantitative analysis is a preliminary, low-cost supplement to more refined methods. The basic definition of semi-quantitative is a "factor of three", denoting that the reported concentration may be one-third to three times the amount present. SOUTHERN SPECTROGRAPHIC LABORATORY reports in "ranges of ten". This indicates an accuracy exceeding the basic definition, reflects the greater accuracy attainable at low concentrations, and relates the increased deviation with increased concentration.

SOUTHERN SPECTROGRAPHIC LABORATORY

Donald R McElgin

Chief Spectrographer

This report, or any part thereof, does not imply an endorsement, and may not be reproduced or used for advertising, unless expressly permitted by Southern Spectrographic Laboratory.

Attachment # 3

# SOUTHERN SPECTROGRAPHIC LABORATORY

P. O. BOX 6014 • 2824 N. WESTMORELAND • DALLAS, TEXAS 75222
FEderal 1-3243



G. T. Carlisle

Re:

Report of Semi-quantitative Analysis No. 70-300 Date: 7/13/70

| | No. 12 | No. 15 | No. 16 |
|---|---|---|---|
| Over 10% | Si, Ca | Si, Ca | Si |
| 1-10% | Al, Na, Fe, K | Al, Cu, K, Na, Zn, Fe | Al, Na, K, Fe, Ca |
| 0.1-1.0% | Zn | Mg, Pb, Mn | Mn, Mo |
| 0.01-0.1% | Mg, Mo, Pb, Cu, Cr, Ba, Ni, Mn | Sb, Mo, Ba, Ni, Cr | Sb, Mg, Pb, Ni, Ba, Zn, Cr |
| 0.001-0.01% | Sn, V, Ag, Co, Sr | Sn, V, Ag, Co, Sr | Sn, V, Cu, Co, Sr |
| less than 0.001% | Sb, Ti | As, B, Ti | Ag, Ti |
| | | Specific Gravity - 3.1 | |
| | | Copper - 1.28 %<br>Molybdenum - 0.06 %<br>Silver - 0.008 % | |

Semi-quantitative analysis is a preliminary, low-cost supplement to more refined methods. The basic definition of semi-quantitative is a "factor of three", denoting that the reported concentration may be one-third to three times the amount present. SOUTHERN SPECTROGRAPHIC LABORATORY reports in "ranges of ten". This indicates an accuracy exceeding the basic definition, reflects the greater accuracy attainable at low concentrations, and relates the increased deviation with increased concentration.

SOUTHERN SPECTROGRAPHIC LABORATORY

Chief Spectrographer

This report, or any part thereof, does not imply an endorsement, and may not be reproduced or used for advertising, unless expressly permitted by Southern Spectrographic Laboratory.

Attachment #3

# SOUTHERN SPECTROGRAPHIC LABORATORY

P. O. BOX 6014 • 2824 N. WESTMORELAND • DALLAS, TEXAS 75222
FEderal 1-3243



G. T. Carlisle

Re:

Report of Semi-quantitative Analysis No. 70-300 Date: 7/13/70

| | No. 17 | No. | No. |
|---|---|---|---|
| Over 10% | Si, Ca | | |
| 1-10% | Al, K, Fe | | |
| | | | |
| 0.1-1.0% | Mn | | |
| | | | |
| 0.01-0.1% | Mg, Pb, Ni, Mo, Ba, | | |
| | Zn, Cr | | |
| 0.001-0.01% | Sn, V, Cu, Na, Co, Sr | | |
| | | | |
| less than 0.001% | Sb, Ag, Ti | | |
| | | | |
| | | | |
| | | | |

Semi-quantitative analysis is a preliminary, low-cost supplement to more refined methods. The basic definition of semi-quantitative is a "factor of three", denoting that the reported concentration may be one-third to three times the amount present. SOUTHERN SPECTROGRAPHIC LABORATORY reports in "ranges of ten". This indicates an accuracy exceeding the basic definition, reflects the greater accuracy attainable at low concentrations, and relates the increased deviation with increased concentration.

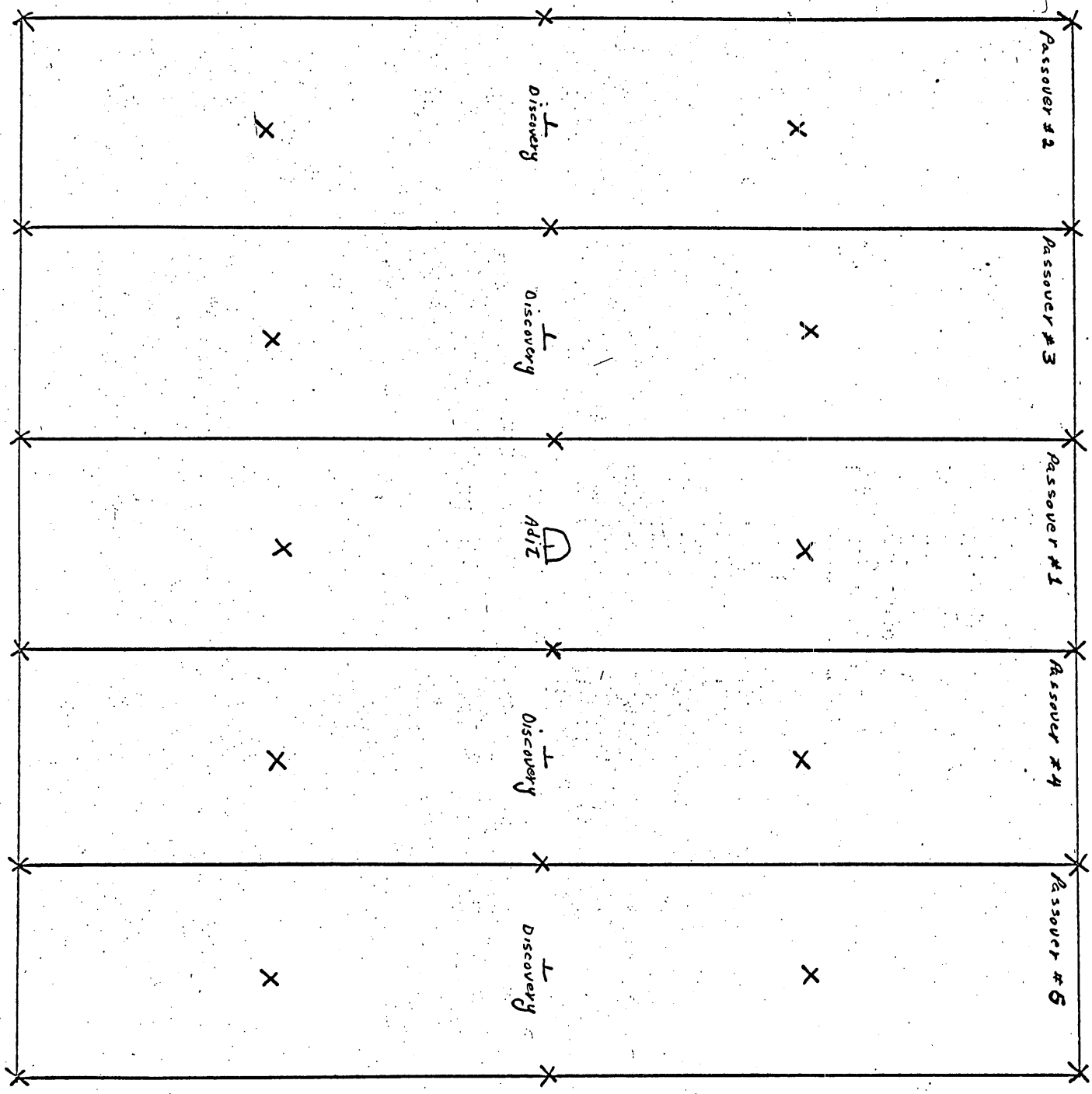
SOUTHERN SPECTROGRAPHIC LABORATORY

Chief Spectrographer Donald E. McQuis

This report, or any part thereof, does not imply an endorsement, and may not be reproduced or used for advertising, unless expressly permitted by Southern Spectrographic Laboratory.

Attachment #3

Exhi. # 3-A-Part 4
ATTCH # 4




scale 1/4" = 100'
X = diamond drill hole 250' deep

Idatex Mining Co.
Passover claims

Attachment #4

Exh# 3-C

In 1935, Mr. Henry Nielsen first worked the area prior to filing a claim. As a result of his findings in the adit, primarily silver and copper, he proceeded to file and name the original Passover claims.

Through a family relationship with Mr. Ken Lee, the information, including old assays, not now available, was passed on to Mr. Lee.

Mr. Lee then enlisted the financial aid of Messrs. M.D. Strader and A. S. Dedmon in planning a further investigation of the said claims. A mining engineer was hired (Mr. Carlisle) and the group expended monies to investigate the property.

Mr. Nielsen passed away in 1949, leaving the claims unworked. With this knowledge, Mr. Lee then filed on the claims at such time as he became financially able to do so.

Ken Lee

Ken Lee

Ex. #3-F-PART A

Wed., July 1, 1970 Passover Number I Challas National Forest
Idaho County, Idaho

Sample I Deep Drift (back of hole) (pick up loose rock)

Sample II Midde Drift (picked up loose rock)

Sample III Front Drift (Entrance of hole) (picked up loose rock)

Sample IV Out crop directly above hole (drift), 50 ft. up.
(used a pick on solid rock)

Sample V Lower Outcrop - Passover Number II
left of shaft as you face shaft

Sample VI Upper Outcrop - Passover Number II
left of shaft as you face shaft

Sample VII Outcrop from 300 yards to right of shaft as you are looking at shaft. Taken by Ken Lee after they found trail

Sample VIII Outcrop from 150 yards to right of shaft as you are looking at shaft. Taken by Ken Lee after found trail

Selected Observation No Sample # (taken with pick on solid rock deep drift (back of hole) & throughout the drift composite

Right Mine July 4, 1970

| | |
|---|---|
| Sample #9 | Random Tailings sample from top |
| Sample #10 | Drift Entrance |
| Sample #11 | Drift approximately 30' deep |
| Sample #12 | Drift approximately 60' deep |
| Sample #13 | Outcrop above drift 15' - Vein approximately 60° dip |
| Sample #14 | Overburden 50' left of drift |
| Sample #15 | Drift approximately 130' deep 20' vein approximately 60° dip C.U. |
| Sample #16 | Drift end approximately 160' deep |
| Sample #17 | Vein approximately 30' from end of drift Mo<br>3'-4' thick |

Exh. #4-A & B

Tom Carlisle - Engineer - will be primary contact
Telephone (208) 774-3512. Stanley, Idaho.

In the event Mr. Carlisle cannot be reached secondary contacts will be as follows:

Ken Lee (214) 239-9388
M. D. Strader (214) 231-4174
A. S. Dedmon (214) 357-7251

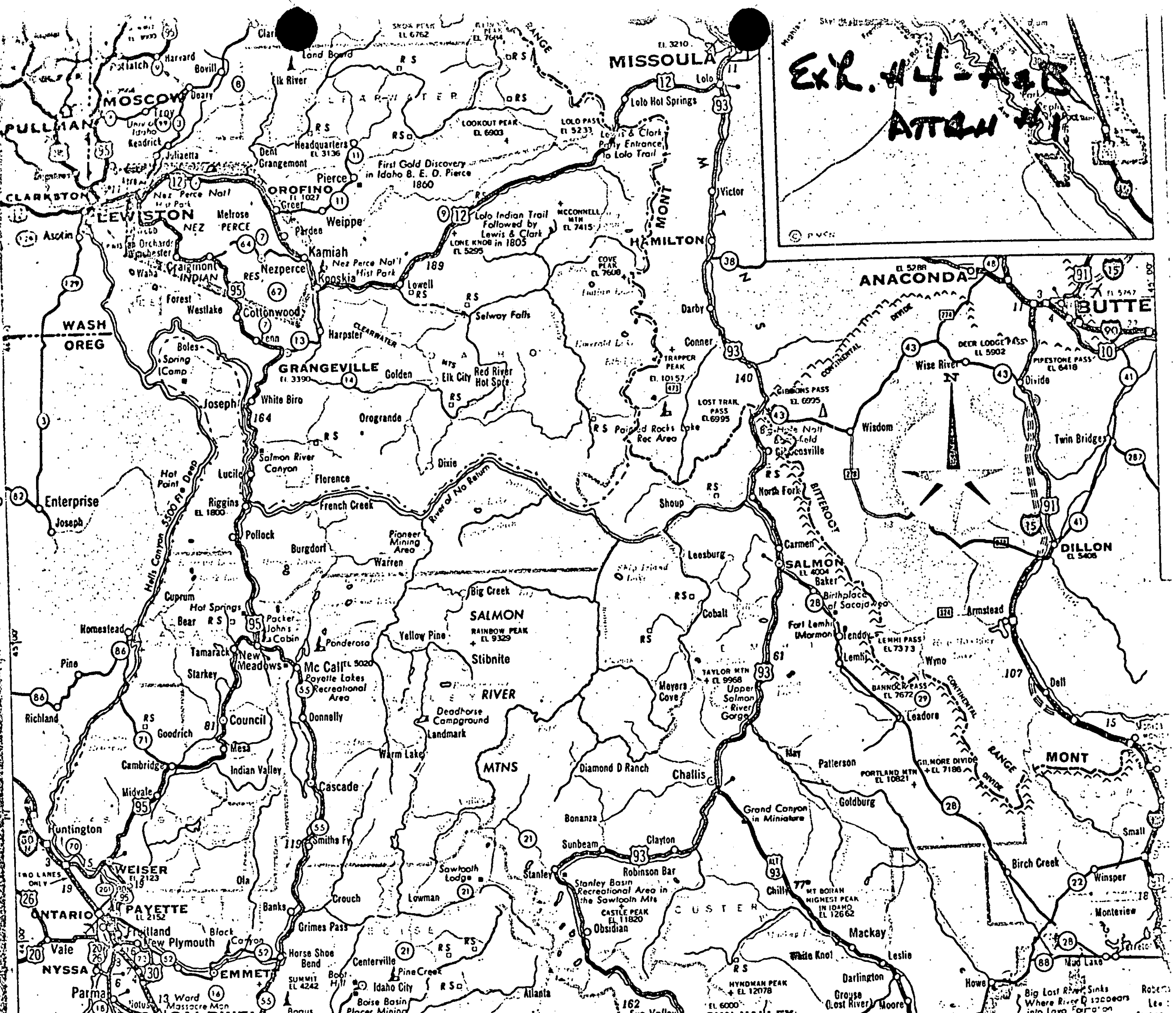
The property location is in the primitive area of Idaho and has accessible roads leading to the edges of the claims as outlined in the enclosed map. See Attachment #1 (Road Atlas).

We will maintain frequent telephone contact with the OME representative from Spokane, Washington, in order to ascertain a specified date for inspection. We will meet the OME representative in Stanley and furnish his transportation to the claims.

4-B

| | |
|---|---|
| Twin Falls, Idaho | 160 miles |
| Ketchum, Idaho | 80 miles |
| Boise, Idaho | 100 miles |
| Stanley, Idaho | 27 miles |

Ex. #4-A&B
Attch #1




For Nevada see pages 56-57

For Utah see page 57

Exh #6

RESUME OF
GARY THOMAS CARLISLE

Date of Birth:
February 5, 1936

Place of Birth:
Fiskburg, Kentucky

Education:
High School:
Simon Kenton High School; Independence, Kentucky
1950 - 1954; General studies

College:
South Dakota Schools of Mines and Technology
Rapid City, South Dakota
1964 - 1967; B.S. Mining Engineering

Experience:
Present - March, 1968
York Division, Borg-Warner Corp.
Sales Engineer

March, 1968 - June, 1967
The Trane Company
Sales Engineer

June, 1967 - September, 1964
College

September, 1964 - June 1954
United States Air Force

During college I worked on work-study cooperative programs with the South Dakota State Cement Plant where I became familiar with all phases of quarry operations and with Kennecott Copper Corp. at their Chino Mines Division, Silver City, New Mexico. Work experience included surveying, drilling, blasting, haulage, sampling, assaying and diamond drill operation. I also supervised dump leeching and precipitate copper recovery while at Kennecott.

m 7

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 3/11/71 | Emerick | 120E |
| | | 120 |
| | | |
| | | 220 |
| | | |
| | | |
| | | |
| | | |
| | | |

AIRMAIL

MAR 11 1971

Ken Lee and Associates
15745 El Estado
Dallas, Texas 75240

Re: OME-6823 (Silver-Copper-Molybdenum)
Ken Lee and Associates
Passover Claims
Custer County, Idaho

Gentlemen:

Your letter of November 16, 1970, indicated that you would submit additional information in support of your application for financial assistance to explore the Passover Claims.

Since we have not heard from you, we must assume that you are no longer interested in proceeding with your application, and we shall consider it as having been withdrawn and place it in our inactive file.

Should you desire to reopen the application at some future time, we shall be pleased to consider it.

Sincerely yours,

Harold Kirkemo

Harold Kirkemo
Chief, Office of
Minerals Exploration

cc: Director's Reading file
Mineral Resources
OME docket
OME Region I
OME Reading file
Mr. Emerick

WLEmerick/gla 3-11-71

12/8/70

Mr. Sedmon called and said they were working on an answer to our ~~7th~~ August 20, 1970 letter. Said it would take maybe a little bit longer than 30 days but it would be submitted.

WE

November 16, 1970

OFFICIAL COPY
C. K. E.
RECEIVED
NOV 19 1970
INITIALS | CODE
HO
bal | 120
HK | 120
WE | 120

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

RE: OME-6~~0~~23 (Silver-Copper-Molybdenum)
Ken Lee and Associates
Passover Claims
Custer County, Idaho

Dear Mr. Kirkemo:

As per your letter of November 6, please be advised that we are now in the process of preparing for your information to resubmit our application for OME assistance.

We are most interested in proceding with our project for the Passover Claims in Custer County, Idaho. We have, to date, made additional preparation exporation involving the hiring of qualified personnel to continue with our core drilling project on the Passover Claims.

We should have additional information prepared requested in your letter August 20, within the next 30 days.

We will at that time completely submit the consummated project information to your office. That you for your interest and consideration.

Best regards,

Ken Lee

Ken Lee

KL/ml

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 11/6/70 | Emerick | 120E |
| | | 120 |
| | | |
| | | |
| 11/6 | cae | 220 |
| | | 120M |
| | | |
| | | |
| | | |

AIRMAIL

NOV 6 1970

Ken Lee and Associates
15745 El Estado
Dallas, Texas 75240

Re: OME-6823 (Silver-Copper-Molybdenum)
Ken Lee and Associates
Passover Claims
Custer County, Idaho

Gentlemen:

On August 20, 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,

Harold Kirkemo (gla)

Harold Kirkemo
Chief, Office of
Minerals Exploration

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

WLEmerick/gla 11-6-70

MME Form 7
(2/63)

OFFICIAL FILE COPY

| Date | Surname | Code |
|---|---|---|
| 8/20/70 | Emerick | 120 |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| 1/20 | Cas | 220 |
| | | 120M |

AIRMAIL

Ken Lee and Associates
15745 El Estado
Dallas, Texas 75240

AUG 20 1970

Re: OME-6723 (Silver-Copper-Molybdenum)
Ken Lee and Associates
Passover Claims
Custer County, Idaho

Gentlemen:

A preliminary review of your application for financial assistance in exploring the Passover claims indicates that the following additional information is required before we can continue its processing. Most of the points following were discussed by telephone with Mr. A. S. Dedmon on August 20, 1970.

1. Please furnish the book and page number for each recorded unpatented claim location.

2. Furnish more geologic evidence to identify the specific exploration target. The application mentions a mineralized zone 25 feet wide, dipping 60°, in the adit on the Passover No. 1 claim. What direction does the zone dip and is this zone the exploration target of the proposal?

3. Locate on your map where the samples were taken.

The estimated costs for rental or leased equipment, such as a bulldozer and core drill, should be supported by bids from at least two contractors if possible, showing the unit cost per foot or per hour, for example.

Under an OME exploration contract $900 to $1,000 per month is considered reasonable allowance for the services of a supervisor-engineer-geologist and about $500 per month for a helper-sampler. There are no allowances for other personnel or for moving expenses for personnel.

We suggest that you submit a revised cost estimate reflecting the cost of rental equipment and changes in other cost items as shown above and as discussed with Mr. Dedmon.

The OME contracting activities during fiscal year 1971 will be conducted under curtailed circumstances and will be limited to applications offering the best opportunities for making significant discoveries. Contracts will be prepared to the extent that funds will permit.

We shall be pleased to continue the processing of your application upon receipt of the requested information. Nothing in this letter should be construed as a commitment by the Government to grant an exploration contract.

Sincerely yours,

William L. Emerick

William L. Emerick
Assistant Chief
Office of Minerals Exploration

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

WLEmerick/bsl 8/20/70

August 18, 1970

Ken Lee and Associates
15745 El Estado
Dallas, Texas 75240

Gentlemen: Subject: OME - 6823

Your application for exploration assistance, dated August 14, 1970, submitted to our office at Washington, D. C., has been assigned Docket No. OME-6823.

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

Sincerely yours,

William L. Emerick
Assistant Chief
Office of Minerals Exploration

Copy to R-I with appln.