FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

April 9 1951

Dr James Boyd Administrator
Defense Minerals Administration
Interior Building
Washington 25 D C

Dear Sir:

We beg to withdraw herewith our original proposal submitted on March 21, 1951, to which you have assigned the number DMA-859, together with Supplemental and Amended Proposal submitted on March 29, 1951.

Replacing DMA-859 we herewith beg to submit a new proposal to furnish manganese concentrate containing more than 40 percent manganese together with a separate proposal attached hereto to furnish a certain tonnage of crude ore carrying 20 percent or more of manganese. The latter would accrue from mine development before our privately financed beneficiation plant would be ready for operation.

PROJECT

It is proposed that Florida Mines, Inc., will:

1. Mine crude ore under contracts with Iacomo Incorporated, from the 14 Lode Mining Claims now leased from Iacomo Incorporated and the 29 Lode Mining Claims, now held under option to lease from F. L. Gratton. (This option will be accepted and converted into a lease). These two groups of claims are generally adjacent and are in the Little Florida Mining District, Luna County, New Mexico. Claim Map showing the relation of these several claims is presented as PLATE 6 of the Supplemental Proposal DMA-859, filed with you on March 29, 1951.

2. Haul this ore to a mill site, now held under option to lease which will be converted into a lease - from P. L. Gratton. This property is adjacent on the West, to the former Metals Reserve Property as shown on preliminary sketch map, designated PLATE 7 in supplemental Proposal DMA-859.

3. Design, build and operate a Pilot Beneficiation Plant on the above Mill Site with the use of capital secured from private sources. The Flow Sheet of this plant will be as generally indicated in PLATE 5 of the original proposal DMA-859.

4. Furnish an indeterminate amount of crude ore, up to a total of 30,000 dry long tons, containing 20 percent, or more, manganese which will be principally yielded from mine development while our beneficiating plant is being designed and built. When this plant is in operation, to furnish, in addition to the above, 50,000 dry long tons of concentrate, or hand-picked ore, containing 40 percent, or more, manganese, during a 2-1/2-year period, or less. (See attached offers to furnish these two types of materials.)

In order to carry out the above program, and in addition to the privately raised capital for the Pilot Beneficiation Plant, Florida Mines, Inc., desires to apply for Government Loan or a Government Guarantee of a loan amounting to $125,000 to provide capital for mining and transportation equipment, and for working capital, as follows:

Mining Equipment	$ 40,000
Transportation, Trucks	16,000
Office - Bldg, Repair & Equipment	2,000
Manager's car and pick-up truck	6,000
Unforseen	11,000
Working Capital	50,000
	$125,000

This loan would be secured by the value of equipment, at a used market price, and by the value of the ore in the ground, on the leased premises, which it is proposed to mine in order to fill the previously mentioned contract. It will be amortized by a direct charge against each ton of concentrate produced, payable monthly to the bank or agency loaning such funds, on the basis of the tonnage of concentrate delivered during the previous month.

In order that this proposal may be as brief as possible, we refer you to maps and supporting data, in addition to that specifically referred to above, which are now in your files under your number DMA-859.

Respectfully submitted,

Charles M. Upham

Charles M. Upham, President
Florida Mines, Inc.

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Dr James Boyd Administrator
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OFFER TO SUPPLY DOMESTIC MANGANESE ORE-METALLURGICAL GRADE

Dear Sir:

We hereby offer to furnish for the National Stockpile, 50,000 long dry tons of Metallurgical Grade Manganese Ore, guaranteed to comply with the National Stockpile Specification P-30, dated June 29, 1950.

This tonnage of manganese ore will be produced in our own beneficiation plant from crude ore mined from 43 Lode Mining Claims in the Little Florida Mining District, now under lease to our company, and from crude ore possibly purchased from other nearby properties. These resources are more particularly described in our Technical and Economic Memorandum attached to this proposal.

Rejection Points - This quantity of manganese ore is further guaranteed to meet the following rejection points when considered on an average weighted basis:

		By WEIGHT (Dry Basis)
Manganese	(Mn)	40.0% Min.
Iron	(Fe)	12.0% Max.
Silica and Alumina	(SiO_2 plus Al_2O_3)	12.0% Max.
Phosphorus	(p)	0.3% Max.
Copper, lead and zinc	(Cu, Pb and Zn)	1.0% Max.*

*Of which not more than 0.25% may be copper.

Type of Ore to be Furnished - A certain tonnage of Type I, Lump Ore will undoubtedly be produced. The major tonnage, however, will be Type II, Fine Ore - natural ore unprocessed except for grading, washing or screening. No more than 15% by weight, shall pass a Tyler standard 20 mesh screen.

Price - To be $1.50 per long ton unit of contained manganese, dry basis, based on the price ore standard of 48% Mn, 6% Fe, 11% SiO_2 - Al_2O_3, and 0.12%, with standard premiums and penalties applying as stipulated in instruction sheet (No. F-50-2587), F.O.B. railway cars.

Period of Offer - The above price quoted shall be firm for a period of twenty (20) days from date of offer.

Shipping Point - To be either at sidings on the main line of the Southern Pacific Railway at Corne or Fiesta, or in Deming, as you may designate.

Completion Delivery Date of Entire Quantity - This shall be thirty four (34) months, or less, after the signing of contract, and the certification of Government Loan. The first four months of this period will be required for mine development and the construction of beneficiation plant.

After an initial three months of production, it is estimated that the average production rate will be approximately 1,200 long dry tons per month. We reserve the right, however, to ship ore at a larger tonnage per month when our operating factors become more clearly known and, thereby, complete the contract before the above estimated date.

Additional Contract - Upon completion of the above contract for 50,000 long dry tons, we would then be in position to offer additional ore, as developed in our property, as well as from other sources in the area.

Very truly yours,

Charles M. Upham

Charles M. Upham, President
Florida Mines, Inc.

Attest:

Louise Wynne

Louise Wynne, Secretary

FLORIDA MINES, INC.

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April 9 1951

Dr James Boyd
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OFFER TO SUPPLY DOMESTIC MANGANESE ORE-CRUDE

Dear Sir:

We beg to submit herewith a proposal to furnish crude manganese bearing material from 43 leased Lode Mining Claims in the Little Florida Mining District, Luna County, New Mexico. We anticipate that this material will be yielded from development workings, before our privately financed Pilot Beneficiation Plant can be designed and built.

The specific terms of this proposal follow:

Tonnage - Indeterminate amounts up to a total of 30,000 dry long tons.

Manganese Content - will be 20 percent, or more, manganese on the dry basis.

Price - $1.50 per unit of Recoverable Manganese.

Delivery Point - To be at designated point on Government Property, adjacent to our Mill Site, on which is now piled certain crude manganese ore purchased previously by Metals Reserve Company.

Method of Payment - Procedure for determining weight, sampling and estimated value of material to be determined by discussion and mutual agreement.

Period of Offer - The above price shall be firm for a period of thirty (30) days from date of offer.

Respectfully submitted,

Charles M. Upham

Charles M. Upham, President
Florida Mines, Inc.

Attest:

Louise Wynne

Louise Wynne, Secretary

FLORIDA MINES, INC.

DEMING, N. M.

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1. Mine crude ore under contracts with Iacomo Incorporated, from the 14 Lode Mining Claims now leased from Iacomo Incorporated and the 29 Lode Mining Claims, now held under option to lease from P. L. Gratton. (This option will be accepted and converted into a lease). These two groups of claims are generally adjacent and are in the Little Florida Mining District, Luna County, New Mexico. Claim Map showing the relation of these several claims is presented as PLATE 6 of the Supplemental Proposal DMA-859, filed with you on March 29, 1951.

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Respectfully submitted,

Charles M. Upham

Charles M. Upham, President
Florida Mines, Inc.

FLORIDA MINES, INC.

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April 9 1951

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Copper, lead and zinc	(Cu, Pb and Zn)	1.0% Max.*

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Type of Ore to be Furnished - A certain tonnage of Type I, Lumpy Ore will undoubtedly be produced. The major tonnage, however, will be Type II, Fine Ore - natural ore unprocessed except for grading, washing or screening. No more than 15% by weight, shall pass a Tyler standard 20 mesh screen.

Price - To be $1.50 per long ton unit of contained manganese, dry basis, based on the prime ore standard of 48% Mn, 6% Fe, 11% SiO_2 - Al_2O_3, and 0.12%, with standard premiums and penalties applying as stipulated in instruction sheet (No. F-50-2587), F.O.B. railway cars.

Period of Offer - The above price quoted shall be firm for a period of twenty (20) days from date of offer.

Shipping Point - To be either at sidings on the main line of the Southern Pacific Railway at Carne or Miesse, or in Deming, as you may designate.

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After an initial three months of production, it is estimated that the average production rate will be approximately 1,800 long dry tons per month. We reserve the right, however, to ship ore at a larger tonnage per month when our operating factors become more clearly known and, thereby, complete the contract before the above estimated date.

Additional Contract - Upon completion of the above contract for 50,000 long dry tons, we would then be in position to offer additional ore, as developed in our property, as well as from other sources in the area.

Very truly yours,

Charles M. Upham

Charles M. Upham, President
Florida Mines, Inc.

Attest:

Louise Wynne

Louise Wynne, Secretary

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The specific terms of this proposal follow:

Tonnage - Indeterminate amounts up to a total of 30,000 dry long tons.

Manganese Content - will be 20 percent, or more, manganese on the dry basis.

Price - $1.50 per unit of Recoverable Manganese.

Delivery Point - To be at designated point on Government Property, adjacent to our Mill Site, on which is now piled certain crude manganese ore purchased previously by Metals Reserve Company.

Method of Payment - Procedure for determining weight, sampling and estimated value of material to be determined by discussion and mutual agreement.

Period of Offer - The above price shall be firm for a period of thirty (30) days from date of offer.

Respectfully submitted,

Charles M. Upham

Charles M. Upham, President
Florida Mines, Inc.

Attest:

Louise Wynne

Louise Wynne, Secretary

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

March 29 1951

Dr James Boyd Administrator
Defense Minerals Administration
Interior Building
Washington D C

Your file: DMA-859

Dear Sir:

We beg to submit herewith certain additional data referring to and amending our original proposal, and supporting data, submitted to you on March 21, 1951, to which you have assigned the above number.

This amended proposal brings into the immediate present certain plans for broadening the scope of the project that were planned to be carried out later. However, it would appear to be wise to adopt them at the present time.

Respectfully submitted,

Chas M. Upham

Charles M. Upham, President
Florida Mines, Inc.

uiw

SUMMARY

1. This is not merely a plan for a custom mill but represents the ownership and proposed operation of important mining properties with a beneficiation plant strategically located to serve not only the company's own ores, but by multiple shift operation can receive other ores in the Southwestern area and effectively treat them.

2. The administrative and technical staff are capable and Florida Mines, Inc. will be conservatively operated on a sound business basis.

3. Florida Mines, Inc. is a New Mexico Corporation qualified to immediately commence operations, as soon as the necessary major capital is available.

Respectfully submitted

Chas M. Upham

Charles M Upham, President
Florida Mines, Inc.

AMENDED PROJECT

An option has been obtained by Florida Mines, Inc. from P. L. Gratton, El Paso, Texas, to lease the following property owned by him:

Item I - The so-called American group of 29 Lode Mining Claims, some of which are fractional, generally lying adjacent to the 14 Lode Mining Claims leased from Yacomo Incorporated to Florida Mines, Inc., under date of February 24, 1951, which are located in the Little Florida Mining District, Luna County, New Mexico.

Item 2 - Land amounting to approximately ten acres, west of and adjoining property owned by Metals Reserve Company on which a considerable tonnage of manganese ore is stockpiled.

It is proposed to use the property, designated Item 2 above, for a mill site. It is ample, in size, for the purpose; it has a well and pump capable of supplying ample water for the scale of operations contemplated; it is served by a spur off the A.T. & S.F. Railway between Deming and Hatch, and there is ample area for tailings disposal for a considerable period of operation. More land, conveniently located for this same purpose, can be leased at a reasonable rental.

It is proposed to erect substantially the same type of Pilot Beneficiating Plant as described under our original proposal. Crude ore mined by the company will be trucked to this plant. By operating a second shift, or even more, if business warrants, ore can be brought in by rail or truck from other properties in the area, and purchased by Florida Mines, Inc. for processing and delivery on - or in addition to - our proposed contract.

The American group of claims, designated Item I above, will serve as additional ore reserve. A separate contract will be negotiated with Yacomo Incorporated for exploration, development and mining on these claims.

OPTION TO LEASE GRATTON'S PROPERTY

In response to our request, telegraphic option to lease certain property and outlining terms was received from P. L. Gratton on March 26, 1951. Photostatic copy of this telegram is attached. As stated in the telegram legal written option is following by mail.

Rental of the proposed mill site (Item 2) at $100. per month is very reasonable when it is considered that it includes use of water well and pump; trackage facilities; power line crossing property; use of substantial adobe house, which with little repair can serve as office and to house the chemical and ore testing laboratory.

Terms on the American Group of claims (Item 1) are reasonable. Royalty is the same as in the lease from Yacomo Incorporated on the 14 claims of the Lona May and Jessie Group. The provision for minimum royalty of only 60 man shifts per month recognizes the necessity for considerable exploration and development and encourages the search for ore without being burdensome.

PROPOSAL FOR ORE CONTRACT

No change will be made in the tonnage, specifications or price for base 48 percent ore from those indicated in our original proposal,

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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PB766 DA598

D EPA404 63 NL COLLECT=ELPASO TEX 25=

FLORITA MINES INC= 1.76

185 606 CAFRITZ BLDG WASH DC=

I WILL GIVE YOU 20 DAYS OPTION ON LEASING MILL SITE IN DEMING FOR $100.00 PER MONTH AND TAXES ALSO MY AMERICAN GROUP OF CLAIMS FOR TEN PERCENT ROYALTY ON VALUE OF ORE REMOVED WITH MINIMUM OF SIXTY WORK SHIFTS PER MONTH I DO NOT WANT TO LEASE EITHER ONE WITHOUT THE OTHER WILL MAIL LEGAL OPTION WITH LEGAL DESCRIPTION TOMORROW=

P L GRATTAN=

20 $100.00

MPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

submitted on March 21, 1951.

Under this amended plan, we estimate that the 50,000 dry long tons would be shipped in considerably less than the maximum time requested in the original proposal. Thus the loan requested would be amortized in a proportionately shorter time.

Again, we will propose to furnish additional ore as soon as the first contract is completed, based on conditions then prevailing.

AMERICAN GROUP OF CLAIMS

The American Group of Claims, as well as the Lona May and Jessie Claims are adjacent as shown on PLATE 6.

It will be noted that the main developed so-called Luna vein extends across American No. 28 and No. 29 after leaving Lona May No. 1. On American No. 28 there is a 50-foot shaft on that vein which will serve as a point for continued exploration and development.

On American No. 15, there is a 100-foot shaft previously known as Ferro-Manganese Shaft No. 1. On American No. 11 there is a 120-foot shaft previously known as Ferro-Manganese Shaft No. 2. On American No. 4 there is a tunnel of considerable length.

While all of the above-mentioned workings may not have yet shown much indicated mineable concentrating ore - above 20 percent manganese - they would serve as convenient starting points to undertake further exploration.

Yacomo Incorporated has their own capable engineering staff, which will be closely coordinated by the experience of our Edmund Newton. We

would welcome any assistance by the U. S. Geological Survey and the U. S. Bureau of Mines which may be possible, for the interpretation of exploratory results.

It is reasonable to expect that such exploratory work would show approximately the same spacing of ore shoots, as that shown by the more extensively developed veins. Lasky states, on page 67 of U.S.G.S. Bulletin 922-C, that in the main so-called Manganese Valley vein, which has been drifted on laterally for a distance of about 1,850 feet that two-thirds of the total drift length is in mineable concentrating ore. On the main so-called Luna vein, which has been drifted on for only a little more than 800 feet on the 100-foot level, Lasky states - also on page 67 - that about half of the drift lengths was in ore shoots.

POTENTIAL ORE RESERVES

The American Group of Claims is practically undeveloped and yet Lasky, in Bulletin 922-C, appears to recognize the potential ore reserves.

In the light of geologic evidence regarding the Little Florida District it would appear to be reasonable to assume that at least some plus 20 percent manganese crude ore will be developed. We believe it conservative to assume that this "indicated" crude ore may amount to at least 50,000 tons - with little doubt it may be much more.

We believe it fair to assign to such ore a value of $1.50 per long ton. This is less than the $1.75 a ton which we have estimated for the

Lona May and Jessie ore. The reason for this is that there will be a higher cost for exploration and development of ore from the American claims.

On the basis of the above, the 50,000 long tons of "indicated" ore would have an aggregate value of approximately $75,000 in the ground.

OPERATIONS

MINING

A separate working contract will be negotiated with Yacomo Incorporated on the American Group of Claims. This will be necessary because royalty will be paid directly to P. L. Gratton instead of being included by Yacomo Incorporated in the price per unit of manganese on ore delivered at the collar of the shaft from the Lona May and Jessie claims.

Also, in any working contract for the American group of claims, Florida Mines, Inc. will probably have to directly absorb part of the cost of exploration and development, as well as providing some mining equipment.

TRANSPORTATION OF CRUDE ORE

By locating the Pilot Beneficiation Plant at the Gratton property it will mean that approximately three tons of crude ore will have to be hauled from the company's mines in the Little Florida District, instead of the one ton of concentrate. However, it is believed that the strategic location of the mill at Deming, offering the possibility of processing other ores in the area will more than offset this.

When a sufficient flow of ore develops, the crossing over the

Southern Pacific's tracks of the county road, running north from U. S. 80, and on the east side of the Metals Reserve property, as shown on PLATE 7, can be reopened. This will shorten the haulage distance considerably and will by-pass the stop lights and traffic in the City of Deming.

Also, one of the stockholders of Florida Mines, Inc. is C. A. Weymouth, Assistant to the President of Associated Transport, Inc., the largest trucking company in the country, and the benefit of his experience and advice will be available to our company in most effectively handling this crude ore haulage problem.

BENEFICIATING

A sketch map, by Edmund Newton, is designated PLATE 7. Accurate map by C. B. Morgan will be submitted as soon as it is received from Deming.

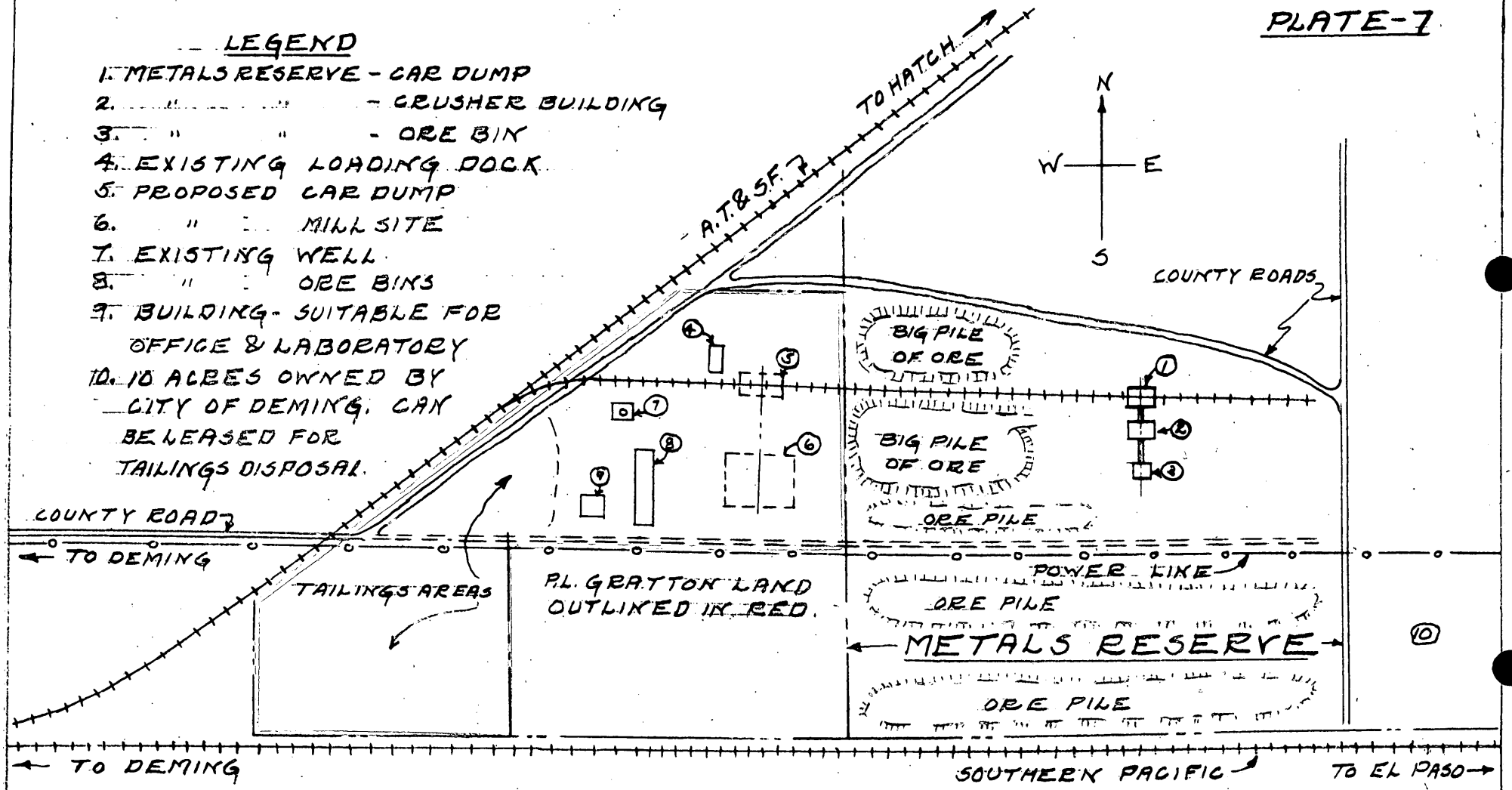
Advantages of Mill Site on Gratton's Land - Railroad transportation is available right on the property, so that crude ore originating some distance away can be received. The proximity to the present Metals Reserve stockpile of crude ore makes it well located for any possible future arrangement to beneficiate such material. Presently available quarters suitable for housing office and laboratory functions is advantageous and the close proximity to the City of Deming would make it a convenient location.

Most important of all is the presently available well, vertical centrifugal pump and concrete block pump house. Water is a serious

PLATE-7

LEGEND

1. METALS RESERVE - CAR DUMP
2. " " - CRUSHER BUILDING
3. " " - ORE BIN
4. EXISTING LOADING DOCK
5. PROPOSED CAR DUMP
6. " " MILL SITE
7. EXISTING WELL
8. " " ORE BINS
9. BUILDING - SUITABLE FOR OFFICE & LABORATORY
10. 10 ACRES OWNED BY CITY OF DEMING. CAN BE LEASED FOR TAILINGS DISPOSAL.



NOTE - SKETCHED FROM MEMORY BY EDMUND NEWTON NOT TO SCALE. ACCURATE MAP BY C.B. MORGAN, U.S.M.S & DEMING CITY ENGINEER BEING MAILED FROM DEMING, N.M.

PROPOSED MILL SITE
HELD UNDER OPTION TO LEASE
FROM P.L. GRATTON
TO FLORIDA MINES, INC.

problem in the Mimbres Valley and very strong sentiment, on the part of farmers in the Valley, would be against the drilling of any new well, or water supply, on the Metals Reserve property.

Quantity of Water Available from Gratton's Well - It is understood that the flow of water from this well is approximately 750 GPM. This will be verified.

Amended Flow Sheet of Pilot Beneficiating Plant - There will be little change in the graphic flow sheet shown as PLATE 5 of our original proposal, except for the following:

1. The Santa Fe Railroad will be approached to install a standard track dump at some suitable point, probably as shown on PLATE 7.

2. Because of the flat site on Gratton's property a greater length of conveyors will be required.

3. An attempt will be made to utilize the existing submerged ore bins, as shown on PLATE 7 for crushed crude ore storage.

No attempt will be made to increase the hourly capacity of the units in the Pilot Beneficiating Plant. As soon, however, as sufficient additional crude ore from other than Florida Mines, Inc. properties warrant it a two-shift, or even three-shift operation will be planned. Thus the equipment will be used more continuously and effectively.

Ore Testing - It was planned in the original proposal to install laboratory-scale ore testing equipment. This function will be even more important under the amended proposal.

Where any property indicates that they would be in position to ship crude ore to our plant, samples would be carefully tested in our

laboratory before agreeing to accept the same.

Our Edmund Newton has had much experience in the technique of testing manganese-bearing material, from his work in charge of the Minnesota Mines Experiment Station. He has kept abreast of most of the recent developments in that field.

Also, our chemist will be a mining engineer who has had much experience in ore testing.

Pilot Plant Idea - We consider that our plan of considering our original plant, as a "Pilot Operation", is sound and conservative. From its operation, controlled by laboratory testing and analysis, we believe that much valuable information will be gained regarding the character of ores in the Southwestern area, and suitable methods of treatment can be devised.

After the experience with our proposed plant sufficient data will be available to design a suitable and permanent plant if conditions then warrant it.

ADDITIONAL EQUIPMENT REQUIRED

Mining - To carry out exploration, development and mining on the American Group of Claims additional equipment to the extent of about $15,000 would be required. A further breakdown of this amount cannot intelligently be made at this time but this sum together with what equipment Yacomo Incorporated has should be ample.

Transportation - Three 7-1/2-ton trucks would be ample to transport the worst case of 250 long tons of crude ore in one shift. These could be purchased for approximately $16,000.

Beneficiating Plant - In order to coordinate mining activities at the company's properties with those of the Pilot Beneficiation Plant, it will be desirable to have a crude ore storage pile at the plant site. This would be placed close to the truck ore dumping hopper, so that a so-called "Pay Loader" together with a possible portable conveyor would be required. A "Pay Loader" of suitable capacity would cost approximately $6,000 and a 50-foot Portable Conveyor would cost about $3,000.

In addition, there should be some funds available for making necessary changes in the flow sheet, which cannot be forseen at the present time.

Summary of Additional Equipment Required

Mining Equipment	$15,000
Trucks	16,000
Beneficiating Plant-"Pay Loader	6,000
Portable Belt Conveyor	3,000
Unforseen	10,000
	$50,000

AMENDED LOAN REQUESTED

Mining Equipment	$ 34,823
Transportation Equipment - Trucks	16,000
Beneficiation Plant Equipment	107,228
Laboratory	2,000
Office	2,000
Car and Pick-up Truck	6,000
Unforseen	6,949
Working Capital	75,000
	$250,000

DMA-859
Florida Mines, Inc

AMENDED PROFORMA BALANCE SHEET

After initial financing and Government Loan, but before operations.

ASSETS

Cash		$ 86,500
Ore in Ground -		
Lona May & Jessie- 175,000 tons at $1.75	-$280,000	
American group - 50,000 " " 1.50	- 75,000	
		355,000
Equipment - Total		175,000
Prepaid Organization Expense		1,500
Prepaid Expense - Edmund Newton		2,000
		$620,000

LIABILITIES

Government Loan	$250,000
Stock Issued - 12,000 shares at $10.	120,000
Capital Surplus	250,000
	$620,000

Chas M. Upham

i MF-100
March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. _____

Date received _____

Florida Mines, Inc.
Washington D C Address:
Suite 606 - Cafritz Bldg
Washington 6 D C

Telephone: Sterling 4588

Name and address of applicant

Date April 9 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated: Attached

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Charles M. Upham	President "D"	None	Plus $100,000	2,000	None	None	
Edmund Newton	Vice- "Gen Mgr" "D"	"	5,500	2,000	"	"	
Dwight P Entwistle	Treasurer "D"	"	100,000	1,200	"	"	
Louise Wynne	Secretary "D"	"	25,000	1,200	"	"	
L. K. Diffenderfer	"D"	"	50,000	200	"	"	
Marshall P Diggs	Stockholder	"	-	400	"	"	
C. A. Weymouth	"	"	-	200	"	"	
	Total		x x x x x	7,200		x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$600,000	$ 120,000	$ No Par	12,000	
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

(Not in Production)

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	None	None	None	None	None
2. Quantity of product processed (specify unit of measure and type of process)	"	"	"	"	"
3. Quantity and grade of product sold or shipped (specify units of measure)	"	"	"	"	"

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)	30,000	20% Sn	See DMA-859		
Indicated (probable)	180,000	" "	"	"	

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Florida Mines, Inc
(Name of company)

By Charles M. Upham
(Signature of authorized official)

April 9, 1951
(Date)

President
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

FLORIDA MINES, INC. Suite 606, Cafritz Building, Washington 6, D.C.

GENERAL TECHNICAL DATA

1.(a) Manganese concentrate, containing 40 percent, or more, manganese and crude ore containing 20 percent, or more, manganese.

(b) There will be no by-products, other than the above.

2. Mining property covering what was formerly known as (1) Luna Mine and (2) American Group of Claims.

(a)	Luna- 860 feet.	American -275 feet.
(b)	Luna-1,800 feet.	American- (Not known)
(c)	Luna- None	American- 600 feet.
(d)	Raises- Luna- 375 feet	American- Not known.

In 1940, water level in Luna workings was about 50 feet above the 500-level. Mine is estimated to make about 150 GPM until more workings are driven below water level. Present American workings are dry.

3. (a) Luna and American workings are adjacent. The distance to Deming is about 14 miles; about 12 miles to proposed mill site, which is under option.

(b) Little Florida Mining District.

(c) Sections 17,18,19 and 20, Township 24 South, Range 7 West.

(d) Luna County, New Mexico.

4. (a) Neither Luna nor American properties are now in operation.

(b) We have a mining lease on the 14 Lode Mining Claims of the former Luna property, from Yacomo Incorporated, Lordsburg, New Mexico, and an option to lease the 29 Lode Mining Claims of the American Group from P.L. Gratton of El Paso, Texas. This option will be accepted and converted into a lease.

5. Unable to answer. Partial data in U.S. Geological Survey, Bulletin 922-C.

FLORIDA MINES, INC. Suite 606, Cafritz Building, Washington 6, D.C.

GENERAL TECHNICAL DATA

6. See our Original Proposal DMA-859, under Biographical Data on Officers.

7. (a) All data known to us is discussed in U.S.G.S., Bulletin 922-C.

(b) Same as (a) above.

(c) No private reports are available to us.

11. No production, at present. Proposed scale of operations calls for an average production rate of about 5,500 dry long tons of crude ore per month, from which it is anticipated that about 1,700 dry long tons of concentrate, carrying about 42 percent manganese would be produced. See DMA-859.

12. (a) Ore deposits consist of fissure veins filled with oxidized ore. See U.S. Geological Survey, Bulletin 922-C.

(b-1) Data given in U.S. Geological Survey, Bulletin 922-C.

(b-2) Figures in tabulation for "measured" ore are understood to be approved by the U.S. Geological Survey. "Indicated" ore has been estimated by assuming that the pattern of ore shoot distribution, shown in the developed portions of the properties of the area that show from ~~xxx~~ 1/2 to 2/3 of the drift lengths to have been in ore containing 20 percent manganese, or more, is likely to hold for further exploration and development.

13. Distance to Deming, which would be the shipping, supply and residence point nearest the mining property, a s well as the mill site, is approximately 14 miles for the mining property, of which about 2 1/2 miles is over dirt road and the remainder on U.S. Highway 80. The proposed mill site is about 1 1/2 miles out of Deming, over a graded County Road.

FLORIDA MINES, INC. Suite 606, Cafritz Building, Washington 6, D.C.

GENERAL TECHNICAL DATA

14. Water for mining purposes will be available from the 500-foot shaft of the former Luna mine, in ample quantity at all seasons of the year. Water for beneficiation plant will be supplied in ample amounts at all seasons of the year by a well and pump, now installed on the P.L. Gratton property, which will be used as a mill site.

15. Power line and transformers, ample in size for presently planned mining purposes, is already installed near the former Luna 500-foot shaft.
A power line running across the mill site will furnish ample power for the proposed Pilot Beneficiating Plant. Transformers must be installed.
Rate for power is approximately 1-1/2 cents per KWH. The company supplying power for both points is New Mexico Power & Light Company.

16. None. ..... Ample labor for mining and milling is available in the area.

17. There is no equipment owned by Florida Mines, Inc. now on the mining property.
There are no buildings presently on the mining properties.
On the proposed mill site, there is a well, vertical centrifugal pump and concrete block pump house; adobe house- which with little repair will serve to house the field office; and a loading ramp for immediately loading hand-sorted ore, which is in usable condition now and merely needs some minor repair.

18. See data under DMA-859.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. .....

Date received .....

Participation .....

Florida Mines, Inc
606 Cafritz Building
Washington 6 D C

Name and address of applicant

Date .....

FILL IN THIS BLOCK

Date of application May 29, 1951

Estimated cost $100,000

Mineral or metal Manganese

Percentage of Government participation 75%

Location of mine Luna County, New Mexico

Date of filing MF-100 April 9, 1951

DMA Docket Number, if available DMA-859 - X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

Answers to all following questions attached.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted and the expenditure of funds which may be charged as costs of the project must be limited to that area or work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons.
State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Florida Mines, Inc
(Name of company)

By Chas. M. Upham
(Signature of authorized official)

5/29/51
(Date)

Pres.
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or ag of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

May 28 1951

THE APPLICANT

1 - 5 Answered in Form MF-100

6 - Do not own property

7 - Copies of lease attached

8 - See Attached

9 - Applicant is prepared to invest his cost of project as detailed in Question 23.

THE PROPERTY

10- The exploration project will be done on the so-called Luna Vein under claims designated American 28 and 29. (See claim map, Plate 6, in Supplemental Proposal submitted March 29, 1951 - DMA859)

11- American Group of Claims

12- See MF-100, answer to Question 13

13- " " " " " 14

14- There are no useable facilities, buildings or structures now on property that will be devoted to this exploration project

15- Any ore found in exploration work could be shipped to proposed government sampling and Purchase Depot, which it is understood will be located at Deming, New Mexico.

16- See data in MF-100, answer to Question 7

17- " " " " " " 4 and 5

18- " " " " " " 12

19- No conditions known that are not covered in above.

FLORIDA MINES, INC.
DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

THE EXPLORATION

20 - Oxidized Manganese Ore occurring in fissure veins in country rock.

21 - It is proposed to sink an exploratory shaft on the so-called Luna Vein, on American Claim No. 29, at a point about 800 feet north of the common end line of Lona May No. 1. The collar of this proposed shaft would be at about 4450 feet, whereas the collar of the 500-foot inclined Luna Shaft, on Lona May No. 2 is at about 4550 feet.

We would propose to sink this shaft a distance of approximately 100 feet or to an elevation corresponding to the 200-foot level of the Luna Shaft.

We would then prppose to drift first toward the south, and then possibly toward the north. Depending upon the results obtained in this work, we would then propose to sink another hundred feet, and then drift laterally.

Such a program could be completed in less than two years.

22- Lasky states on page 67, of U. S. Geological Survey, Bulletin 922-C that in the explored area of the two main developed veins of the district (Manganese Valley and Luna) ".....somewhat more than half the vein length on the average is occupied by ore...". The proposed lateral drifting is intended to verify this.

Geologic maps from U. S. Geologic Survey, Bulletin 922-C and Assay Map of the several present levels, appearing in U. S. Bureau of Mines, R. I. 4536 have been photostatted and are part of our original proposal DMA-859.

FLORIDA MINES, INC.
DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

THE REQUIREMENTS AND COSTS

23 - (a) Labor average underground labor .....$1.50 pr. hr.
surface " ..... 1.30 " "
The number will vary with the period

(b) Supervisor - Engineer-in-charge $500 pr. Mo.

(c) None

(d) Head Frame and Ore Chute.....$500
Hoist and Compressor House and
Change Room.....$500

(e) Purchased Equipment:
Jackhammers - medium sinkers - 2 at $250.....$500
Drifters - 2 at $850.....1700
4 - 50-ft. 1" air hose at $50..... 200
4 - 50-ft. 1/2" water hose at $25..... 100
Small tools - picks, shovels, axes, bars,
moils, etc..... 250

(f) Rented Equipment — Rental Per Month
Portable Compressor, gasoline drive, 210-CFM — $350
Hoist - Single Drum, gasoline driven, 15 HP — 80

(g) None

(h) Supplies

(j) Cost of power, water, utilities.

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

24 - Time Schedule of the Project.

Month			
1st	Preparing Shaft side -		
	Bulldozer	$ 100.00	
	Labor - 20 man days at $10	200.00	
	1 Jackhammer - hose, etc	425.00	
	Small Tools	100.00	
	Tool House	75.00	
	Supervisor	500.00	
			$ 1,400
2nd	Headframe	500.00	
	Compressor Rental	350.00	
	Hoist Rental	80.00	
	Hoisting Rope 1/2" - 200' at 20¢	40.00	
	Bucket, car and rails	200.00	
	Sinking - 45 ft. (25 shifts at 1.8') at $52	2,340.00	
	Supervisor	500.00	
			$ 3,910
3rd	Sinking - 45 ft. (25shifts at 1.8'0 at $52	2,340.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			3,270
4th	Sinking 20 ft. (10 shifts at 2.0') at $52	1,040.00	
	100' -level drifting - south 60' (15 shifts at 4') at $20	300.00	
	Hoisting and top men (15 shifts) at $24	360.00	
	Equipment rentals	430.00	
	Supervisor	500.00	$ 2,630
5th	100'-Level drifting 200 ft. (50 shifts at 4') at $20	4,000.00	
	Hoisting and top men (25 shifts) at $24	600.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			5,530
6th	100' Level drifting 200 feet at $20	4,000.00	
	Hoisting and top men	600.00	
	Equipment Rentals	430.00	
	Supervisor	500.00	5,530
7th	100' Level Drifting 200 feet (same as 6th month.	5,530.00	5,530
	Forward		$ 27,800

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

24 - Time Schedule of the Project (Continued)

Month			
	Forward		$27,800
8th	Sinking 50 feet at $52	$2,600.00	
	Equipment Rentals	430.00	
	Supervisor	500.00	
			3,530
9th	Sinking 50 feet (same as 8th month)		3,530
10th	200' Level drifting 200 feet (same as 6th month)		5,530
11th	200' Level drifting 200 feet (same as 10th month)		5,530
12th	200' " " " " " "		5,530
13th	Sinking 50 feet (same as 9th month)		3,530
14th	" " " " " "		3,530
15th	300' Level drifting 200 feet (same as 12th month		5,530
16th	300' Level " " " "		5,530
17th	300' Level " " " "		5,530
18th	Sinking 50 feet (same as 13th month)		3,530
19th	Sinking 50 feet " "		3,530
20th	400' Level drifting 200 feet (same as 17th month		5,530
21st	400' Level drifting 200 feet " " "		5,530
22nd	400' Level Drifting 200 " " " "		5,530
	Total		$98,750.00

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

May 29 1951

FINANCIAL STATEMENT

ASSETS

Cash in Bank & Available	$ 16,142.48
43 Mining Claims	190,000.00
Equipment	21,820.00
	$227,962.48

LIABILITIES

Capital Stock issued	$ 22,250.00
Accounts payable - equipment	16,500.00
Miscellaneous organization expense	2,429.10
Capital Surplus	186,783.38
	$227,962.48

Corporation not yet in production - Profit and Loss statement therefore not available.

LEASE MINING PROPERTY AND

MILL SITE

THIS INDENTURE, Made and entered into this 12th day of ~~April~~ May, A. D. 1951, by and between P. L. Gratton and Wilma R. Gratton, his wife of El Paso, Texas, parties of the first part, and Florida Mines, Incorporated, of 606 Cafritz Building, Washington, D. C., a corporation, party of the second part.

WITNESSETH: That the first parties for and in consideration of the covenants and agreements herein mentioned to be kept and performed by the said second party, have demised and leased and by these presents do demise and lease unto the said party of the second part, all of the premises, real estate, improvements and unpatented lode mining claims situate as hereinafter described, to-wit:

MINING CLAIMS.

The unpatented lode mining claims situate in the Florida Mining District, Luna County, New Mexico, reference being made to the Location Notices thereof recorded as set forth below, in the Office of the County Clerk of said Luna County, New Mexico.

American No. 9	Book 6	Page 303-4
American No. 10	Book 6	Page 304-5
American No. 11	Book 6	Page 305
American No. 12	Book 6	Page 306
American No. 13	Book 6	Page 306-7
American No. 14	Book 6	Page 307
American No. 15	Book 6	Page 308
American No. 16	Book 6	Page 308-9
American No. 17	Book 6	Page 309-10
American No. 18	Book 6	Page 310
American No. 19	Book 6	Page 291-2
American No. 20	Book 6	Page 311
American No. 21	Book 6	Page 311-12
American No. 22	Book 6	Page 312-13
American No. 23	Book 6	Page 292
American No. 24	Book 6	Page 293
American No. 25	Book 6	Page 293-4
American No. 26	Book 6	Page 294
American No. 27	Book 6	Page 294-5
American No. 28	Book 6	Page 295-6
American No. 29	Book 6	Page 296
American No. 30	Book 6	Page 296-7

Spaces out
of Docket
DMA859X

WSM
10/16/56

MILL SITE

Beginning at the quarter section corner on the east line of Section 26, Township 23 South, Range 9 West, N. M. P. M., thence westerly on the center line of said section 26, a distance of 2509 ft. to a point on the easterly right of way line of the A. T. & S. F. Ry., this being the SW corner of the tract being described, thence in a N. 52° 13' E. direction along said Ry. right of way line a distance of approximately 740 ft., to the NW corner, thence easterly a distance of 593.4 ft. to the NE corner, thence Southerly a distance of 467 ft. to the SE cor. this being a point on the center line of said Section 26, thence westerly along said center a distance of 1168.4 ft. to the place of beginning, being subject to the 60 ft. right of way of the County Road on the westerly line and containing 9.4 acres, exclusive of said County Road.

EXCLUDING the mill known as Gratton's Mill located on said real estate.

TO HAVE AND TO HOLD, the above described unpatented mining claims for mining purposes and the above real estate and Mill Site for a period of 5 years from date hereof, commencing on the 12th day of May A. D. 1951, and being for, during and until the 12th day of May A. D. 1956.

THE TERMS AND CONDITIONS of this lease on the unpatented lode mining claims are as follows:

1. To put and sustain the parties of the second part in the quiet and undisturbed possession of said premises, to the extent herein and hereby granted to them, for and during the term herein mentioned.

2. That the party of the second part shall have the right to use any of the surface of the said premises to the extent that may be necessary to mine and carry away the said ore, as provided in this contract, and shall have the right to remove any obstructions that may be in the way of mining the said ore.

3. That party of the second part shall have the right to construct such road or roads, or any other structures over the said premises for the purpose of transporting the said ore from the premises hereinabove described.

4. That the party of the second may construct any buildings on the said leased premises, at such points as may be desired by party of the second part.

5. That parties of the first part shall have the right to cancel and annul this contract if the party of the second part shall (1) fail or refuse or neglect to make payments for royalty for the said manganese ore mined and taken from said premises, or the minimum amount as herein provided for, at the time and to the amount herein stipulated, or (2) shall fail or refuse or neglect to mine the said managanese ore in the manner herein provided for; or

(3) shall violate in any manner any of the agreements of the party of the second part.

6. That the second party shall have immediate possession of the said mining property and shall within 60 days from date hereof commence the mining and operation of the said mining property and shall continue to work said mining claims during all of the term hereof and shall continue to work not less than sixty shifts each month during the continuance of this lease; and a failure to prosecute said work as herein specified for a period of 60 days shall, at the option of the first parties, work a forfeiture of this lease.

7. That the second party shall have possession of the said mining properties to mine, remove, ship and sell ores therefrom; and which said mining operations shall be performed in a good and minerlike manner, in accordance with the customs of miners in this section; and that the said first parties or their representative or agent shall have the right at any and all times to inspect any work so performed by the second party and to examine the said mining properties, or either of them.

8. That the said second party shall upon the 10th day of each and every month hereafter pay to the first parties at their designated place of payment, a royalty of 10% on all ores sold and shipped from the said property during the preceeding month; and that second party shall instruct the mill or smelter handling such ores to make payment of said 10% royalty direct to the said first parties.

9. That the second party shall perform all work on said mining properties and claims in a good and minerlike manner, with especialy reference to the preservation and development of the said mining property as workable mines, properly timbering same wherever necessary, and shall keep any and all shafts where work is being performed by them, free and clear of all water, rubbish, waste and other materials.

10. It is understood and agreed that the said first parties shall deliver possession of the said mining properties to the second party free and clear of all liens and encumbrances; and that the said second party shall post and maintain in conspicuous places on said mining claims and properties, in full compliance with the law relative to same, proper notices in writing, thereby giving notice to the public that the said properties are being operated by the second party under this lease without liability to the owners thereof; and that the said second party shall, at its own cost and expense, keep the said mining claims and each and all of them free and clear from all liens and encumbrances originating from the operation of the said properties under this lease.

11. It is further understood and agreed that the said second party shall, at its own cost and expense, perform all assessment work required under the laws of the United States of America during the term hereof; and that said second party shall make proper proof of such assessment work for each year hereof, in the name of the first parties as owners, and shall record the same in the Office of the County Clerk of Luna County, in due time each year.

12. That the second parties shall carry proper Workmen's Compensation insurance in full compliance with the laws of the State of New Mexico, at their own cost and expense, and shall hold the first parties harmless from any and all liability in connection with the said mining operations of the second party.

13. That second party shall keep a separate account of the manganese ore mined on said property; and that the first parties shall have the right and privilege of examining and inspecting the said mining books at any time and of taking copies of all records.

14. That the second parties shall mine and transport the said manganese ore in a practical and unifform manner; and that they will use great care and diligence to protect the property or persons on the land covered by this lease from any injury or damage.

THE TERMS AND CONDITIONS of this lease on the MILL-SITE, are as follows:

1. To pay as rent for the said real estate and premises a monthly rental of One Hundred and no/100ths. Dollars, ($100.00) per month, payable monthly in advance, commencing with the 1st day of June A. D. 1951.

2. That said second party shall have the use and occupancy of the said real estate and premises for all operations in connection with their mining and milling operations in the State of New Mexico and vicinity.

3. It is understood and agreed that the said second party shall have the right and option, at any time during the term hereof or the term of any renewal, at its own cost and expense, to construct and erect buildings, and/or improvements upon the said real estate; and that any and all such improvements shall be paid for in cash by the second party, so as not to create or incur any liens or obligations upon the said real estate. That the said second party shall properly post notices upon said real estate to the effect said realty is the property of the first parties herein and that any labor performed or materials furnished to the second party for improvements thereon, or otherwise, shall be the personal obligation of the second party and shall not create a lien upon said real estate and premises; said notices to be in full compliance and conformity with the laws of the State of New Mexico in such case made and provided.

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4. It is understood and agreed that the first parties, or their assigns in interest shall have the right and privilege of removing all of the improvements, mill buildings, equipment, machinery and chattels now situate upon the said property and premises at any time they may so desire to do.

It being provided, however, that all buildings other than the mill building and property, now situate upon said real estate are also covered by this lease and to remain-in-tact upon said premises during the term hereof, and to be returned and delivered to the first parties upon the expiration of this lease or any renewal or extension thereof.

It being further provided, that any new buildings, improvements or chattels hereafter placed upon the said real estate by the second party, at its own cost and expense, and which have been paid for by said second party shall be, and remain the property of the second party, and that same shall be subject to removal by the second party from said premises at any time during the term hereof, or within thirty days after expiration of this lease or of any renewal or extension thereof; PROVIDED, that all rentals due hereunder shall have been fully paid to the said first parties.

5. It is further understood and agreed that the first parties shall not be liable for any damage occasioned or occuring upon the said real estate, and that the second party shall hold said first parties harmless from any and all liability in connection with the use and occupancy of the said premises.

6. It is understood and agreed that ~~SECOND~~ parties shall pay all ad-valorum taxes on the realty, and that taxes imposed upon mill-buildings, plants, machinery and equipment and any and all other buildings or improvements placed upon said property by the second party shall also be paid by the said second party.

7. It is further understood and agreed that in addition to the rentals herein provided the said second party shall pay all utilities, water, gas, electricity, etc., and that the said second party shall make meter deposits for such utilities and that present meter deposits shall be withdrawn and refunded.

8. It is further understood and agreed that the second party shall, at its own costand expense, maintain and keep the water well located upon said premises in good repair and condition; provided that major repairs thereto which may become necessary and shall not be due to the neglects or acts of the second party shall be made at the cost and expense of the said first parties.

THAT THE FOLLOWING TERMS AND CONDITIONS are general and apply both to mining claims and mill site, to-wit:

1. It is expressly understood and agreed between the parties hereto, that if default be made in the payment of the royalties, rents, sums of money and benefits above reserved, or any part thereof, or of any of the covenants and agreements herein contained and encumbent upon said second party to keep and maintain, it shall be lawful for the parties of the first part, or their legal representative, at any time thereafter, at the election of the said first parties, without notice or demand or payment, royalties, rent or benefits to declare the said term ended and re-enter the said demised premises and property, and each thereof, either with or without process of law, and the said second party, or any person or persons occupying the same, to expel, remove and put out, using such force as may be necessary so to do, and the said premises and property again to repossess and enjoy as before this demise, without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenants.

2. It is further understood and agreed that at the expiration of the term hereof the said second party shall return and deliver possession of the said mining properties and mill site, real estate and improvements unto the said first parties in as good order and condition as when so received by it, ordinary wear, tear, and the Acts of God or the elements excepted.

3. It is understood and agreed that at the expiration of this lease, provided same is in good standing and valid, then and in such event the said second party shall have the right and option to renew same for an additional period of time upon such terms and conditions as shall be agreed upon between the parties hereto; and that the said second party shall exercise said right and option by giving the first parties sixty days written notice of such election to exercise this option prior to the date of termination hereof.

4. It is further understood and agreed that these presents shall apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the said first parties have hereunto set their hands and seals, and the second party has caused its name to be subscribed and its seal affixed by its duly authorized officers, the day and year in this instrument first above written.

P. L. Gratton SEAL.

Wilna R. Gratton SEAL.

First Parties.

FLORIDA MINES, INCORPORATED,
a Corporation.

By Chas M. Upham
President.

ATTEST:

Lewis Wynne Secretary.

STATE OF ~~NEW MEXICO~~ Texas,
COUNTY ~~OF LUNA~~ El Paso } ss

On this 12th day of ~~April~~ May, A. D. 1951, before me personally appeared P. L. Gratton and Wilna R. Gratton, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged to me that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

W E Lutz
Notary Public.

My commission expires:

June 1 1951

8-

STATE OF City of Washington)
COUNTY OF District of Columbia)

On this 24th day of ~~April~~ MAY, A. D. 1951, before me personally appeared Chas. M. Upham to me personally known, who, being by me duly sworn did say that he is the President President of Florida Mines, Incorporated, a corporation, and that the seal affixed to the said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of the said corporation by authority of its Board of Directors, and said Chas. M. Upham acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Maurice Love
Notary Public.

My commission expires:
My commission expires July 14, 1951

Form MF-003
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. .....

Date received .....

Participation .....

Florida Mines, Inc
606 Cafritz Building
Washington 6 D C

Name and address of applicant

Date .....

FILL IN THIS BLOCK

Date of application May 29, 1951

Estimated cost $100,000

Mineral or metal Manganese

Percentage of Government participation 75%

Location of mine Luna County, New Mexico

Date of filing MF-100 April 9, 1951

DMA Docket Number, if available DMA-859 ~ X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

Answers to all following questions attached.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted and the expenditure of funds which may be charged as costs of the project must be limited to that area or work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Florida Mines, Inc. (Name of company) By Chas M. Upham (Signature of authorized official)

5/29/51 (Date) Pres. (Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

May 28 1951

THE APPLICANT

1 - 5 Answered in Form MF-100

6 - Do not own property

7 - Copies of lease attached

8 - See Attached

9 - Applicant is prepared to invest his cost of project as detailed in Question 23.

THE PROPERTY

10- The exploration project will be done on the so-called Luna Vein under claims designated American 28 and 29. (See claim map, Plate 6, in Supplemental Proposal submitted March 29, 1951 - DMA859)

11- American Group of Claims

12- See MF-100, answer to Question 13

13- " " " " " 14

14- There are no useable facilities, buildings or structures now on property that will be devoted to this exploration project

15- Any ore found in exploration work could be shipped to proposed government sampling and Purchase Depot, which it is understood will be located at Deming, New Mexico.

16- See data in MF-100, answer to Question 7

17- " " " " " " 4 and 5

18- " " " " " " 12

19- No conditions known that are not covered in above.

FLORIDA MINES, INC.
DEMING, N. M.

WASHINGTON OFFICE
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STERLING 4588

THE EXPLORATION

20 - Oxidized Manganese Ore occurring in fissure veins in country rock.

21 - It is proposed to sink an exploratory shaft on the so-called Luna Vein, on American Claim No. 29, at a point about 800 feet north of the common end line of Lona May No. 1. The collar of this proposed shaft would be at about 4450 feet, whereas the collar of the 500-foot inclined Luna Shaft, on Lona May No. 2 is at about 4550 feet.

We would propose to sink this shaft a distance of approximately 100 feet or to an elevation corresponding to the 200-foot level of the Luna Shaft.

We would then prppose to drift first toward the south, and then possibly toward the north. Depending upon the results obtained in this work, we would then propose to sink another hundred feet, and then drift laterally.

Such a program could be completed in less than two years.

22- Lasky states on page 67, of U. S. Geological Survey, Bulletin 922-C that in the explored area of the two main developed veins of the district (Manganese Valley and Luna) ".....somewhat more than half the vein length on the average is occupied by ore...". The proposed lateral drifting is intended to verify this.

Geologic maps from U. S. Geologic Survey, Bulletin 922-C and Assay Map of the several present levels, appearing in U. S. Bureau of Mines, R. I. 4536 have been photostatted and are part of our original proposal DMA-859.

FLORIDA MINES, INC.
DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

THE REQUIREMENTS AND COSTS

23 - (a) Labor average underground labor .....$1.50 pr. hr.
surface " ..... 1.30 " "
The number will vary with the period

(b) Supervisor - Engineer-in-charge $500 pr. Mo.

(c) None

(d) Head Frame and Ore Chute.....$500
Hoist and Compressor House and
Change Room.....$500

(e) Purchased Equipment:

Jackhammers - medium sinkers - 2 at $250	$500
Drifters - 2 at $850	1700
4 - 50-ft. 1" air hose at $50	200
4 - 50-ft. 1/2" water hose at $25	100
Small tools - picks, shovels, axes, bars, moils, etc	250

(f) Rented Equipment

	Rental Per Month
Portable Compressor, gasoline drive, 210-CFM	$350
Hoist - Single Drum, gasoline driven, 15 HP	80

(g) None

(h) Supplies

(j) Cost of power, water, utilities.

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SUITE 606, CAFRITZ BUILDING
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24 - Time Schedule of the Project.

Month			
1st	Preparing Shaft side -		
	Bulldozer	$ 100.00	
	Labor - 20 man days at $10	200.00	
	1 Jackhammer - hose, etc	425.00	
	Small Tools	100.00	
	Tool House	75.00	
	Supervisor	500.00	
			$ 1,400
2nd	Headframe	500.00	
	Compressor Rental	350.00	
	Hoist Rental	80.00	
	Hoisting Rope 1/2" - 200' at 20¢	40.00	
	Bucket, car and rails	200.00	
	Sinking - 45 ft. (25 shifts at 1.8') at $52	2,340.00	
	Supervisor	500.00	
			$ 3,910
3rd	Sinking - 45 ft. (25shifts at 1.8'0 at $52	2,340.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			3,270
4th	Sinking 20 ft. (10 shifts at 2.0') at $52	1,040.00	
	100' -level drifting - south 60' (15 shifts at 4') at $20	300.00	
	Hoisting and top men (15 shifts) at $24	360.00	
	Equipment rentals	430.00	
	Supervisor	500.00	$ 2,630
5th	100'-Level drifting 200 ft. (50 shifts at 4') at $20	4,000.00	
	Hoisting and top men (25 shifts) at $24	600.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			5,530
6th	100' Level drifting 200 feet at $20	4,000.00	
	Hoisting and top men	600.00	
	Equipment Rentals	430.00	
	Supervisor	500.00	5,530
7th	100' Level Drifting 200 feet (same as 6th month.	5,530.00	5,530
	Forward		$ 27,800

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WASHINGTON 6, D. C.
STERLING 4588

24 - Time Schedule of the Project (Continued)

Month			
	Forward		$27,800
8th	Sinking 50 feet at $52	$2,600.00	
	Equipment Rentals	430.00	
	Supervisor	500.00	
			3,530
9th	Sinking 50 feet (same as 8th month)		3,530
10th	200' Level drifting 200 feet (same as 6th month)		5,530
11th	200' Level drifting 200 feet (same as 10th month)		5,530
12th	200' " " " " " "		5,530
13th	Sinking 50 feet (same as 9th month)		3,530
14th	" " " " " "		3,530
15th	300' Level drifting 200 feet (same as 12th month		5,530
16th	300' Level " " " "		5,530
17th	300' Level " " " "		5,530
18th	Sinking 50 feet (same as 13th month)		3,530
19th	Sinking 50 feet " "		3,530
20th	400' Level drifting 200 feet (same as 17th month		5,530
21st	400' Level drifting 200 feet " " "		5,530
22nd	400' Level Drifting 200 " " " "		5,530
	Total		$98,750.00

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

May 29 1951

FINANCIAL STATEMENT

ASSETS

Cash in Bank & Available	$ 16,142.48
43 Mining Claims	190,000.00
Equipment	21,820.00
	$227,962.48

LIABILITIES

Capital Stock issued	$ 22,250.00
Accounts payable - equipment	16,500.00
Miscellaneous organization expense	2,429.10
Capital Surplus	186,783.38
	$227,962.48

Corporation not yet in production - Profit and Loss statement therefore not available.

LEASE MINING PROPERTY AND

MILL SITE

THIS INDENTURE, Made and entered into this 12th day of ~~April~~ May, A. D. 1951, by and between P. L. Gratton and Wilna R. Gratton, his wife of El Paso, Texas, parties of the first part, and Florida Mines, Incorporated, of 606 Cafritz Building, Washington, D. C., a corporation, party of the second part.

WITNESSETH: That the first parties for and in consideration of the covenants and agreements herein mentioned to be kept and performed by the said second party, have demised and leased and by these presents do demise and lease unto the said party of the second part, all of the premises, real estate, improvements and unpatented lode mining claims situate as hereinafter described, to-wit:

MINING CLAIMS.

The unpatented lode mining claims situate in the Florida Mining District, Luna County, New Mexico, reference being made to the Location Notices thereof recorded as set forth below, in the Office of the County Clerk of said Luna County, New Mexico.

American No. 9	Book 6	Page 303-4
American No. 10	Book 6	Page 304-5
American No. 11	Book 6	Page 305
American No. 12	Book 6	Page 306
American No. 13	Book 6	Page 306-7
American No. 14	Book 6	Page 307
American No. 15	Book 6	Page 308
American No. 16	Book 6	Page 308-9
American No. 17	Book 6	Page 309-10
American No. 18	Book 6	Page 310
American No. 19	Book 6	Page 291-2
American No. 20	Book 6	Page 311
American No. 21	Book 6	Page 311-12
American No. 22	Book 6	Page 312-13
American No. 23	Book 6	Page 292
American No. 24	Book 6	Page 293
American No. 25	Book 6	Page 293-4
American No. 26	Book 6	Page 294
American No. 27	Book 6	Page 294-5
American No. 28	Book 6	Page 295-6
American No. 29	Book 6	Page 296
American No. 30	Book 6	Page 296-7

MILL SITE

Beginning at the quarter section corner on the east line of Section 26, Township 23 South, Range 9 West, N. M. P. M., thence westerly on the center line of said section 26, a distance of 2509 ft. to a point on the easterly right of way line of the A. T. & S. F. Ry., this being the SW corner of the tract being described, thence in a N. 52° 13' E. direction along said Ry. right of way line a distance of approximately 740 ft., to the NW corner, thence easterly a distance of 593.4 ft. to the NE corner, thence Southerly a distance of 467 ft. to the SE cor. this being a point on the center line of said Section 26, thence westerly along said center a distance of 1168.4 ft. to the place of beginning, being subject to the 60 ft. right of way of the County Road on the westerly line and containing 9.4 acres, exclusive of said County Road.

EXCLUDING the mill known as Gratton's Mill located on said real estate.

TO HAVE AND TO HOLD, the above described unpatented mining claims for mining purposes and the above real estate and Mill Site for a period of 5 years from date hereof, commencing on the 12th day of May A. D. 1951, and being for, during and until the 12th day of May A. D. 1956.

THE TERMS AND CONDITIONS of this lease on the unpatented lode mining claims are as follows:

1. To put and sustain the parties of the second part in the quiet and undisturbed possession of said premises, to the extent herein and hereby granted to them, for and during the term herein mentioned.

2. That the party of the second part shall have the right to use any of the surface of the said premises to the extent that may be necessary to mine and carry away the said ore, as provided in this contract, and shall have the right to remove any obstructions that may be in the way of mining the said ore.

3. That party of the second part shall have the right to construct such road or roads, or any other structures over the said premises for the purpose of transporting the said ore from the premises hereinabove described.

4. That the party of the second may construct any buildings on the said leased premises, at such points as may be desired by party of the second part.

5. That parties of the first part shall have the right to cancel and annul this contract if the party of the second part shall (1) fail or refuse or neglect to make payments for royalty for the said manganese ore mined and taken from said premises, or the minimum amount as herein provided for, at the time and to the amount herein stipulated, or (2) shall fail or refuse or neglect to mine the said managanese ore in the manner herein provided for; or

(3) shall violate in any manner any of the agreements of the party of the second part.

6. That the second party shall have immediate possession of the said mining property and shall within 60 days from date hereof commence the mining and operation of the said mining property and shall continue to work said mining claims during all of the term hereof and shall continue to work not less than sixty shifts each month during the continuance of this lease; and a failure to prosecute said work as herein specified for a period of 60 days shall, at the option of the first parties, work a forfeiture of this lease.

7. That the second party shall have possession of the said mining properties to mine, remove, ship and sell ores therefrom; and which said mining operations shall be performed in a good and minerlike manner, in accordance with the customs of miners in this section; and that the said first parties or their representative or agent shall have the right at any and all times to inspect any work so performed by the second party and to examine the said mining properties, or either of them.

8. That the said second party shall upon the 10th day of each and every month hereafter pay to the first parties at their designated place of payment, a royalty of 10% on all ores sold and shipped from the said property during the preceeding month; and that second party shall instruct the mill or smelter handling such ores to make payment of said 10% royalty direct to the said first parties.

9. That the second party shall perform all work on said mining properties and claims in a good and minerlike manner, with especialy reference to the preservation and development of the said mining property as workable mines, properly timbering same wherever necessary, and shall keep any and all shafts where work is being performed by them, free and clear of all water, rubbish, waste and other materials.

10. It is understood and agreed that the said first parties shall deliver possession of the said mining properties to the second party free and clear of all liens and encumbrances; and that the said second party shall post and maintain in conspicuous places on said mining claims and properties, in full compliance with the law relative to same, proper notices in writing, thereby giving notice to the public that the said properties are being operated by the second party under this lease without liability to the owners thereof; and that the said second party shall, at its own cost and expense, keep the said mining claims and each and all of them free and clear from all liens and encumbrances originating from the operation of the said properties under this lease.

11. It is further understood and agreed that the said second party shall, at its own cost and expense, perform all assessment work required under the laws of the United States of America during the term hereof; and that said second party shall make proper proof of such assessment work for each year hereof, in the name of the first parties as owners, and shall record the same in the Office of the County Clerk of Luna County, in due time each year.

12. That the second parties shall carry proper Workmen's Compensation insurance in full compliance with the laws of the State of New Mexico, at their own cost and expense, and shall hold the first parties harmless from any and all liability in connection with the said mining operations of the second party.

13. That second party shall keep a separate account of the manganese ore mined on said property; and that the first parties shall have the right and privilege of examining and inspecting the said mining books at any time and of taking copies of all records.

14. That the second parties shall mine and transport the said manganese ore in a practical and uniform manner; and that they will use great care and diligence to protect the property or persons on the land covered by this lease from any injury or damage.

THE TERMS AND CONDITIONS of this lease on the MILL-SITE, are as follows:

1. To pay as rent for the said real estate and premises a monthly rental of One Hundred and no/100ths. Dollars, ($100.00) per month, payable monthly in advance, commencing with the 1st day of June A. D. 1951.

2. That said second party shall have the use and occupancy of the said real estate and premises for all operations in connection with their mining and milling operations in the State of New Mexico and vicinity.

3. It is understood and agreed that the said second party shall have the right and option, at any time during the term hereof or the term of any renewal, at its own cost and expense, to construct and erect buildings, and/or improvements upon the said real estate; and that any and all such improvements shall be paid for in cash by the second party, so as not to create or incur any liens or obligations upon the said real estate. That the said second party shall properly post notices upon said real estate to the effect said realty is the property of the first parties herein and that any labor performed or materials furnished to the second party for improvements thereon, or otherwise, shall be the personal obligation of the second party and shall not create a lien upon said real estate and premises; said notices to be in full compliance and conformity with the laws of the State of New Mexico in such case made and provided.

4. It is understood and agreed that the first parties, or their assigns in interest shall have the right and privilege of removing all of the improvements, mill buildings, equipment, machinery and chattels now situate upon the said property and premises at any time they may so desire to do.

It being provided, however, that all buildings other than the mill building and property, now situate upon said real estate are also covered by this lease and to remain-in-tact upon said premises during the term hereof, and to be returned and delivered to the first parties upon the expiration of this lease or any renewal or extension thereof.

It being further provided, that any new buildings, improvements or chattels hereafter placed upon the said real estate by the second party, at its own cost and expense, and which have been paid for by said second party shall be, and remain the property of the second party, and that same shall be subject to removal by the second party from said premises at any time during the term hereof, or within thirty days after expiration of this lease or of any renewal or extension thereof; PROVIDED, that all rentals due hereunder shall have been fully paid to the said first parties.

5. It is further understood and agreed that the first parties shall not be liable for any damage occasioned or occuring upon the said real estate, and that the second party shall hold said first parties harmless from any and all liability in connection with the use and occupancy of the said premises.

6. It is understood and agreed that SECOND parties shall pay all ad-valorum taxes on the realty, and that taxes imposed upon mill-buildings, plants, machinery and equipment and any and all other buildings or improvements placed upon said property by the second party shall also be paid by the said second party.

7. It is further understood and agreed that in addition to the rentals herein provided the said second party shall pay all utilities, water, gas, electricity, etc., and that the said second party shall make meter deposits for such utilities and that present meter deposits shall be withdrawn and refunded.

8. It is further understood and agreed that the second party shall, at its own costand expense, maintain and keep the water well located upon said premises in good repair and condition; provided that major repairs thereto which may become necessary and shall not be due to the neglects or acts of the second party shall be made at the cost and expense of the said first parties.

THAT THE FOLLOWING TERMS AND CONDITIONS are general and apply both to mining claims and mill site, to-wit:

1. It is expressly understood and agreed between the parties hereto, that if default be made in the payment of the royalties, rents, sums of money and benefits above reserved, or any part thereof, or of any of the covenants and agreements herein contained and encumbent upon said second party to keep and maintain, it shall be lawful for the parties of the first part, or their legal representative, at any time thereafter, at the election of the said first parties, without notice or demand or payment, royalties, rent or benefits to declare the said term ended and re-enter the said demised premises and property, and each thereof, either with or without process of law, and the said second party, or any person or persons occupying the same, to expel, remove and put out, using such force as may be necessary so to do, and the said premises and property again to repossess and enjoy as before this demise, without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenants.

2. It is further understood and agreed that at the expiration of the term hereof the said second party shall return and deliver possession of the said mining properties and mill site, real estate and improvements unto the said first parties in as good order and condition as when so received by it, ordinary wear, tear, and the Acts of God or the elements excepted.

3. It is understood and agreed that at the expiration of this lease, provided same is in good standing and valid, then and in such event the said second party shall have the right and option to renew same for an additional period of time upon such terms and conditions as shall be agreed upon between the parties hereto; and that the said second party shall exercise said right and option by giving the first parties sixty days written notice of such election to exercise this option prior to the date of termination hereof.

4. It is further understood and agreed that these presents shall apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the said first parties have hereunto set their hands and seals, and the second party has caused its name to be subscribed and its seal affixed by its duly authorized officers, the day and year in this instrument first above written.

P. L. Gratton SEAL.

Wilna R. Gratton SEAL.

First Parties.

FLORIDA MINES, INCORPORATED,
a Corporation.

By Chas M. Upham
President.

ATTEST:

Lewis Wynne Secretary.

STATE OF ~~NEW MEXICO~~ Texas,
COUNTY ~~OF LUNA~~ El Paso } ss

On this 12th day of ~~April~~ May, A. D. 1951, before me personally appeared P. L. Gratton and Wilna R. Gratton, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged to me that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

W E Lutz
Notary Public.

My commission expires:

June 1 1951

8-

STATE OF City of Washington)
COUNTY OF District of Columbia)

On this 24th day of ~~April~~ MAY, A. D. 1951, before me personally appeared Chas. M. Upham to me personally known, who, being by me duly sworn did say that he is the President President of Florida Mines, Incorporated, a corporation, and that the seal affixed to the said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of the said corporation by authority of its Board of Directors, and said Chas. M. Upham acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Maurice Love
Notary Public.

My commission expires:
My commission expires July 14, 1951

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DM A-859

Date received

Participation

Florida Mines, Inc
606 Cafritz Building
Washington 6 D C

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 26 1952

Name and address of applicant

Date

FILL IN THIS BLOCK

Date of application May 29, 1951

Estimated cost $100,000

Mineral or metal Manganese

Percentage of Government participation 75%

Location of mine Luna County, New Mexico

Date of filing MF-100 April 9, 1951

DMA Docket Number, if available DMA-859 — X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

Answers to all following questions attached.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted and the expenditure of funds which may be charged as costs of the project must be limited to that area or work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.
*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.
*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.
*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.
15. State in detail how the ore could be shipped and how and where milled.
*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.
*17. Production:
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.
19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?
21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.
22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.
24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Florida Mines, Inc
(Name of company)

By Chas M. Upham
(Signature of authorized official)

5/29/51
(Date)

Pres.
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

May 28 1951

THE APPLICANT

1 - 5 Answered in Form MF-100

6 - Do not own property

7 - Copies of lease attached

8 - See Attached

9 - Applicant is prepared to invest his cost of project as detailed in Question 23.

THE PROPERTY

10- The exploration project will be done on the so-called Luna Vein under claims designated American 28 and 29. (See claim map, Plate 6, in Supplemental Proposal submitted March 29, 1951 - DMA859)

11- American Group of Claims

12- See MF-100, answer to Question 13

13- " " " " " 14

14- There are no useable facilities, buildings or structures now on property that will be devoted to this exploration project

15- Any ore found in exploration work could be shipped to proposed government sampling and Purchase Depot, which it is understood will be located at Deming, New Mexico.

16- See data in MF-100, answer to Question 7

17- " " " " " " 4 and 5

18- " " " " " " 12

19- No conditions known that are not covered in above.

FLORIDA MINES, INC.
DEMING, N. M.

WASHINGTON OFFICE
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THE EXPLORATION

20 - Oxidized Manganese Ore occurring in fissure veins in country rock.

21 - It is proposed to sink an exploratory shaft on the so-called Luna Vein, on American Claim No. 29, at a point about 800 feet north of the common end line of Lona May No. 1. The collar of this proposed shaft would be at about 4450 feet, whereas the collar of the 500-foot inclined Luna Shaft, on Lona May No. 2 is at about 4550 feet.

We would propose to sink this shaft a distance of approximately 100 feet or to an elevation corresponding to the 200-foot level of the Luna Shaft.

We would then prppose to drift first toward the south, and then possibly toward the north. Depending upon the results obtained in this work, we would then propose to sink another hundred feet, and then drift laterally.

Such a program could be completed in less than two years.

22- Lasky states on page 67, of U. S. Geological Survey, Bulletin 922-C that in the explored area of the two main developed veins of the district (Manganese Valley and Luna) ".....somewhat more than half the vein length on the average is occupied by ore...". The proposed lateral drifting is intended to verify this.

Geologic maps from U. S. Geologic Survey, Bulletin 922-C and Assay Map of the several present levels, appearing in U. S. Bureau of Mines, R. I. 4536 have been photostatted and are part of our original proposal DMA-859.

FLORIDA MINES, INC.
DEMING, N. M.

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THE REQUIREMENTS AND COSTS

23 - (a) Labor average underground labor .....$1.50 pr. hr.
surface " ..... 1.30 " "
The number will vary with the period

(b) Supervisor - Engineer-in-charge $500 pr. Mo.

(c) None

(d) Head Frame and Ore Chute.....$500
Hoist and Compressor House and
Change Room.....$500

(e) Purchased Equipment:
Jackhammers - medium sinkers - 2 at $250.....$500
Drifters - 2 at $850.....1700
4 - 50-ft. 1" air hose at $50..... 200
4 - 50-ft. 1/2" water hose at $25..... 100
Small tools - picks, shovels, axes, bars,
moils, etc..... 250

(f) Rented Equipment — Rental Per Month
Portable Compressor, gasoline drive, 210-CFM — $350
Hoist - Single Drum, gasoline driven, 15 HP — 80

(g) None

(h) Supplies

(j) Cost of power, water, utilities.

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24 - Time Schedule of the Project.

Month			
1st	Preparing Shaft side -		
	Bulldozer	$ 100.00	
	Labor - 20 man days at $10	200.00	
	1 Jackhammer - hose, etc	425.00	
	Small Tools	100.00	
	Tool House	75.00	
	Supervisor	500.00	
			$ 1,400
2nd	Headframe	500.00	
	Compressor Rental	350.00	
	Hoist Rental	80.00	
	Hoisting Rope 1/2" - 200' at 20¢	40.00	
	Bucket, car and rails	200.00	
	Sinking - 45 ft. (25 shifts at 1.8') at $52	2,340.00	
	Supervisor	500.00	
			$ 3,910
3rd	Sinking - 45 ft. (25shifts at 1.8'0 at $52	2,340.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			3,270
4th	Sinking 20 ft. (10 shifts at 2.0') at $52	1,040.00	
	100' -level drifting - south 60' (15 shifts at 4') at $20	300.00	
	Hoisting and top men (15 shifts) at $24	360.00	
	Equipment rentals	430.00	
	Supervisor	500.00	$ 2,630
5th	100'-Level drifting 200 ft. (50 shifts at 4') at $20	4,000.00	
	Hoisting and top men (25 shifts) at $24	600.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			5,530
6th	100' Level drifting 200 feet at $20	4,000.00	
	Hoisting and top men	600.00	
	Equipment Rentals	430.00	
	Supervisor	500.00	5,530
7th	100' Level Drifting 200 feet (same as 6th month.	5,530.00	5,530
	Forward		$ 27,800

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24 - Time Schedule of the Project (Continued)

Month			
	Forward		$27,800
8th	Sinking 50 feet at $52	$2,600.00	
	Equipment Rentals	430.00	
	Supervisor	500.00	
			3,530
9th	Sinking 50 feet (same as 8th month)		3,530
10th	200' Level drifting 200 feet (same as 6th month)		5,530
11th	200' Level drifting 200 feet (same as 10th month)		5,530
12th	200' " " " " " "		5,530
13th	Sinking 50 feet (same as 9th month)		3,530
14th	" " " " " "		3,530
15th	300' Level drifting 200 feet (same as 12th month		5,530
16th	300' Level " " " "		5,530
17th	300' Level " " " "		5,530
18th	Sinking 50 feet (same as 13th month)		3,530
19th	Sinking 50 feet " "		3,530
20th	400' Level drifting 200 feet (same as 17th month		5,530
21st	400' Level drifting 200 feet " " "		5,530
22nd	400' Level Drifting 200 " " " "		5,530
	Total		$98,750.00

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

May 29 1951

FINANCIAL STATEMENT

ASSETS

Cash in Bank & Available	$ 16,142.48
43 Mining Claims	190,000.00
Equipment	21,820.00
	$227,962.48

LIABILITIES

Capital Stock issued	$ 22,250.00
Accounts payable - equipment	16,500.00
Miscellaneous organization expense	2,429.10
Capital Surplus	186,783.38
	$227,962.48

Corporation not yet in production - Profit and Loss statement therefore not available.

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

May 29 1951

FINANCIAL STATEMENT

A S S E T S

Cash in Bank & Available	$ 16,142.48
43 Mining Claims	190,000.00
Equipment	21,820.00
	$227,962.48

L I A B I L I T I E S

Capital Stock issued	$ 22,250.00
Accounts payable - equipment	16,500.00
Miscellaneous organization expense	2,429.10
Capital Surplus	186,783.38
	$227,962.48

Corporation not yet in production - Profit and Loss statement therefore not available.

LEASE MINING PROPERTY AND

MILL SITE

THIS INDENTURE, Made and entered into this 12th day of ~~April~~ May, A. D. 1951, by and between P. L. Gratton and Wilma R. Gratton, his wife of El Paso, Texas, parties of the first part, and Florida Mines, Incorporated, of 606 Cafritz Building, Washington, D. C., a corporation, party of the second part.

WITNESSETH: That the first parties for and in consideration of the covenants and agreements herein mentioned to be kept and performed by the said second party, have demised and leased and by these presents do demise and lease unto the said party of the second part, all of the premises, real estate, improvements and unpatented lode mining claims situate as hereinafter described, to-wit:

MINING CLAIMS.

The unpatented lode mining claims situate in the Florida Mining District, Luna County, New Mexico, reference being made to the Location Notices thereof recorded as set forth below, in the Office of the County Clerk of said Luna County, New Mexico.

American No. 9	Book 6	Page 303-4
American No. 10	Book 6	Page 304-5
American No. 11	Book 6	Page 305
American No. 12	Book 6	Page 306
American No. 13	Book 6	Page 306-7
American No. 14	Book 6	Page 307
American No. 15	Book 6	Page 308
American No. 16	Book 6	Page 308-9
American No. 17	Book 6	Page 309-10
American No. 18	Book 6	Page 310
American No. 19	Book 6	Page 291-2
American No. 20	Book 6	Page 311
American No. 21	Book 6	Page 311-12
American No. 22	Book 6	Page 312-13
American No. 23	Book 6	Page 292
American No. 24	Book 6	Page 293
American No. 25	Book 6	Page 293-4
American No. 26	Book 6	Page 294
American No. 27	Book 6	Page 294-5
American No. 28	Book 6	Page 295-6
American No. 29	Book 6	Page 296
American No. 30	Book 6	Page 296-7

2

MILL SITE

Beginning at the quarter section corner on the east line of Section 26, Township 23 South, Range 9 West, N. M. P. M., thence westerly on the center line of said section 26, a distance of 2509 ft. to a point on the easterly right of way line of the A. T. & S. F. Ry., this being the SW corner of the tract being described, thence in a N. 52° 13' E. direction along said Ry. right of way line a distance of approximately 740 ft., to the NW corner, thence easterly a distance of 593.4 ft. to the NE corner, thence Southerly a distance of 467 ft. to the SE cor. this being a point on the center line of said Section 26, thence westerly along said center a distance of 1168.4 ft. to the place of beginning, being subject to the 60 ft. right of way of the County Road on the westerly line and containing 9.4 acres, exclusive of said County Road.

EXCLUDING the mill known as Gratton's Mill located on said real estate.

TO HAVE AND TO HOLD, the above described unpatented mining claims for mining purposes and the above real estate and Mill Site for a period of 5 years from date hereof, commencing on the 12th day of May A. D. 1951, and being for, during and until the 12th day of May A. D. 1956.

THE TERMS AND CONDITIONS of this lease on the unpatented lode mining claims are as follows:

1. To put and sustain the parties of the second part in the quiet and undisturbed possession of said premises, to the extent herein and hereby granted to them, for and during the term herein mentioned.

2. That the party of the second part shall have the right to use any of the surface of the said premises to the extent that may be necessary to mine and carry away the said ore, as provided in this contract, and shall have the right to remove any obstructions that may be in the way of mining the said ore.

3. That party of the second part shall have the right to construct such road or roads, or any other structures over the said premises for the purpose of transporting the said ore from the premises hereinabove described.

4. That the party of the second may construct any buildings on the said leased premises, at such points as may be desired by party of the second part.

5. That parties of the first part shall have the right to cancel and annul this contract if the party of the second part shall (1) fail or refuse or neglect to make payments for royalty for the said manganese ore mined and taken from said premises, or the minimum amount as herein provided for, at the time and to the amount herein stipulated, or (2) shall fail or refuse or neglect to mine the said managanese ore in the manner herein provided for; or

(3) shall violate in any manner any of the agreements of the party of the second part.

6. That the second party shall have immediate possession of the said mining property and shall within 60 days from date hereof commence the mining and operation of the said mining property and shall continue to work said mining claims during all of the term hereof and shall continue to work not less than sixty shifts each month during the continuance of this lease; and a failure to prosecute said work as herein specified for a period of 60 days shall, at the option of the first parties, work a forfeiture of this lease.

7. That the second party shall have possession of the said mining properties to mine, remove, ship and sell ores therefrom; and which said mining operations shall be performed in a good and minerlike manner, in accordance with the customs of miners in this section; and that the said first parties or their representative or agent shall have the right at any and all times to inspect any work so performed by the second party and to examine the said mining properties, or either of them.

8. That the said second party shall upon the 10th day of each and every month hereafter pay to the first parties at their designated place of payment, a royalty of 10% on all ores sold and shipped from the said property during the preceeding month; and that second party shall instruct the mill or smelter handling such ores to make payment of said 10% royalty direct to the said first parties.

9. That the second party shall perform all work on said mining properties and claims in a good and minerlike manner, with especialy reference to the preservation and development of the said mining property as workable mines, properly timbering same wherever necessary, and shall keep any and all shafts where work is being performed by them, free and clear of all water, rubbish, waste and other materials.

10. It is understood and agreed that the said first parties shall deliver possession of the said mining properties to the second party free and clear of all liens and encumbrances; and that the said second party shall post and maintain in conspicuous places on said mining claims and properties, in full compliance with the law relative to same, proper notices in writing, thereby giving notice to the public that the said properties are being operated by the second party under this lease without liability to the owners thereof; and that the said second party shall, at its own cost and expense, keep the said mining claims and each and all of them free and clear from all liens and encumbrances originating from the operation of the said properties under this lease.

11. It is further understood and agreed that the said second party shall, at its own cost and expense, perform all assessment work required under the laws of the United States of America during the term hereof; and that said second party shall make proper proof of such assessment work for each year hereof, in the name of the first parties as owners, and shall record the same in the Office of the County Clerk of Luna County, in due time each year.

12. That the second parties shall carry proper Workmen's Compensation insurance in full compliance with the laws of the State of New Mexico, at their own cost and expense, and shall hold the first parties harmless from any and all liability in connection with the said mining operations of the second party.

13. That second party shall keep a separate account of the manganese ore mined on said property; and that the first parties shall have the right and privilege of examining and inspecting the said mining books at any time and of taking copies of all records.

14. That the second parties shall mine and transport the said manganese ore in a practical and unifform manner; and that they will use great care and diligence to protect the property or persons on the land covered by this lease from any injury or damage.

THE TERMS AND CONDITIONS of this lease on the MILL-SITE, are as follows:

1. To pay as rent for the said real estate and premises a monthly rental of One Hundred and no/100ths. Dollars, ($100.00) per month, payable monthly in advance, commencing with the 1st day of June A. D. 1951.

2. That said second party shall have the use and occupancy of the said real estate and premises for all operations in connection with their mining and milling operations in the State of New Mexico and vicinity.

3. It is understood and agreed that the said second party shall have the right and option, at any time during the term hereof or the term of any renewal, at its own cost and expense, to construct and erect buildings, and/or improvements upon the said real estate; and that any and all such improvements shall be paid for in cash by the second party, so as not to create or incur any liens or obligations upon the said real estate. That the said second party shall properly post notices upon said real estate to the effect said realty is the property of the first parties herein and that any labor performed or materials furnished to the second party for improvements thereon, or otherwise, shall be the personal obligation of the second party and shall not create a lien upon said real estate and premises; said notices to be in full compliance and conformity with the laws of the State of New Mexico in such case made and provided.

4. It is understood and agreed that the first parties, or their assigns in interest shall have the right and privilege of removing all of the improvements, mill buildings, equipment, machinery and chattels now situate upon the said property and premises at any time they may se desire to do.

It being provided, however, that all buildings other than the mill building and property, now situate upon said real estate are also covered by this lease and to remain-in-tact upon said premises during the term hereof, and to be returned and delivered to the first parties upon the expiration of this lease or any renewal or extension thereof.

It being further provided, that any new buildings, improvements or chattels hereafter placed upon the said real estate by the second party, at its own cost and expense, and which have been paid for by said second party shall be, and remain the property of the second party, and that same shall be subject to removal by the second party from said premises at any time during the term hereof, or within thirty days after expiration of this lease or of any renewal or extension thereof; PROVIDED, that all rentals due hereunder shall have been fully paid to the said first parties.

5. It is further understood and agreed that the first parties shall not be liable for any damage occasioned or occuring upon the said real estate, and that the second party shall hold said first parties harmless from any and all liability in connection with the use and occupancy of the said premises.

6. It is understood and agreed that SECOND parties shall pay all ad-valorum taxes on the realty, and that taxes imposed upon mill-buildings, plants, machinery and equipment and any and all other buildings or improvements placed upon said property by the second party shall also be paid by the said second party.

7. It is further understood and agreed that in addition to the rentals herein provided the said second party shall pay all utilities, water, gas, electricity, etc., and that the said second party shall make meter deposits for such utilities and that present meter deposits shall be withdrawn and refunded.

8. It is further understood and agreed that the second party shall, at its own costand expense, maintain and keep the water well located upon said premises in good repair and condition; provided that major repairs thereto which may become necessary and shall not be due to the neglects or acts of the second party shall be made at the cost and expense of the said first parties.

THAT THE FOLLOWING TERMS AND CONDITIONS are general and apply both to mining claims and mill site, to-wit:

1. It is expressly understood and agreed between the parties hereto, that if default be made in the payment of the royalties, rents, sums of money and benefits above reserved, or any part thereof, or of any of the covenants and agreements herein contained and encumbent upon said second party to keep and maintain, it shall be lawful for the parties of the first part, or their legal representative, at any time thereafter, at the election of the said first parties, without notice or demand or payment, royalties, rent or benefits to declare the said term ended and re-enter the said demised premises and property, and each thereof, either with or without process of law, and the said second party, or any person or persons occupying the same, to expel, remove and put out, using such force as may be necessary so to do, and the said premises and property again to repossess and enjoy as before this demise, without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenants.

2. It is further understood and agreed that at the expiration of the term hereof the said second party shall return and deliver possession of the said mining properties and mill site, real estate and improvements unto the said first parties in as good order and condition as when so received by it, ordinary wear, tear, and the acts of God or the elements excepted.

3. It is understood and agreed that at the expiration of this lease, provided same is in good standing and valid, then and in such event the said second party shall have the right and option to renew same for an additional period of time upon such terms and conditions as shall be agreed upon between the parties hereto; and that the said second party shall exercise said right and option by giving the first parties sixty days written notice of such election to exercise this option prior to the date of termination hereof.

4. It is further understood and agreed that these presents shall apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto.

7

IN WITNESS WHEREOF, the said first parties have hereunto set their hands and seals, and the second party has caused its name to be subscribed and its seal affixed by its duly authorized officers, the day and year in this instrument first above written.

P. L. Gratton SEAL.

Wilna R. Gratton SEAL.

First Parties.

FLORIDA MINES, INCORPORATED,
a Corporation.

By Chas M. Upham
President.

ATTEST:

Louie Wynne Secretary.

STATE OF ~~NEW MEXICO~~ Texas,
COUNTY ~~OF LUNA~~ El Paso } ss

On this 12th day of ~~April~~ May, A. D. 1951, before me personally appeared P. L. Gratton and Wilna R. Gratton, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged to me that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

W E Lutz
Notary Public.

My commission expires:

June 1 1951

8-

STATE OF City of Washington)
)
COUNTY OF District of Columbia)

On this 24th day of ~~April~~ MAY, A. D. 1951, before me personally appeared Chas. M. Upham to me personally known, who, being by me duly sworn did say that he is the President President of Florida Mines, Incorporated, a corporation, and that the seal affixed to the said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of the said corporation by authority of its Board of Directors, and said Chas. M. Upham acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Maurice Love
Notary Public.

My commission expires:
My commission expires July 14, 1951

340 FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

SEP 13 1951

Howard Holderer

a. E. C.

Florida Mines, Inc.
Suite 606
Cafritz Building
Washington 6, D. C.

In reply please refer to
DMA-859

Gentlemen:

The report of our field team on your property indicates that an exploration program involving shaft sinking and drifting is not justified from the present surface indications. We regret that we must deny your application.

Very truly yours,

Tom Lyon

Tom Lyon, Director
Supply Division

J 9/13

TJBallard:ec
Sept. 12, 1951

CC: Adm. Reading File
DMA Docket File
Field Team Region IV
Mr. Holderer

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

SEP 13 1951

Ballard
Holderer

Memorandum

To: Reports and Records Unit

Through: Director, Supply Division

From: Manganese Branch

Subject: [illegible] Manganese, Florida Mines, Inc.
Suite 606, Mafritz Building
1625 Eye Street, N. W.
Washington, D. C.
Property: Dana and American groups of claims largely in Sec. [illegible], T. [illegible] S., R. [illegible] E. Little Florida Mountain Mining District, Dona County, New Mexico.

The subject application for an exploration loan to finance a $100,000 project was referred to the field for an examination on July 18, 1951. The field team report indicates that a program of this size is not warranted, and since the applicant is not interested in more surface exploration, it is necessary to deny the application.

Manganese oxides occur in veins in a fanglomerate derived from volcanic rocks.

Other than a small production from the Dana Mine, very little ore has been taken from the claims. Total indicated and inferred ore reserves are about 16,000 tons containing approximately 20 percent manganese.

George B. Holderer

George B. Holderer
Chief, Manganese Branch

JF 9/13

Attachment

Approved:

Tom Lyon

Director, Supply Division

TJBallard:ec
Sept. 12, 1951

CC: Adm. Reading File
DMA Docket File
Mr. Holderer
Field Team Region IV

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

SEP 13 1951

Memorandum

To: Reports and Records Unit

Through: Director, Supply Division

From: Manganese Branch

Subject: DMA-859 Manganese, Florida Mines, Inc.
Suite 606, Cafritz Building
1625 Eye Street, N. W.
Washington, D. C.
Property: Luna and American groups of claims largely in Sec. 18, T. 24 S., R. 7 W. Little Florida Mountain Mining District, Luna County, New Mexico.

The subject application for an exploration loan to finance a $100,000 project was referred to the field for an examination on July 18, 1951. The field team report indicates that a program of this size is not warranted, and since the applicant is not interested in more surface exploration, it is necessary to deny the application.

Manganese oxides occur in veins in a fanglomerate derived from volcanic rocks.

Other than a small production from the Luna Mine, very little ore has been taken from the claims. Total indicated and inferred ore reserves are about 16,000 tons containing approximately 20 percent manganese.

George B. Holderer
Chief, Manganese Branch

Attachment

Approved:

Tom Lyon
Director, Supply Division

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

OFFICE OF
REGIONAL DIRECTOR

REGION IV

Air Mail

224 NEW CUSTOMHOUSE
DENVER 2, COLORADO

August 28, 1951

Memorandum

To: Executive Secretary, Defense Minerals Administration

From: DMA Field Team, Region IV

Subject: Docket DMA-6972, Final Report, Florida Mines, Inc., American and Luna Manganese Groups, Little Florida Mining District, Luna County, New Mexico

We are enclosing original and two copies of the above report.

The engineer recommends denial of the application, and we concur with his recommendation.

J. H. East, Jr.

for A. N. Kopchanoff

enclosures

Mining Division
Region IV

August 27, 1951

Memorandum

To: Field Team, Region IV

From: Chief, Mining Division, Region IV

Subject: Docket DMs-8971, Final Report, Florida Mines, Inc., American and Lone Mahogany Groups, Little Florida Mining District, Lunn County, New Mexico

The application of the subject date was for an exploration lease of $10,000 for the purpose of shaft sinking and drifting on the American group of claims. Former surface exploration on the claims by the U. S. Bureau of Mines and private trenching has shown that the veins are narrow and low in grade.

The consulting engineer recommends denial of the application, with which I concur.

W. H. King

W. H. King
for Paul E. Allison

Mining Division
Date Rec'd.
AUG 1951
BUREAU OF MINES
Denver, Colorado

MINING DIVISION
REGION IV

August 21, 1951

Memorandum

To : Paul T. Allaman, Denver, Colorado

From : Chief, Arizona-New Mexico Br., Mining Div., Region IV

Subject: Final Report, DMA Docket 8581, Florida Mines, Inc., American and Luna Manganese Groups, Little Florida Mountains Mining District, Luna County, N. Mex.

Enclosed are original and 7 copies of the above report by John E. Searle of the Bureau of Mines. No separate geological report will be submitted. Samuel G. Lasky thoroughly examined the district in 1938 and reported his findings in the Geological Survey's bulletin 924 C. As you know, the Bureau of Mines also explored the district fairly thoroughly in 1940 and 1941. A brief report of that work by A. M. Evans is given in Report of Investigations 4536.

Although Searle's report is fairly brief, I believe it covers the essential points. He seems to think that additional surface trenching might be done to uncover possible ore shoots in the veins but evidently Florida Mines, Inc. does not wish to do any further trenching.

This report has my approval.

Brochure is enclosed.

Walter R. Storms

SC P. T. Allaman (7)
C. A. Anderson
DMA 8581
MF

UNITED STATES
DEPARTMENT OF THE INTERIOR
OSCAR L. CHAPMAN, SECRETARY

BUREAU OF MINES ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

DMA-8-3A - Florida Mines, Inc., American and Luna Manganese Groups, Little Florida Mountains Mining District, Luna County, New Mexico

John H. Soule', Mining Engineer
U. S. Bureau of Mines

August 1951

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

by John H. Soule[1/]

Early in 1951, Florida Mines Inc. applied to the Defense Minerals Administration for Government assistance under the Defense Production Act of 1950 to explore for manganese in the Little Florida Mountains Mining District, Luna County, New Mexico. The application, Docket DMA-659A, proposed to spend $98,750 for shaft sinking and drifting on the American group of claims. The company had leased the American group and subleased the Luna group.

Manganese oxides occur in veins in a fanglomerate derived from volcanic rocks.

Other than a small production from the Luna mine, very little ore has been taken from the American and Luna claims. Ore reserves are small. A total of 16,000 tons of ore, containing nearly 20 percent manganese, is indicated and inferred. Practically all of these reserves are credited to the Luna mine.

Although much exploratory work has been done on the American and Luna group of claims, most of it has been negative. Areas worthy of exploring may still exist. This work can best be done by trenching and testpitting.

Because of the narrowness and poor mineralization of the vein where the proposed exploration was to be done, such a program cannot be recommended. Additional trenching and testpitting may be feasible but

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1/ Mining Engineer, U. S. Bureau of Mines

Florida Lines Inc. is uninterested in this type of work at the present time.

FLORIDA MINES, INC.
AMERICAN AND LUNA MANGANESE GROUPS
LITTLE FLORIDA MOUNTAINS MINING DISTRICT
LUNA COUNTY, N. MEX.
BLM DOCKET 859 a

Engineering Report

By John R. Soule'
Mining Engineer
U. S. Bureau of Mines

August 1951

FLORIDA MINES, INC.
AMERICAN AND LUNA MANGANESE GROUPS
LITTLE FLORIDA MOUNTAINS MINING DISTRICT
LUNA COUNTY, NEW MEXICO
SEC DOCKET 8598

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INTRODUCTION

Early in 1951, Florida Mines, Inc. applied for Government assistance under the Defense Production Act of 1950 in exploring, developing and beneficiating manganese ores from properties near Deming, New Mexico. The original application, Docket DMA-5584, was amended and re-amended until a final exploratory project costing $98,750 was proposed. This latter proposed work was to be done on the American Group of claims on a northern extension of the Luna vein. The American adjoins the Luna group. The work was to consist of shaft sinking and drifting, plus the purchase of necessary equipment and facilities.

The docket was referred to the field for an examination. The examining engineer visited the property on August 13, 1951. The results of this examination are the basis of this report.

ACKNOWLEDGMENTS

Acknowledgment is due to Edward Newton, Vice-president and general manager of the Florida Mines, Inc., for accompanying the examining engineer around the property. Acknowledgment also is made of the following publications from which information was extracted: U. S. Geological Survey Bulletin 922-C by Samuel G. Lasky; U. S. Bureau of Mines Report of Investigations 4536 by A. M. Evans; and Report of Investigations 3620 by L. D. DeVaney, R. M. Pine and S. R. Shelton.

LOCATION, TOPOGRAPHY AND PHYSICAL FEATURES

The Luna and American groups of unpatented mining claims are situated largely in Sec. 18, T. 24 S., R. 7 W., in the Little Florida Mountains Mining District, Luna County, New Mexico. The mines are about 9 miles southeast of the city of Deming, N. Mex. They may be reached from that city by good roads.

The topography varies from gently sloping in the east to very rugged in the west with the major mines being located near the break. The mean altitude is about 4,500 feet above sea level.

Vegetation consists of grasses, cacti and various desert shrubs. There is no timber for mining purposes. The mean annual precipitation is about nine inches, chiefly as summer thunder showers. The water table stands at an altitude of a little over 4,000 feet, as shown in the Luna shaft, where a moderate flow was encountered.

HISTORY AND PRODUCTION

The first claims on the manganese deposits were located in 1916 and production has been sporadic since that time. The total manganese production is estimated at 24,000 tons, much of which was derived from the Manganese Valley mine. The production from the Luna and American claims has been small, probably less than 2,000 tons.

OWNERSHIP AND LEASE

The American group of claims consists of 29 unpatented claims and fractions owned by Mr. and Mrs. F. L. Gratton of El Paso, Texas, and leased to the Florida Mines, Inc. The Luna mine is located on

on the Luna May and Jessie group (also called the Luna group) of 14 unpatented claims. The Luna mine is leased by Lawrence Iacomo, who seems to have some arrangement or sublease with Florida Mines, Inc. In addition, the company has leased about 10 acres of land in Deming near the Government stockpile (site of the old Gratton mill) for a millsite. This land also is owned by Gratton.

DESCRIPTION OF THE DEPOSITS

The manganese deposits are all in veins in fanglomerate derived from volcanic rocks. The veins are relatively narrow, but often have considerable length. The productive veins generally dip steeply to the east. According to S. G. Lasky,[1] about one-half of the developed portion of the Luna vein is ore. More recent work on this vein indicates much barren or non-minable portions to the north, which may account for the limited lateral development of the Luna mine.

The ore consists of psilomelane, manganite and wad.

MINABLE ORE RESERVES

Ore reserves were taken from the confidential section of the report by A. M. Evans,[2] who supervised the Bureau of Mines development project on the manganese deposits of the area in 1940 and 1941.

1/ Lasky, S. G., Manganese deposits in the Little Florida Mountains, Luna County, New Mexico. U.S. Geol. Surv. Bull. 922-L, 1940.

2/ Evans, A. M., Investigation of manganese deposits, Little Florida Mountains Mining District, Luna County, N. Mex. U. S. Bur. of Mines R. I. 4536, Aug. 1949.

These estimates for the Luna mine are tabulated as follows:

	Tons	Tons Manganese
Indicated	12,778	2,486
Inferred	2,713	544
Total	15,491	3,040

In addition, Evans calculated a quantity of mill tailings and sub-marginal ore which made a total of 25,303 tons of ore containing 16.5 percent manganese. How much of the reserves were depleted by mining during 1942 and 1943 is unknown.

Evans computed considerable reserves on the Manganese Valley mine which is not owned or leased by Florida Mines, Inc.

The American claims upon which the Florida Mines, Inc. planned to do the exploratory work contain very small reserves which Evans did not calculate because of the small irregular nature of the ore shoots. Recent uncovering of the Luna vein on the American No. 29 claim shows no additional ore reserves.

Therefore, the total minable ore on the property controlled by the Florida Mines, Inc. (Luna mine included) is about 16,000 tons of ore containing nearly 20 percent manganese.

There is considerable of the Luna and American property that has not been explored, but recent trenching on part of the property failed to disclose any new ore bodies.

PRESENT STATUS

The American claims now are inactive but the Florida Mines, Inc. soon plan to rehabilitate one shaft and hope to produce ore by means of a sublease or contract.

Lawrence Jacono has re-equipped the Luna mine and is producing ore to be treated by the new mill of Florida Mines, Inc.

Florida Mines, Inc. is at present concentrating its effort in constructing a mill at Deming which seems about half complete. The mill will use jigs, although additional equipment may be installed later for more efficient beneficiation of the ores.

PROJECT PROPOSALS

Florida Mines, Inc. planned to sink a 100-foot shaft on a north extension of the Luna vein on the American No. 29 claim. Drifting from this shaft was planned, and if successful, a second 100-feet of shaft and attendent drifting was proposed. This project was to cost $98,750. However, bulldozed trenching on this portion of the vein gave discouraging results, so a shaft can not be recommended.

At present there is a considerable area on the American claims that may contain other veins of manganese ore. However, considerable bulldozed trenching has failed to disclose any mineable ore. The efforts of the old-timers in sinking test pits on the most worthwhile spots can not be discounted in that they covered most of the possibilities. All in all, exploration on the American group of claims does not seem favorable and if exploration is undertaken at this time, it should consist only of trenching and testpitting.

PROPOSED FINANCING

The proposed project was to cost $98,750 of which 75 percent was to be furnished by the Government and 25 percent by Florida Mines, Inc.

CONCLUSIONS

The American group of claims contains veins of manganese minerals which are only slightly developed. These veins show small irregular ore shoots from which some small production has been derived. Undeveloped portions of the veins, where visible for inspection, indicate that exploration probably would not be worthwhile. Considerable trenching has failed to locate new areas for development although such areas may exist. The vein where the applicant proposed to do the exploratory work outlined in the loan application proved to be narrow and too scantily mineralized to warrant this work.

The Luna group of claims, other than the Luna mine now operating, may contain hidden ore deposits. Prospecting or exploration on this group should be undertaken by preliminary trenching and test pitting.

RECOMMENDATIONS

The sinking of a shaft and drifting on the extension of the Luna vein, as proposed in Docket DMA-8591, cannot be recommended because of the vein narrowness and the scanty mineralization. Some trenching and test pitting could be recommended on the American, as well as the Luna group of claims, but Edmund Newton, Vice-president and General Manager, seems to feel that his company is not interested in any trenching and test pitting at the present time.

DMA 859-A
Manganese

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

July 23 1951

Mr Tom Lyon
Director, Supply Division
Defense Minerals Administration
Washington 25 DC

Re: DMAX Manganese

Dear Mr Lyon:

This is to acknowledge with thanks your letter of July 18.

We are very glad to know that you have requested a field examination to be made of our property near Deming, Luna County, New Mexico. Our representative, Mr. Edmund Newton, Vice President of Florida Mines, Inc., will be glad to cooperate fully with your field representatives during the proposed examination.

Very truly yours,

Chas Upham

Charles M Upham
President

July 24/51
Talked to Upham personally about this — no reply needed.
H.

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JUL 18 1951

Holden
Selfridge
Ridaway
Cottrell
Moon

July 13, 1951

Mr. J. H. East, Jr., Executive Officer
224 New Customhouse Building
Denver 2, Colorado

In reply please refer to
DMA 859X Manganese

Dear Mr. East:

A field examination is requested for the property controlled by the Florida Mines, Incorporated. The project calls for a 100 foot shaft with drifting at the bottom on a section of virgin vein. If this is successful a second 100 foot lift with lateral drifting is contemplated. It has been suggested that a preliminary trench and/or shallow pit program would be more feasible as a start. The cost of the lesser program should not exceed $10,000. Development to depth will depend on the results obtained during the preliminary phase. Please arrange for the examination with this view in mind.

Enclosed herewith are two copies of form MF 103, one copy of an amended proposal and one copy of a new proposal.

Very truly yours,

Tom Lyon
Director, Supply Division

Enclosure

GCSelfridge:bl

CC: Adm. Reading File
Reports & Records Unit
Mr. Holderer
Field Team - Region IV
Files

Approved:

Lowell B. Moon

Bureau of Mines

Olaf N. Rove

Geological Survey

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Selfridge
Holderer
Rodgers
Rodgers/H

July 12, 1951

JUL 18 1951

Mr. Charles M. Upham, President
Florida Mines, Inc.
606 Gafrits Building
Washington 6, D. C.

In reply please refer to
DMA 859X Manganese

Dear Mr. Upham:

A field examination has been requested for your property near Deming in Luna County, New Mexico. The examination is to supply us with additional information. The request has been made to Mr. J. H. East, Jr., Executive Officer, 224 New Customhouse Building, Denver 2, Colorado. The cooperation of your field representatives during the proposed examination will be appreciated.

Very truly yours,

Tom Lyon

Tom Lyon
Director, Supply Division

GCSelfridge:bl

CC: Adm. Reading File
Reports & Records Unit
Mr. Holderer
Field Team - Region IV
Files

859

FILE COPY
SURNAME:

Bradley
Holderer

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

May 8, 1951

C. C. Crittenden

Memorandum

To: Production Expansion Division

Through: Director, Supply Division

From: Manganese Commodity Committee

Subject: DMA-859, Florida Mines, Inc., Deming, New Mexico
Washington Office, Cafritz Building
Charles M. Upham, President
Sterling 4588

Applicant requests contracts to purchase both mine run manganese ore, and concentrates, and $125,000 loan for purpose of producing mine run ore.

The Manganese Commodity Committee recommends that negotiations be started with applicant for the purpose of drawing up a contract to effect the purchase of manganese ore and concentrates. A specific price scale for low grade ores, in keeping with others recommended for the district is again recommended here. The contract may be in two phases, the first calling for purchase of 30,000 tons crude ore against a loan of $125,000. The second phase calls for purchase of 50,000 tons of concentrates; no loan is requested for a mill for making the concentrate.

P. R. Bradley

P. R. Bradley, Jr., Chairman
Manganese Commodity Committee

Approved:

Tom Lyon

Director, Supply Division

GBHolderer:ec

CC: Adm. Reading File
Mr. Strobel
Mr. Lyon
Mr. Crittenden
Mr. Bradley
Mr. Melcher
Files

Aug 8, 1951

RECOMMENDATION OF MANGANESE COMMODITY COMMITTEE
ON APPLICATION FOR GOVERNMENT ASSISTANCE

Docket No. 859
Commodity- Manganese

A. Name and address of applicant

Florida Mines, Inc., Deming, New Mexico

Charles M. Upham, President
Caffritz Building, Washington 6, D. C.
(Sterling 4878)

B. Location of deposit

The Little Florida Mining District, Luna County(near Deming), New Mexico. Property of applicant is within easy shipping distance of Deming.

C. Conclusions as to pertinence of this proposal to commodity program:

1. This proposal is representative of the small producers in the Deming area. It is for their benefit that the Deming sampling mill has been recommended. Individually their contributions will be small and of low grade; collectively they may be able to scrape up enough to keep the sampling mill going.

   The applicant's proposal would be of significant quantity as compared to most of the producers in the Deming area.

2. Proposal is feasible.

3. There is sufficient equipment on hand so that shipments can be started at once. To carry on sufficient development work additional equipment will have to be purchased and for which loan is requested.

4. Concentrating mill is required for second part of proposal to be built with private funds. All work will be under direction of Edmund Sawton, mining engineer, who has been engaged in mining manganese in this region before. He is regarded as competent to handle this job.

D. Recommendations

We make the general recommendation that negotiations with applicant for purchase contracts be started at once. The only specific recommendation as to terms is the following:

A price schedule is recommended of $1.00 per unit for 20% ore plus or minus 2 cents per unit for each percent of manganese content above or below 20% with limitations dependent on metallurgical considerations and in such a way that total cost per unit of ferro grade manganese eventually made will not exceed $2.00 to the Government.

E. Applicant's Proposal

The applicant's proposal consists of two parts: (1) to furnish up to 30,000 dry, long tons of 20 percent of better manganese ore to be derived from development work; a loan of $125,000 (including $50,000 working capital) is requested to accomplish this purpose. (2) To furnish 50,000 dry, long tons of concentrates, or hand picked ore, containing 40%, or more, manganese, during a 2½ year period, or less. It is proposed to build a concentrating mill with funds from private sources. The price for the concentrates to be $1.50 per unit based on a standard of 48% manganese with standard premiums and penalties.

Purchase contracts are requested for each of these proposals.

F. The production of the applicant would be a significant part in the production from the Nanding area.

G. During World War II the Manganese Valley and Lena Mines were investigated and sampled by the Geological Survey and the Bureau of Mines. An estimate of the reserves of the Lena Mine based on mine maps and samples indicates 25,000 tons of 20% manganese ore and about 50,000 tons of 10% ore.

A Geological Survey report published in 1939 by B. G. Lasky (Bulletin 922E) takes a very optimistic view of the possibilities in this district. About half the ore

accumulated at the Deming stockpile came from this area. Geologically there is a reasonable chance that with further exploration the potential reserves under control of the applicant might be on the order of 300,000 tons or more. The applicant should be able to meet the commitment for 50,000 tons of concentrates.

The applicant proposes to complete his contract in thirty-four months, or less, after signing the contract and certification of the government loan.

H. Availability of Requirements

1. There is sufficient equipment already installed to start shipping but additional equipment is needed to do the job efficiently. No new access roads are needed.

2. Manpower is available in the area.

3. Power is available.

I. Proposed Financing

Loan of $125,000 is requested, to be repaid from the initial sale of 30,000 tons of mine ore.

No Government loan is requested for construction of concentrating mill.

Some equipment for the mill is now available. A purchase contract is requested for the concentrates.

J. It is believed the applicant is entirely competent to carry out the contract. The work would be done under the direction of Edmond Newton who is familiar with mining manganese and was with the Bureau of Mines for some time.

K. The Manganese Branch has had a number of conferences with Mr. Spahr and Mr. Newton resulting in the submission of the original proposal and two amendments of which April 9, 1951 is the latest.

P. R. Bradley
lc
P. R. Bradley, Jr., Chairman
Manganese Commodity Committee

Approved:

Moon Landon
ad
Director, Supply Division

CRHolderer:lc
CC: Adm. Reading File
Mr. Strobel
Mr. Lyon Mr. Crittenden
Mr. Melcher Mr. Bradley
Files

SUBORDINATION AGREEMENT

THIS AGREEMENT, made and entered into this 4th. day of June, A. D. 1951, by and between P. L. Grattan and Wilna R. Grattan, his wife, of El Paso County, Texas, parties of the first part, and the United States Government, acting by and through the Administrator of the Defense Mineral Administration, Washington, D. C., party of the second part.

WITNESSETH: That the said parties of the first part heretofore entered into a mining lease agreement as Lessors, with Florida Mines, Incorporated, a corporation, as Lessee, said agreement dated as of _____1951, and covering mining claims known as American Nos. 9 to 30 inclusive, located in the Florida Mining District of Luna County, New Mexico, with legal descriptions and location notices on file with the County Clerk of Luna County, New Mexico.

THAT, the said Florida Mines, Incoporated, desires to obtain an Exploratory Loan from the Defense Mineral Administration under Mineral Order -5, dated April 6th, 1951, said loan to be used for exploring and development work on claim No. American 29, being one of the above described claims in said lease.

THAT, if and when ore is produced as a result of such exploration and development work, Florida Mines, Incorporated, shall become obligated to the United States Government for repayment of said loan by a percentage royalty on the net smelter proceeds realized from such ore, concentrates or metals produced within ten (10) years from date of the contract for said Exploratory Loan, until the amount contributed by the United States Government is fully repaid or ten years have elapsed, whichever occurs first, all according to the terms of the contract loan; and that said payments to the United States Government shall not be made from any royalty payments due the parties of the first part under the above mentioned lease.

THAT the obligation incurred under the contract loan for monies advanced by the Government shall be and remain a claim and lien upon the mining claim American No. 29, being the property subject to the exploration project, and upon any production resulting from such discovery until fully paid, or until said ten-year period has elapsed; and this claim and lien and the government's right to repayment shall survive any termination of this contract, whether by completion of the exploration project or otherwise.

NOW THEREFORE, In consideration of One and no/100ths. Dollars, ($1.00), receipt of which is hereby acknowledged, the parties of the first part do hereby consent and agree, that upon the granting of the said Exploratory Loan, the United States Government shall have a priority of claim and lien on the property

of the American No. 29 mining claim, and the property rights of the first parties shall be subordinated to those of the United States Government under the above mentioned Exploratory Loan, as set forth Mineral Order No. 5 of the Defense Minerals Administration, dated April 6th, 1951.

IN WITNESS WHEREOF, the parties of the first part have hereunto set their hands and seals this 4th. day of June, A. D. 1951, at Deming, Luna County, New Mexico.

P. L. Grattan SEAL.
P. L. Grattan

Wilna R. Grattan SEAL.
Wilna R. Grattan.

STATE OF NEW MEXICO,)
COUNTY OF LUNA)ss

On this 4th. day of June, A. D. 1951, before me personally appeared P. L. Grattan and Wilna R. Grattan, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged to me that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Adelaide Hughes
Notary Public.

My commission expires: 12/5/54

MF-200
(April 1951)

Docket No. DMA _____
Commodity _____

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

EXPLORATION PROJECT CONTRACT [1]

It is agreed this _____ day of _____, 195__, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Florida Mines, Inc., Suite 606, Cafritz Building, Washington, D. C. Mine at Deming, New Mexico.

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of New Mexico, County of Luna described as follows: [3] Little Florida Mining District. 22 mining claims named American numbers 9 to 30 inclusive.

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached: _____

(*b*) That he is a lessee, in possession and entitled to possession, and the subordination agreement of the lessor is attached.

3. *Exploration project.* The Operator, within 30 days from the date of this contract shall commence work on a project of exploration for [5] Manganese ore; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] Two years from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Attached hereto, marked "Exhibit 'B'," is a detailed list of additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute its agreed pro-rata share of the cost. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

6. *Operating equipment.* Attached hereto, marked "Exhibit 'C'," is a detailed list of operating equipment divided into categories of items to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or rental value, as the case may be, annexed to each. As to equipment purchased for the project, the Government will contribute its agreed pro-rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro-rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment, or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* Attached hereto, marked "Exhibit 'D'," is an itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project.

9. *Rehabilitation and repairs.* Attached hereto, marked "Exhibit 'E'," is a detailed schedule of existing facilities, buildings, installations, and fixtures, with a statement of the cost of any necessary rehabilitation or repairs to put into useful and operable condition, which cost shall be allowed as a cost of the project.

10. *Allowable costs of the project.* The allowable costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in the contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, or any other indirect costs not expressly allowed by these regulations, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Participation by the Government.* At the end of the first full calendar month after the Operator has commenced work under the project, and at the end of each succeeding calendar month, the Operator shall submit to the Government a voucher for payment with a detailed statement of work done and allowable costs (as defined in Article 10 of this agreement) incurred, in a form and with supporting data acceptable to the Government. After approving the voucher, the Government shall pay to the Operator 75 percent of the sum of such costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $ 75,000, which is 75 percent of the agreed estimated total cost of this project, $ 100,000.

12. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

13. *Progress reports.* The Operator shall provide the Government with monthly reports of progress in form and content satisfactory to the Government, and upon the completion of the project or termination of the contract shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

14. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent additional for each full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the property which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

15. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

16. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in triplicate the day and year first above written.

THE UNITED STATES OF AMERICA

(Operator)

By _____

By _____

U. S. GOVERNMENT PRINTING OFFICE 16—64066-1

EXHIBIT A

1. Purpose of Project

To explore a manganese vein described in U.S.G.S. Bulletin #922-C known as the Luna vein at a point 2900' north of the shafts of the Luna mine.

2. Character of Work

Applicant proposes to sink shaft and run out drifts according to the attached schedule, showing time and cost.

3. Method of Procedure

(a) The exact location for the shaft approximately 2900 feet from the Luna mine inclined shaft and on the Luna vein, will be designated by applicant's engineer.

(b) The field team of the Defense Minerals Administration will inspect the proposed position of the shaft and:

(1) Recommend proceeding with work as outlined above.
(2) Recommend proceeding with a limited amount of work, with a suggested program that involves each step depending upon the successful completion of the preceding step.
(3) Recommend discontinuation of work.

4. Maps

Included with U.S.G.S. Bulletin #922-C is a map showing position of the Luna vein (Plate 9 - Bul. 922) with reference to the 500 foot inclined shaft of the Luna mine.

U.S.B.M. Report of Investigation #4536, Figure 8, shows an assay map of the Luna vein. This is considered evidence of the possibility for ore at the point described.

5. The site for starting the proposed shaft is on a claim of different ownership than the claim on which the 500 foot inclined Luna shaft is located.

Possible Time Schedule referred to in Exhibit A.

Month			
1st	Preparing Shaft Site -		
	Bulldozer	$ 100.00	
	Labor - 20 man days at $10	200.00	
	1 Jackhammer - hose, etc	425.00	
	Small Tools	100.00	
	Tool House	75.00	
	Supervisor	500.00	
			$ 1,400
2nd	Headframe	500.00	
	Compressor Rental	350.00	
	Hoist Rental	80.00	
	Hoisting Rope 1/2" - 200' at 20¢	40.00	
	Bucket, car and rails	200.00	
	Sinking - 45 ft. (25 shifts at 1.8') at $52	2,340.00	
	Supervisor	500.00	
			$ 3,910
3rd	Sinking - 45 ft. (25 shifts at 1.8') at $52	2,340.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			$ 3,270
4th	Sinking 20 ft. (10 shifts at 2.0') at $52	1,040.00	
	100' - level drifting - south 60' (15 shifts at 4') at $20	300.00	
	Hoisting and top men (15 shifts) at $24	360.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			$ 2,630
5th	100' - Level drifting 200 ft. (50 shifts at 4') at $20	4,000.00	
	Hoisting and top men (25 shifts) at $24	600.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			$ 5,530
6th	100' Level drifting 200 feet at $20	4,000.00	
	Hoisting and top men	600.00	
	Equipment Rentals	430.00	
	Supervisor	500.00	
			$ 5,530
7th	100' Level drifting 200 feet (Same as 6th month)	5,530.00	$ 5,530
	Forward		$ 27,800

Possible Time Schedule referred to in Exhibit A. (Continued)

	Forward.....		$ 27,800
Month			
8th	Sinking 50 feet at $52.....	$ 2,600.00	
	Equipment Rentals.....	430.00	
	Supervisor.....	500.00	
			3,530
9th	Sinking 50 feet (same as 8th month).....		3,530
10th	200' Level drifting 200 feet (same as 6th mo.)		5,530
11th	200' Level drifting 200 feet (same as 10th mo.)		5,530
12th	200' " " " " " " " "		5,530
13th	Sinking 50 feet (same as 9th month).....		3,530
14th	" " " " " " "		3,530
15th	300' Level drifting 200 feet (same as 12th mo.)		5,530
16th	300' Level " " " " " " "		5,530
17th	300' Level " " " " " " "		5,530
18th	Sinking 50 feet (same as 13th month).....		3,530
19th	Sinking 50 feet " " " "		3,530
20th	400' Level drifting 200 feet (same as 17th mo.)		5,530
21st	400' Level drifting 200 feet " " " "		5,530
22nd	400' Level drifting 200 feet " " " "		5,530
	Total		$ 98,750

EXHIBIT B

Head frame and Ore Chute	$ 1,500.00
Hoist and Compressor room	500.00
	$ 2,000.00

EXHIBIT C

2 Jackhammers	$ 550.00
2 Drifters	1,700.00
4 - 50' air hoses 1"	250.00
4 - 50' water hoses ½"	125.00
Small tools	300.00
	$ 2,925.00

		Per Month
Portable Compressor, 210-CFM	Rental	$ 350.00
Hoist, 15 HP	"	80.00
Bulldozer, per day	"	100.00

EXHIBIT D

	Per Month
Supervisor - Engineer-in-charge	$ 500.00
2 - Shaft men @ $1.50/hr. x 25 days	600.00
2 - Muckers @ $1.30/hr. x 25 days	520.00
1 - Hoistman-compressor man	300.00
1 - Roustabout	200.00
	$ 2,120.00

EXHIBIT E

No existing facilities.

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. .....

Date received .....

Participation .....

Florida Mines, Inc
606 Cafritz Building
Washington 6 D C

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 22 1952

Name and address of applicant

Date .....

FILL IN THIS BLOCK

Date of application May 29, 1951

Estimated cost $100,000

Mineral or metal Manganese

Percentage of Government participation 75%

Location of mine Luna County, New Mexico

Date of filing MF-100 April 9, 1951

DMA Docket Number, if available DMA-859 — X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

Answers to all following questions attached.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation?
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property.
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.

(*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or work necessary to perform the exploration in that area.

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads.

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work.

15. State in detail how the ore could be shipped and how and where milled.

*16. History:

(*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.

(*b*) State briefly the known history and production of adjoining and neighboring properties.

(*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production:

(*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)

(*a*) Describe the ore or mineral deposits briefly.

(*b*) Submit available maps and assay data.

(*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted?

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:

(*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.

(*b*) Supervisors, by numbers and positions, with salaries of each.

(*c*) Cost of necessary repairs to existing facilities, structures, and buildings.

(*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.

(*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.

(*f*) Cost of rental for equipment which the operator proposes to rent.

(*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.

(*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.

(*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Florida Mines, Inc
(Name of company)

By Chas. M. Upham
(Signature of authorized official)

5/29/51
(Date)

Pres.
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

May 28 1951

THE APPLICANT

1 - 5 Answered in Form MF-100

6 - Do not own property

7 - Copies of lease attached

8 - See Attached

9 - Applicant is prepared to invest his cost of project as detailed in Question 23.

THE PROPERTY

10- The exploration project will be done on the so-called Luna Vein under claims designated American 28 and 29. (See claim map, Plate 6, in Supplemental Proposal submitted March 29, 1951 - DMA859)

11- American Group of Claims

12- See MF-100, answer to Question 13

13- " " " " " 14

14- There are no useable facilities, buildings or structures now on property that will be devoted to this exploration project

15- Any ore found in exploration work could be shipped to proposed government sampling and Purchase Depot, which it is understood will be located at Deming, New Mexico.

16- See data in MF-100, answer to Question 7

17- " # " " " " 4 and 5

18- " " " " " " 12

19- No conditions known that are not covered in above.

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THE EXPLORATION

20 - Oxidized Manganese Ore occurring in fissure veins in country rock.

21 - It is proposed to sink an exploratory shaft on the so-called Luna Vein, on American Claim No. 29, at a point about 800 feet north of the common end line of Lona May No. 1. The collar of this proposed shaft would be at about 4450 feet, whereas the collar of the 500-foot inclined Luna Shaft, on Lona May No. 2 is at about 4550 feet.

We would propose to sink this shaft a distance of approximately 100 feet or to an elevation corresponding to the 200-foot level of the Luna Shaft.

We would then prppose to drift first toward the south, and then possibly toward the north. Depending upon the results obtained in this work, we would then propose to sink another hundred feet, and then drift laterally.

Such a program could be completed in less than two years.

22- Lasky states on page 67, of U. S. Geological Survey, Bulletin 922-C that in the explored area of the two main developed veins of the district (Manganese Valley and Luna) ".....somewhat more than half the vein length on the average is occupied by ore...". The proposed lateral drifting is intended to verify this.

Geologic maps from U. S. Geologic Survey, Bulletin 922-C and Assay Map of the several present levels, appearing in U. S. Bureau of Mines, R. I. 4536 have been photostatted and are part of our original proposal DMA-859.

RECEIVED NOAA
NATIONAL CENTER FOR
STATE AND REGIONAL RELATIONS
WASHINGTON, D.C.

FLORIDA MINES, INC.
DEMING, N. M.

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THE REQUIREMENTS AND COSTS

23 - (a) Labor average underground labor .....$1.50 pr. hr.
surface " ..... 1.30 " "
The number will vary with the period

(b) Supervisor - Engineer-in-charge $500 pr. Mo.

(c) None

(d) Head Frame and Ore Chute.....$500
Hoist and Compressor House and
Change Room.....$500

(e) Purchased Equipment:

Jackhammers - medium sinkers - 2 at $250	$500
Drifters - 2 at $850	1700
4 - 50-ft. 1" air hose at $50	200
4 - 50-ft. 1/2" water hose at $25	100
Small tools - picks, shovels, axes, bars, moils, etc	250

(f) Rented Equipment

	Rental Per Month
Portable Compressor, gasoline drive, 210-CFM	$350
Hoist - Single Drum, gasoline driven, 15 HP	80

(g) None

(h) Supplies

(j) Cost of power, water, utilities.

FLORIDA MINES, INC.

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24 - Time Schedule of the Project.

Month			
1st	Preparing Shaft side -		
	Bulldozer	$ 100.00	
	Labor - 20 man days at $10	200.00	
	1 Jackhammer - hose, etc	425.00	
	Small Tools	100.00	
	Tool House	75.00	
	Supervisor	500.00	
			$ 1,400
2nd	Headframe	500.00	
	Compressor Rental	350.00	
	Hoist Rental	80.00	
	Hoisting Rope 1/2" - 200' at 20¢	40.00	
	Bucket, car and rails	200.00	
	Sinking - 45 ft. (25 shifts at 1.8') at $52	2,340.00	
	Supervisor	500.00	
			$ 3,910
3rd	Sinking - 45 ft. (25shifts at 1.8'0 at $52	2,340.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			3,270
4th	Sinking 20 ft. (10 shifts at 2.0') at $52	1,040.00	
	100' -level drifting - south 60' (15 shifts at 4') at $20	300.00	
	Hoisting and top men (15 shifts) at $24	360.00	
	Equipment rentals	430.00	
	Supervisor	500.00	$ 2,630
5th	100'-Level drifting 200 ft. (50 shifts at 4') at $20	4,000.00	
	Hoisting and top men (25 shifts) at $24	600.00	
	Equipment rentals	430.00	
	Supervisor	500.00	
			5,530
6th	100' Level drifting 200 feet at $20	4,000.00	
	Hoisting and top men	600.00	
	Equipment Rentals	430.00	
	Supervisor	500.00	5,530
7th	100' Level Drifting 200 feet (same as 6th month.	5,530.00	5,530
	Forward		$ 27,800

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24 - Time Schedule of the Project (Continued)

Month			
	Forward		$27,800
8th	Sinking 50 feet at $52	$2,600.00	
	Equipment Rentals	430.00	
	Supervisor	500.00	
			3,530
9th	Sinking 50 feet (same as 8th month)		3,530
10th	200' Level drifting 200 feet (same as 6th month)		5,530
11th	200' Level drifting 200 feet (same as 10th month)		5,530
12th	200' " " " " " "		5,530
13th	Sinking 50 feet (same as 9th month)		3,530
14th	" " " " " "		3,530
15th	300' Level drifting 200 feet (same as 12th month		5,530
16th	300' Level " " " "		5,530
17th	300' Level " " " "		5,530
18th	Sinking 50 feet (same as 13th month)		3,530
19th	Sinking 50 feet " "		3,530
20th	400' Level drifting 200 feet (same as 17th month		5,530
21st	400' Level drifting 200 feet " " "		5,530
22nd	400' Level Drifting 200 " " " "		5,530
	Total		$98,750.00

[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

May 29 1951

FINANCIAL STATEMENT

ASSETS

Cash in Bank & Available	$ 16,142.48
43 Mining Claims	190,000.00
Equipment	21,820.00
	$227,962.48

LIABILITIES

Capital Stock issued	$ 22,250.00
Accounts payable - equipment	16,500.00
Miscellaneous organization expense	2,429.10
Capital Surplus	186,783.38
	$227,962.48

Corporation not yet in production - Profit and Loss statement therefore not available.

LEASE MINING PROPERTY AND

MILL SITE

THIS INDENTURE, Made and entered into this 12th day of ~~April~~ May, A. D. 1951, by and between P. L. Gratton and Wilma R. Gratton, his wife of El Paso, Texas, parties of the first part, and Florida Mines, Incorporated, of 606 Cafritz Building, Washington, D. C., a corporation, party of the second part.

WITNESSETH: That the first parties for and in consideration of the covenants and agreements herein mentioned to be kept and performed by the said second party, have demised and leased and by these presents do demise and lease unto the said party of the second part, all of the premises, real estate, improvements and unpatented lode mining claims situate as hereinafter described, to-wit:

MINING CLAIMS.

The unpatented lode mining claims situate in the Florida Mining District, Luna County, New Mexico, reference being made to the Location Notices thereof recorded as set forth below, in the Office of the County Clerk of said Luna County, New Mexico.

American No. 9	Book 6	Page 303-4
American No. 10	Book 6	Page 304-5
American No. 11	Book 6	Page 305
American No. 12	Book 6	Page 306
American No. 13	Book 6	Page 306-7
American No. 14	Book 6	Page 307
American No. 15	Book 6	Page 308
American No. 16	Book 6	Page 308-9
American No. 17	Book 6	Page 309-10
American No. 18	Book 6	Page 310
American No. 19	Book 6	Page 291-2
American No. 20	Book 6	Page 311
American No. 21	Book 6	Page 311-12
American No. 22	Book 6	Page 312-13
American No. 23	Book 6	Page 292
American No. 24	Book 6	Page 293
American No. 25	Book 6	Page 293-4
American No. 26	Book 6	Page 294
American No. 27	Book 6	Page 294-5
American No. 28	Book 6	Page 295-6
American No. 29	Book 6	Page 296
American No. 30	Book 6	Page 296-7

2

MILL SITE

Beginning at the quarter section corner on the east line of Section 26, Township 23 South, Range 9 West, N. M. P. M., thence westerly on the center line of said section 26, a distance of 2509 ft. to a point on the easterly right of way line of the A. T. & S. F. Ry., this being the SW corner of the tract being described, thence in a N. 52° 13' E. direction along said Ry. right of way line a distance of approximately 740 ft., to the NW corner, thence easterly a distance of 593.4 ft. to the NE corner, thence Southerly a distance of 467 ft. to the SE cor. this being a point on the center line of said Section 26, thence westerly along said center a distance of 1168.4 ft. to the place of beginning, being subject to the 60 ft. right of way of the County Road on the westerly line and containing 9.4 acres, exclusive of said County Road.

EXCLUDING the mill known as Gratton's Mill located on said real estate.

TO HAVE AND TO HOLD, the above described unpatented mining claims for mining purposes and the above real estate and Mill Site for a period of 5 years from date hereof, commencing on the 12th day of May A. D. 1951, and being for, during and until the 12th day of May A. D. 1956.

THE TERMS AND CONDITIONS of this lease on the unpatented lode mining claims are as follows:

1. To put and sustain the parties of the second part in the quiet and undisturbed possession of said premises, to the extent herein and hereby granted to them, for and during the term herein mentioned.

2. That the party of the second part shall have the right to use any of the surface of the said premises to the extent that may be necessary to mine and carry away the said ore, as provided in this contract, and shall have the right to remove any obstructions that may be in the way of mining the said ore.

3. That party of the second part shall have the right to construct such road or roads, or any other structures over the said premises for the purpose of transporting the said ore from the premises hereinabove described.

4. That the party of the second may construct any buildings on the said leased premises, at such points as may be desired by party of the second part.

5. That parties of the first part shall have the right to cancel and annul this contract if the party of the second part shall (1) fail or refuse or neglect to make payments for royalty for the said manganese ore mined and taken from said premises, or the minimum amount as herein provided for, at the time and to the amount herein stipulated, or (2) shall fail or refuse or neglect to mine the said managanese ore in the manner herein provided for; or

(3) shall violate in any manner any of the agreements of the party of the second part.

6. That the second party shall have immediate possession of the said mining property and shall within 60 days from date hereof commence the mining and operation of the said mining property and shall continue to work said mining claims during all of the term hereof and shall continue to work not less than sixty shifts each month during the continuance of this lease; and a failure to prosecute said work as herein specified for a period of 60 days shall, at the option of the first parties, work a forfeiture of this lease.

7. That the second party shall have possession of the said mining properties to mine, remove, ship and sell ores therefrom; and which said mining operations shall be performed in a good and minerlike manner, in accordance with the customs of miners in this section; and that the said first parties or their representative or agent shall have the right at any and all times to inspect any work so performed by the second party and to examine the said mining properties, or either of them.

8. That the said second party shall upon the 10th day of each and every month hereafter pay to the first parties at their designated place of payment, a royalty of 10% on all ores sold and shipped from the said property during the preceeding month; and that second party shall instruct the mill or smelter handling such ores to make payment of said 10% royalty direct to the said first parties.

9. That the second party shall perform all work on said mining properties and claims in a good and minerlike manner, with especialy reference to the preservation and development of the said mining property as workable mines, properly timbering same wherever necessary, and shall keep any and all shafts where work is being performed by them, free and clear of all water, rubbish, waste and other materials.

10. It is understood and agreed that the said first parties shall deliver possession of the said mining properties to the second party free and clear of all liens and encumbrances; and that the said second party shall post and maintain in conspicuous places on said mining claims and properties, in full compliance with the law relative to same, proper notices in writing, thereby giving notice to the public that the said properties are being operated by the second party under this lease without liability to the owners thereof; and that the said second party shall, at its own cost and expense, keep the said mining claims and each and all of them free and clear from all liens and encumbrances originating from the operation of the said properties under this lease.

11. It is further understood and agreed that the said second party shall, at its own cost and expense, perform all assessment work required under the laws of the United States of America during the term hereof; and that said second party shall make proper proof of such assessment work for each year hereof, in the name of the first parties as owners, and shall record the same in the Office of the County Clerk of Luna County, in due time each year.

12. That the second parties shall carry proper Workmen's Compensation insurance in full compliance with the laws of the State of New Mexico, at their own cost and expense, and shall hold the first parties harmless from any and all liability in connection with the said mining operations of the second party.

13. That second party shall keep a separate account of the manganese ore mined on said property; and that the first parties shall have the right and privilege of examining and inspecting the said mining books at any time and of taking copies of all records.

14. That the second parties shall mine and transport the said manganese ore in a practical and unifform manner; and that they will use great care and diligence to protect the property or persons on the land covered by this lease from any injury or damage.

THE TERMS AND CONDITIONS of this lease on the MILL-SITE, are as follows:

1. To pay as rent for the said real estate and premises a monthly rental of One Hundred and no/100ths. Dollars, ($100.00) per month, payable monthly in advance, commencing with the 1st day of June A. D. 1951.

2. That said second party shall have the use and occupancy of the said real estate and premises for all operations in connection with their mining and milling operations in the State of New Mexico and vicinity.

3. It is understood and agreed that the said second party shall have the right and option, at any time during the term hereof or the term of any renewal, at its own cost and expense, to construct and erect buildings, and/or improvements upon the said real estate; and that any and all such improvements shall be paid for in cash by the second party, so as not to create or incur any liens or obligations upon the said real estate. That the said second party shall properly post notices upon said real estate to the effect said realty is the property of the first parties herein and that any labor performed or materials furnished to the second party for improvements thereon, or otherwise, shall be the personal obligation of the second party and shall not create a lien upon said real estate and premises; said notices to be in full compliance and conformity with the laws of the State of New Mexico in such case made and provided.

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4. It is understood and agreed that the first parties, or their assigns in interest shall have the right and privilege of removing all of the improvements, mill buildings, equipment, machinery and chattels now situate upon the said property and premises at any time they may so desire to do.

It being provided, however, that all buildings other than the mill building and property, now situate upon said real estate are also covered by this lease and to remain-in-tact upon said premises during the term hereof, and to be returned and delivered to the first parties upon the expiration of this lease or any renewal or extension thereof.

It being further provided, that any new buildings, improvements or chattels hereafter placed upon the said real estate by the second party, at its own cost and expense, and which have been paid for by said second party shall be, and remain the property of the second party, and that same shall be subject to removal by the second party from said premises at any time during the term hereof, or within thirty days after expiration of this lease or of any renewal or extension thereof; PROVIDED, that all rentals due hereunder shall have been fully paid to the said first parties.

5. It is further understood and agreed that the first parties shall not be liable for any damage occasioned or occuring upon the said real estate, and that the second party shall hold said first parties harmless from any and all liability in connection with the use and occupancy of the said premises.

6. It is understood and agreed that SECOND parties shall pay all ad-valorum taxes on the realty, and that taxes imposed upon mill-buildings, plants, machinery and equipment and any and all other buildings or improvements placed upon said property by the second party shall also be paid by the said second party.

7. It is further understood and agreed that in addition to the rentals herein provided the said second party shall pay all utilities, water, gas, electricity, etc., and that the said second party shall make meter deposits for such utilities and that present meter deposits shall be withdrawn and refunded.

8. It is further understood and agreed that the second party shall, at its own costand expense, maintain and keep the water well located upon said premises in good repair and condition; provided that major repairs thereto which may become necessary and shall not be due to the neglects or acts of the second party shall be made at the cost and expense of the said first parties.

THAT THE FOLLOWING TERMS AND CONDITIONS are general and apply both to mining claims and mill site, to-wit:

1. It is expressly understood and agreed between the parties hereto, that if default be made in the payment of the royalties, rents, sums of money and benefits above reserved, or any part thereof, or of any of the covenants and agreements herein contained and encumbent upon said second party to keep and maintain, it shall be lawful for the parties of the first part, or their legal representative, at any time thereafter, at the election of the said first parties, without notice or demand or payment, royalties, rent or benefits to declare the said term ended and re-enter the said demised premises and property, and each thereof, either with or without process of law, and the said second party, or any person or persons occupying the same, to expel, remove and put out, using such force as may be necessary so to do, and the said premises and property again to repossess and enjoy as before this demise, without prejudice to any remedies which might otherwise be used for arrears of rent or breach of covenants.

2. It is further understood and agreed that at the expiration of the term hereof the said second party shall return and deliver possession of the said mining properties and mill site, real estate and improvements unto the said first parties in as good order and condition as when so received by it, ordinary wear, tear, and the acts of God or the elements excepted.

3. It is understood and agreed that at the expiration of this lease, provided same is in good standing and valid, then and in such event the said second party shall have the right and option to renew same for an additional period of time upon such terms and conditions as shall be agreed upon between the parties hereto; and that the said second party shall exercise said right and option by giving the first parties sixty days written notice of such election to exercise this option prior to the date of termination hereof.

4. It is further understood and agreed that these presents shall apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto.

IN WITNESS WHEREOF, the said first parties have hereunto set their hands and seals, and the second party has caused its name to be subscribed and its seal affixed by its duly authorized officers, the day and year in this instrument first above written.

P. L. Gratton SEAL.

Wilna R. Gratton SEAL.

First Parties.

FLORIDA MINES, INCORPORATED,
a Corporation.

By Chas M. Upham
President.

ATTEST:

Louie Wynne Secretary.

STATE OF ~~NEW MEXICO~~ Texas,
COUNTY ~~OF LUNA~~ El Paso } ss

On this 12th day of ~~April~~ May, A. D. 1951, before me personally appeared P. L. Gratton and Wilna R. Gratton, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged to me that they executed the same as their free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

W E Lutz
Notary Public.

My commission expires:

June 1 1951

8-

STATE OF City of Washington)
COUNTY OF District of Columbia)

On this 24th day of ~~April~~ MAY, A. D. 1951, before me personally appeared Chas. M. Upham to me personally known, who, being by me duly sworn did say that he is the President President of Florida Mines, Incorporated, a corporation, and that the seal affixed to the said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of the said corporation by authority of its Board of Directors, and said Chas. M. Upham acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Maurice Love
Notary Public.

My commission expires:
My commission expires July 14, 1951

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

April 9 1951

Dr James Boyd Administrator
Defense Minerals Administration
Interior Building
Washington 25 D C

Dear Sir:

We beg to withdraw herewith our original proposal submitted on March 21, 1951, to which you have assigned the number DMA-859, together with Supplemental and Amended Proposal submitted on March 29, 1951.

Replacing DMA-859 we herewith beg to submit a new proposal to furnish manganese concentrate containing more than 40 percent manganese together with a separate proposal attached hereto to furnish a certain tonnage of crude ore carrying 20 percent or more of manganese. The latter would accrue from mine development before our privately financed beneficiation plant would be ready for operation.

PROJECT

It is proposed that Florida Mines, Inc., will:

1. Mine crude ore under contracts with Yacomo Incorporated, from the 14 Lode Mining Claims now leased from Yacomo Incroporated and the 29 Lode Mining Claims, now held under option to lease from P. L. Gratton. (This option will be accepted and converted into a lease). These two groups of claims are generally adjacent and are in the Little Florida Mining District, Luna County, New Mexico. Claim Map showing the relation of these several claims is presented as PLATE 6 of the Supplemental Proposal DMA-859, filed with you on March 29, 1951.

2. Haul this ore to a mill site, now held under option to lease which will be converted into a lease - from P. L. Gratton. This property is adjacent on the West, to the former Metals Reserve Property as shown on preliminary sketch map, designated PLATE 7 in supplemental Proposal DMA-859.

3. Design, build and operate a Pilot Beneficiation Plant on the above Mill Site with the use of capital secured from private sources. The Flow Sheet of this plant will be as generally indicated in PLATE 5 of the original proposal DMA-859.

4. Furnish an indeterminate amount of crude ore, up to a total of 30,000 dry long tons, containing 20 percent, or more, manganese which will be principally yielded from mine development while our beneficiating plant is being designed and built. When this plant is in operation, to furnish, in addition to the above, 50,000 dry long tons of concentrate, or hand-picked ore, containing 40 percent, or more, manganese, during a 2-1/2-year period, or less. (See attached offers to furnish these two types of materials.)

In order to carry out the above program, and in addition to the privately raised capital for the Pilot Beneficiation Plant, Florida Mines, Inc., desires to apply for Government loan or a Government Guarantee of a loan amounting to $125,000 to provide capital for mining and transportation equipment, and for working capital, as follows:

Mining Equipment	$ 40,000
Transportation, Trucks	16,000
Office - Bldg, Repair & Equipment	2,000
Manager's car and pick-up truck	6,000
Unforseen	11,000
Working Capital	50,000
	$125,000

This loan would be secured by the value of equipment, at a used market price, and by the value of the ore in the ground, on the leased premises, which it is proposed to mine in order to fill the previously mentioned contract. It will be amortized by a direct charge against each ton of concentrate produced, payable monthly to the bank or agency loaning such funds, on the basis of the tonnage of concentrate delivered during the previous month.

In order that this proposal may be as brief as possible, we refer you to maps and supporting data, in addition to that specifically referred to above, which are now in your files under your number DMA-859.

Respectfully submitted,

Charles M. Upham

Charles M. Upham, President
Florida Mines, Inc.

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

April 9 1951

Dr James Boyd Administrator
Defense Minerals Administration
Interior Building
Washington 25 D C

OFFER TO SUPPLY DOMESTIC MANGANESE ORE-METALLURGICAL GRADE

Dear Sir:

We hereby offer to furnish for the National Stockpile, 50,000 long dry tons of Metallurgical Grade Manganese Ore, guaranteed to comply with the National Stockpile Specification P-30, dated June 29, 1950.

This tonnage of manganese ore will be produced in our own beneficiation plant from crude ore mined from 43 Lode Mining Claims in the Little Florida Mining District, now under lease to our company, and from crude ore possibly purchased from other nearby properties. These resources are more particularly described in our Technical and Economic Memorandum attached to this proposal.

Rejection Points - This quantity of manganese ore is further guaranteed to meet the following rejection points when considered on an average weighted basis:

		By WEIGHT (Dry Basis)
Manganese	(Mn)	40.0% Min.
Iron	(Fe)	12.0% Max.
Silica and Alumina	(SiO_2 plus Al_2O_3)	12.0% Max.
Phosphorus	(p)	0.3% Max.
Copper, lead and zinc (Cu, Pb and Zn)		1.0% Max.*

*Of which not more than 0.25% may be copper.

Type of Ore to be Furnished - A certain tonnage of Type I, Lump Ore will undoubtedly be produced. The major tonnage, however, will be Type II, Fine Ore - natural ore unprocessed except for grading, washing or screening. No more than 15% by weight, shall pass a Tyler standard 20 mesh screen.

Price - To be $1.50 per long ton unit of contained manganese, dry basis, based on the prime ore standard of 48% Mn, 6% Fe, 11% SiO_2 - Al_2O_3, and 0.12%, with standard premiums and penalties applying as stipulated in instruction sheet (No. F-50-2587), F.O.B. railway cars.

Period of Offer - The above price quoted shall be firm for a period of twenty (20) days from date of offer.

Shipping Point - To be either at sidings on the main line of the Southern Pacific Railway at Corne or Miesse, or in Deming, as you may designate.

Completion Delivery Date of Entire Quantity - This shall be thirty four (34) months, or less, after the signing of contract, and the certification of Government Loan. The first four months of this period will be required for mine development and the construction of beneficiation plant.

After an initial three months of production, it is estimated that the average production rate will be approximately 1,800 long dry tons per month. We reserve the right, however, to ship ore at a larger tonnage per month when our operating factors become more clearly known and, thereby, complete the contract before the above estimated date.

Additional Contract - Upon completion of the above contract for 50,000 long dry tons, we would then be in position to offer additional ore, as developed in our property, as well as from other sources in the area.

Very truly yours,

Charles M. Upham

Charles M. Upham, President
Florida Mines, Inc.

Attest:

Louise Wynne

Louise Wynne, Secretary

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

April 9 1951

Dr James Boyd
Defense Minerals Administration
Interior Building
Washington D C

OFFER TO SUPPLY DOMESTIC MANGANESE ORE-CRUDE

Dear Sir:

We beg to submit herewith a proposal to furnish crude manganese bearing material from 43 leased Lode Mining Claims in the Little Florida Mining District, Luna County, New Mexico. We anticipate that this material will be yielded from development workings, before our privately financed Pilot Beneficiation Plant can be designed and built.

The specific terms of this proposal follow:

Tonnage - Indeterminate amounts up to a total of 30,000 dry long tons.

Manganese Content - will be 20 percent, or more, manganese on the dry basis.

Price - $1.50 per unit of Recoverable Manganese.

Delivery Point - To be at designated point on Government Property, adjacent to our Mill Site, on which is now piled certain crude manganese ore purchased previously by Metals Reserve Company.

Method of Payment - Procedure for determining weight, sampling and estimated value of material to be determined by discussion and mutual agreement.

Period of Offer - The above price shall be firm for a period of thirty (30) days from date of offer.

Respectfully submitted,

Charles M. Upham

Charles M. Upham, President
Florida Mines, Inc.

Attest:

Louise Wynne

Louise Wynne, Secretary

1.00 / 20% 95/ton/w

Form MF-16
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. _____

Date received _____

Florida Mines, Inc.
Washington D C Address:
Suite 606 - Cafritz Bldg
Washington 6 D C
Telephone: Sterling 4588

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
~~JAN 2 2 1952~~

Name and address of applicant

Date April 9 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) Necessity Certificate pursuant to the provisions of Sec. 124-A (Amortization Deduction) of Internal Revenue Code, 1950, (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated: **Attached**

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
Charles M. Upham	President "D"	None	Plus $100,000	2,000	None	None	
Edmund Newton	Vice- "GenMgr" "D"	"	5,500	2,000	"	"	
Dwight F Entwistle	Treasurer "D"	"	100,000	1,200	"	"	
Louise Wynne	Secretary "D"	"	25,000	1,200	"	"	
L. K. Diffenderfer	"D"	"	50,000	200	"	"	
Marshall P Diggs	Stockholder	"	-	400	"	"	
C. A. Weymouth	"	"	-	200	"	"	
	Total		x x x x x	7,200		x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues:

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$200,000	$ 120,000	$ No Par	12,000	
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

(Not in Production)

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	None	None	None	None	None
2. Quantity of product processed (specify unit of measure and type of process)	"	"	"	"	"
3. Quantity and grade of product sold or shipped (specify units of measure)	"	"	"	"	"

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by any available report on the geology and ore reserves.

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)	30,000	20% Mn	See DMA-859		
Indicated (probable)	180,000	" "	"	"	

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Florida Mines, Inc
(Name of company)

By Charles M. Upham
(Signature of authorized official)

April 9, 1951
(Date)

President
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

FLORIDA MINES, INC. Suite 606, Cafritz Building, Washington 6, D.C.

GENERAL TECHNICAL DATA

1.(a) Manganese concentrate, containing 40 percent, or more, manganese and crude ore containing 20 percent, or more, manganese.

(b) There will be no by-products, other than the above.

2. Mining property covering what was formerly known as (1) Luna Mine and (2) American Group of Claims.

(a) Luna- 860 feet.	American -275 feet.
(b) Luna-1,800 feet.	American- (Not known)
(c) Luna- None	American- 600 feet.
(d) Raises- Luna- 375 feet	American- Not known.

In 1940, water level in Luna workings was about 50 feet above the 500-level. Mine is estimated to make about 150 GPM until more workings are driven below water level. Present American workings are dry.

3. (a) Luna and American workings are adjacent. The distance to Deming is about 14 miles; about 12 miles to proposed mill site, which is under option.

(b) Little Florida Mining District.

(c) Sections 17,18,19 and 20, Township 24 South, Range 7 West.

(d) Luna County, New Mexico.

4. (a) Neither Luna nor American properties are now in operation.

(b) We have a mining lease on the 14 Lode Mining Claims of the former Luna property, from Yacomo Incorporated, Lordsburg, New Mexico, and an option to lease the 29 Lode Mining Claims of the American Group from P.L. Gratton of El Paso, Texas. This option will be accepted and converted into a lease.

5. Unable to answer. Partial data in U.S. Geological Survey, Bulletin 922-C.

FLORIDA MINES, INC. Suite 606, Cafritz Building, Washington 6, D.C.

GENERAL TECHNICAL DATA

6. See our Original Proposal DMA-859, under Biographical Data on Officers.

7. (a) All data known to us is discussed in U.S.G.S., Bulletin 922-C.

(b) Same as (a) above.

(c) No private reports are available to us.

11. No production, at present. Proposed scale of operations calls for an average production rate of about 5,500 dry long tons of crude ore per month, from which it is anticipated that about 1,700 dry long tons of concentrate, carrying about 42 percent manganese would be produced. See DMA-859.

12. (a) Ore deposits consist of fissure veins filled with oxidized ore. See U.S. Geological Survey, Bulletin 922-C.

(b-1) Data given in U.S. Geological Survey, Bulletin 922-C.

(b-2) Figures in tabulation for "measured" ore are understood to be approved by the U.S. Geological Survey. "Indicated" ore has been estimated by assuming that the pattern of ore shoot distribution, shown in the developed portions of the properties of the area that show from ~~1/2~~ 1/2 to 2/3 of the drift lengths to have been in ore containing 20 percent manganese, or more, is likely to hold for further exploration and development.

13. Distance to Deming, which would be the shipping, supply and residence point nearest the mining property, a s well as the mill site, is approximately 14 miles for the mining property, of which about 2 1/2 miles is over dirt road and the remainder on U.S. Highway 80. The proposed mill site is about 1 1/2 miles out of Deming, over a graded County Road.

FLORIDA MINES, INC. Suite 606, Cafritz Building, Washington 6, D.C.

GENERAL TECHNICAL DATA

14. Water for mining purposes will be available from the 500-foot shaft of the former Luna mine, in ample quantity at all seasons of the year. Water for beneficiation plant will be supplied in ample amounts at all seasons of the year by a well and pump, now installed on the P.L. Gratton property, which will be used as a mill site.

15. Power line and transformers, ample in size for presently planned mining purposes, is already installed near the former Luna 500-foot shaft.
A power line running across the mill site will furnish ample power for the proposed Pilot Beneficiating Plant. Transformers must be installed.
Rate for power is approximately 1-1/2 cents per KWH. The company supplying power for both points is New Mexico Power & Light Company.

16. None. ..... Ample labor for mining and milling is available in the area.

17. There is no equipment owned by Florida Mines, Inc. now on the mining property.
There are no buildings presently on the mining properties.
On the proposed mill site, there is a well, vertical centrifugal pump and concrete block pump house; adobe house- which with little repair will serve to house the field office; and a loading ramp for immediately loading hand-sorted ore, which is in usable condition now and merely needs some minor repair.

18. See data under DMA-859.

FLORIDA MINES, INC.

DEMING, N. M.

WASHINGTON OFFICE
SUITE 606, CAFRITZ BUILDING
WASHINGTON 6, D. C.
STERLING 4588

March 29 1951

Dr James Boyd Administrator
Defense Minerals Administration
Interior Building
Washington D C

Your file: DMA-859

Dear Sir:

We beg to submit hereuith certain additional data referring to and amending our original proposal, and supporting data, submitted to you on March 21, 1951, to which you have assigned the above number.

This amended proposal brings into the immediate present certain plans for broadening the scope of the project that were planned to be carried out later. However, it would appear to be wise to adopt them at the present time.

Respectfully submitted,

Chas M. Upham

Charles M. Upham, President
Florida Mines, Inc.

uiw

SUMMARY

1. This is not merely a plan for a custom mill but represents the ownership and proposed operation of important mining properties with a beneficiation plant strategically located to serve not only the company's own ores, but by multiple shift operation can receive other ores in the Southwestern area and effectively treat them.

2. The administrative and technical staff are capable and Florida Mines, Inc. will be conservatively operated on a sound business basis.

3. Florida Mines, Inc. is a New Mexico Corporation qualified to immediately commence operations, as soon as the necessary major capital is available.

Respectfully submitted

Chas M. Upham

Charles M Upham, President
Florida Mines, Inc.

AMENDED PROJECT

An option has been obtained by Florida Mines, Inc. from P. L. Gratton, El Paso, Texas, to lease the following property owned by him:

Item I - The so-called American group of 29 Lode Mining Claims, some of which are fractional, generally lying adjacent to the 14 Lode Mining Claims leased from Yacomo Incorporated to Florida Mines, Inc., under date of February 24, 1951, which are located in the Little Florida Mining District, Luna County, New Mexico.

Item 2 - Land amounting to approximately ten acres, west of and adjoining property owned by Metals Reserve Company on which a considerable tonnage of manganese ore is stockpiled.

It is proposed to use the property, designated Item 2 above, for a mill site. It is ample, in size, for the purpose; it has a well and pump capable of supplying ample water for the scale of operations contemplated; it is served by a spur off the A.T. & S.F. Railway between Deming and Hatch, and there is ample area for tailings disposal for a considerable period of operation. More land, conveniently located for this same purpose, can be leased at a reasonable rental.

It is proposed to erect substantially the same type of Pilot Beneficiating Plant as described under our original proposal. Crude ore mined by the company will be trucked to this plant. By operating a second shift, or even more, if business warrants, ore can be brought in by rail or truck from other properties in the area, and purchased by Florida Mines, Inc. for processing and delivery on - or in addition to - our proposed contract.

The American group of claims, designated Item I above, will serve as additional ore reserve. A separate contract will be negotiated with Yacomo Incorporated for exploration, development and mining on these claims.

OPTION TO LEASE GRATTON'S PROPERTY

In response to our request, telegraphic option to lease certain property and outlining terms was received from P. L. Gratton on March 26, 1951. Photostatic copy of this telegram is attached. As stated in the telegram legal written option is following by mail.

Rental of the proposed mill site (Item 2) at $100. per month is very reasonable when it is considered that it includes use of water well and pump; trackage facilities; power line crossing property; use of substantial adobe house, which with little repair can serve as office and to house the chemical and ore testing laboratory.

Terms on the American Group of claims (Item 1) are reasonable. Royalty is the same as in the lease from Yacomo Incorporated on the 14 claims of the Lona May and Jessie Group. The provision for minimum royalty of only 60 man shifts per month recognizes the necessity for considerable exploration and development and encourages the search for ore without being burdensome.

PROPOSAL FOR ORE CONTRACT

No change will be made in the tonnage, specifications or price for base 48 percent ore from those indicated in our original proposal,

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

1201

W. P. MARSHALL, PRESIDENT

SYMBOLS
DL=Day Letter
NL=Night Letter
LT=Int'l Letter Telegram
VLT=Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

25 PM 8 54

PB766 DA598

D EPA404 63 NL COLLECT=ELPASO TEX 25=

FLORITA MINES INC= 1.76

606 CAFRITZ BLDG WASH DC=

I WILL GIVE YOU 20 DAYS OPTION ON LEASING MILL SITE IN DEMING FOR $100.00 PER MONTH AND TAXES ALSO MY AMERICAN GROUP OF CLAIMS FOR TEN PERCENT ROYALTY ON VALUE OF ORE REMOVED WITH MINIMUM OF SIXTY WORK SHIFTS PER MONTH I DO NOT WANT TO LEASE EITHER ONE WITHOUT THE OTHER WILL MAIL LEGAL OPTION WITH LEGAL DESCRIPTION TOMORROW=

P L GRATTAN=

20 $100.00

MPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

submitted on March 21, 1951.

Under this amended plan, we estimate that the 50,000 dry long tons would be shipped in considerably less than the maximum time requested in the original proposal. Thus the loan requested would be amortized in a proportionately shorter time.

Again, we will propose to furnish additional ore as soon as the first contract is completed, based on conditions then prevailing.

AMERICAN GROUP OF CLAIMS

The American Group of Claims, as well as the Lona May and Jessie Claims are adjacent as shown on PLATE 6.

It will be noted that the main developed so-called Luna vein extends across American No. 28 and No. 29 after leaving Lona May No. 1. On American No. 28 there is a 50-foot shaft on that vein which will serve as a point for continued exploration and development.

On American No. 15, there is a 100-foot shaft previously known as Ferro-Manganese Shaft No. 1. On American No. 11 there is a 120-foot shaft previously known as Ferro-Manganese Shaft No. 2. On American No. 4 there is a tunnel of considerable length.

While all of the above-mentioned workings may not have yet shown much indicated mineable concentrating ore - above 20 percent manganese - they would serve as convenient starting points to undertake further exploration.

Yacomo Incorporated has their own capable engineering staff, which will be closely coordinated by the experience of our Edmund Newton. We

would welcome any assistance by the U. S. Geological Survey and the U. S. Bureau of Mines which may be possible, for the interpretation of exploratory results.

It is reasonable to expect that such exploratory work would show approximately the same spacing of ore shoots, as that shown by the more extensively developed veins. Lasky states, on page 67 of U.S.G.S. Bulletin 922-C, that in the main so-called Manganese Valley vein, which has been drifted on laterally for a distance of about 1,850 feet that two-thirds of the total drift length is in mineable concentrating ore. On the main so-called Luna vein, which has been drifted on for only a little more than 800 feet on the 100-foot level, Lasky states - also on page 67 - that about half of the drift lengths was in ore shoots.

POTENTIAL ORE RESERVES

The American Group of Claims is practically undeveloped and yet Lasky, in Bulletin 922-C, appears to recognize the potential ore reserves.

In the light of geologic evidence regarding the Little Florida District it would appear to be reasonable to assume that at least some plus 20 percent manganese crude ore will be developed. We believe it conservative to assume that this "indicated" crude ore may amount to at least 50,000 tons - with little doubt it may be much more.

We believe it fair to assign to such ore a value of $1.50 per long ton. This is less than the $1.75 a ton which we have estimated for the

Lona May and Jessie ore. The reason for this is that there will be a higher cost for exploration and development of ore from the American claims.

On the basis of the above, the 50,000 long tons of "indicated" ore would have an aggregate value of approximately $75,000 in the ground.

OPERATIONS

MINING

A separate working contract will be negotiated with Yacomo Incorporated on the American Group of Claims. This will be necessary because royalty will be paid directly to P. L. Gratton instead of being included by Yacomo Incorporated in the price per unit of manganese on ore delivered at the collar of the shaft from the Lona May and Jessie claims.

Also, in any working contract for the American group of claims, Florida Mines, Inc. will probably have to directly absorb part of the cost of exploration and development, as well as providing some mining equipment.

TRANSPORTATION OF CRUDE ORE

By locating the Pilot Beneficiation Plant at the Gratton property it will mean that approximately three tons of crude ore will have to be hauled from the company's mines in the Little Florida District, instead of the one ton of concentrate. However, it is believed that the strategic location of the mill at Deming, offering the possibility of processing other ores in the area will more than offset this.

When a sufficient flow of ore develops, the crossing over the

Southern Pacific's tracks of the county road, running north from U. S. 80, and on the east side of the Metals Reserve property, as shown on PLATE 7, can be reopened. This will shorten the haulage distance considerably and will by-pass the stop lights and traffic in the City of Deming.

Also, one of the stockholders of Florida Mines, Inc. is C. A. Weymouth, Assistant to the President of Associated Transport, Inc., the largest trucking company in the country, and the benefit of his experience and advice will be available to our company in most effectively handling this crude ore haulage problem.

BENEFICIATING

A sketch map, by Edmund Newton, is designated PLATE 7. Accurate map by C. B. Morgan will be submitted as soon as it is received from Deming.

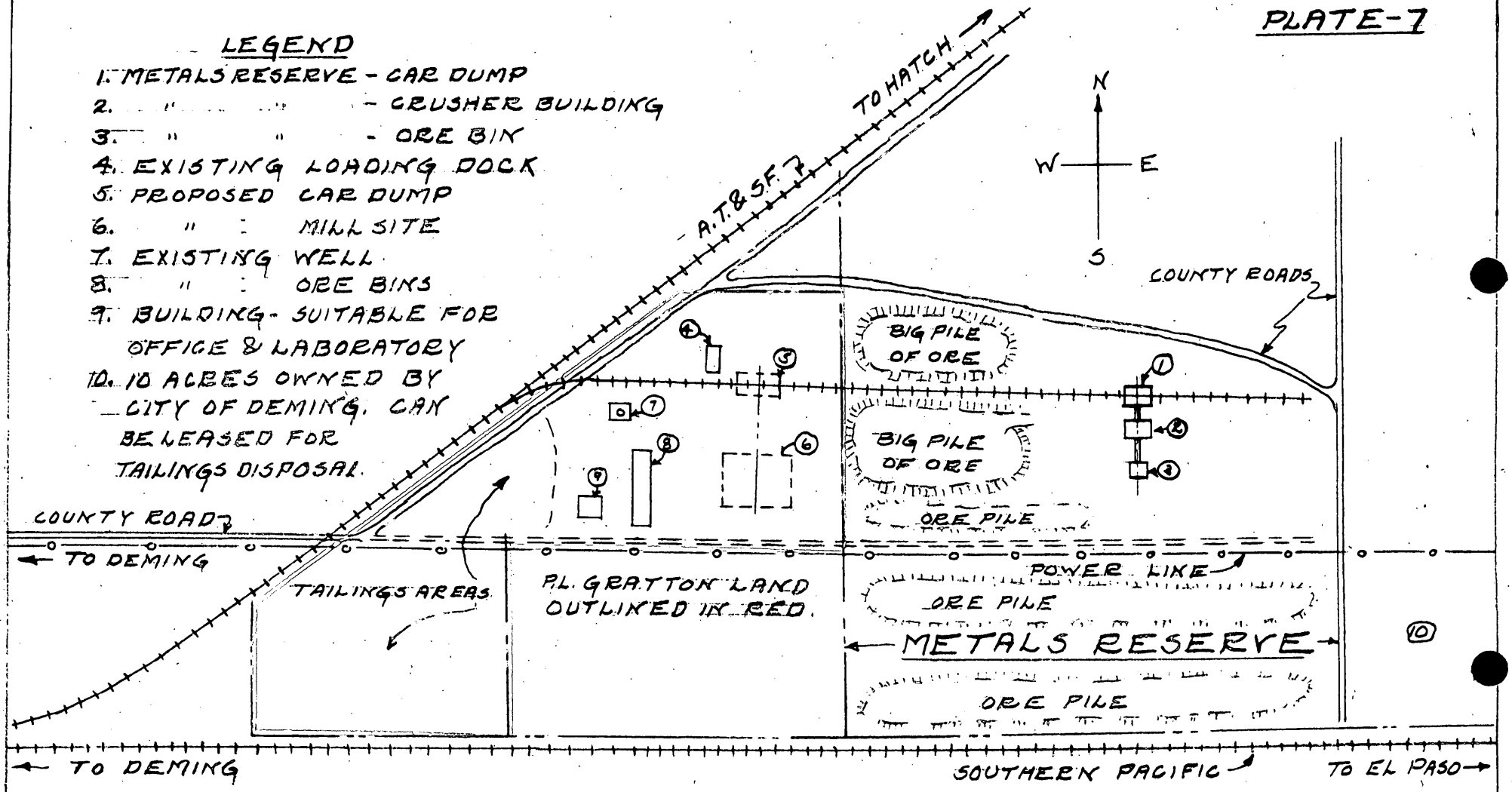
Advantages of Mill Site on Gratton's Land - Railroad transportation is available right on the property, so that crude ore originating some distance away can be received. The proximity to the present Metals Reserve stockpile of crude ore makes it well located for any possible future arrangement to beneficiate such material. Presently available quarters suitable for housing office and laboratory functions is advantageous and the close proximity to the City of Deming would make it a convenient location.

Most important of all is the presently available well, vertical centrifugal pump and concrete block pump house. Water is a serious

PLATE-7

LEGEND

1. METALS RESERVE - CAR DUMP
2. " " - CRUSHER BUILDING
3. " " - ORE BIN
4. EXISTING LOADING DOCK
5. PROPOSED CAR DUMP
6. " : MILL SITE
7. EXISTING WELL
8. " : ORE BINS
9. BUILDING - SUITABLE FOR OFFICE & LABORATORY
10. 10 ACRES OWNED BY CITY OF DEMING. CAN BE LEASED FOR TAILINGS DISPOSAL.



NOTE - SKETCHED FROM MEMORY BY EDMUND NEWTON NOT TO SCALE.
ACCURATE MAP BY C.B. MORGAN, U.S.M.S & DEMING CITY ENGINEER BEING MAILED FROM DEMING, N.M.

PROPOSED MILL SITE
HELD UNDER OPTION TO LEASE FROM P.L. GRATTON TO FLORIDA MINES, INC.

problem in the Mimbres Valley and very strong sentiment, on the part of farmers in the Valley, would be against the drilling of any new well, or water supply, on the Metals Reserve property.

Quantity of Water Available from Gratton's Well - It is understood that the flow of water from this well is approximately 750 GPM. This will be verified.

Amended Flow Sheet of Pilot Beneficiating Plant - There will be little change in the graphic flow sheet shown as PLATE 5 of our original proposal, except for the following:

1. The Santa Fe Railroad will be approached to install a standard track dump at some suitable point, probably as shown on PLATE 7.

2. Because of the flat site on Gratton's property a greater length of conveyors will be required.

3. An attempt will be made to utilize the existing submerged ore bins, as shown on PLATE 7 for crushed crude ore storage.

No attempt will be made to increase the hourly capacity of the units in the Pilot Beneficiating Plant. As soon, however, as sufficient additional crude ore from other than Florida Mines, Inc. properties warrant it a two-shift, or even three-shift operation will be planned. Thus the equipment will be used more continuously and effectively.

Ore Testing - It was planned in the original proposal to install laboratory-scale ore testing equipment. This function will be even more important under the amended proposal.

Where any property indicates that they would be in position to ship crude ore to our plant, samples would be carefully tested in our

laboratory before agreeing to accept the same.

Our Edmund Newton has had much experience in the technique of testing manganese-bearing material, from his work in charge of the Minnesota Mines Experiment Station. He has kept abreast of most of the recent developments in that field.

Also, our chemist will be a mining engineer who has had much experience in ore testing.

Pilot Plant Idea - We consider that our plan of considering our original plant, as a "Pilot Operation", is sound and conservative. From its operation, controlled by laboratory testing and analysis, we believe that much valuable information will be gained regarding the character of ores in the Southwestern area, and suitable methods of treatment can be devised.

After the experience with our proposed plant sufficient data will be available to design a suitable and permanent plant if conditions then warrant it.

ADDITIONAL EQUIPMENT REQUIRED

Mining - To carry out exploration, development and mining on the American Group of Claims additional equipment to the extent of about $15,000 would be required. A further breakdown of this amount cannot intelligently be made at this time but this sum together with what equipment Yacomo Incorporated has should be ample.

Transportation - Three 7-1/2-ton trucks would be ample to transport the worst case of 250 long tons of crude ore in one shift. These could be purchased for approximately $16,000.

Beneficiating Plant - In order to coordinate mining activities at the company's properties with those of the Pilot Beneficiation Plant, it will be desirable to have a crude ore storage pile at the plant site. This would be placed close to the truck ore dumping hopper, so that a so-called "Pay Loader" together with a possible portable conveyor would be required. A "Pay Loader" of suitable capacity would cost approximately $6,000 and a 50-foot Portable Conveyor would cost about $3,000.

In addition, there should be some funds available for making necessary changes in the flow sheet, which cannot be forseen at the present time.

Summary of Additional Equipment Required

Mining Equipment	$15,000
Trucks	16,000
Beneficiating Plant-"Pay Loader	6,000
Portable Belt Conveyor	3,000
Unforseen	10,000
	$50,000

AMENDED LOAN REQUESTED

Mining Equipment	$ 34,823
Transportation Equipment - Trucks	16,000
Beneficiation Plant Equipment	107,228
Laboratory	2,000
Office	2,000
Car and Pick-up Truck	6,000
Unforseen	6,949
Working Capital	75,000
	$250,000

DMA-859
Florida Mines, Inc

AMENDED PROFORMA BALANCE SHEET

After initial financing and Government Loan, but before operations.

ASSETS

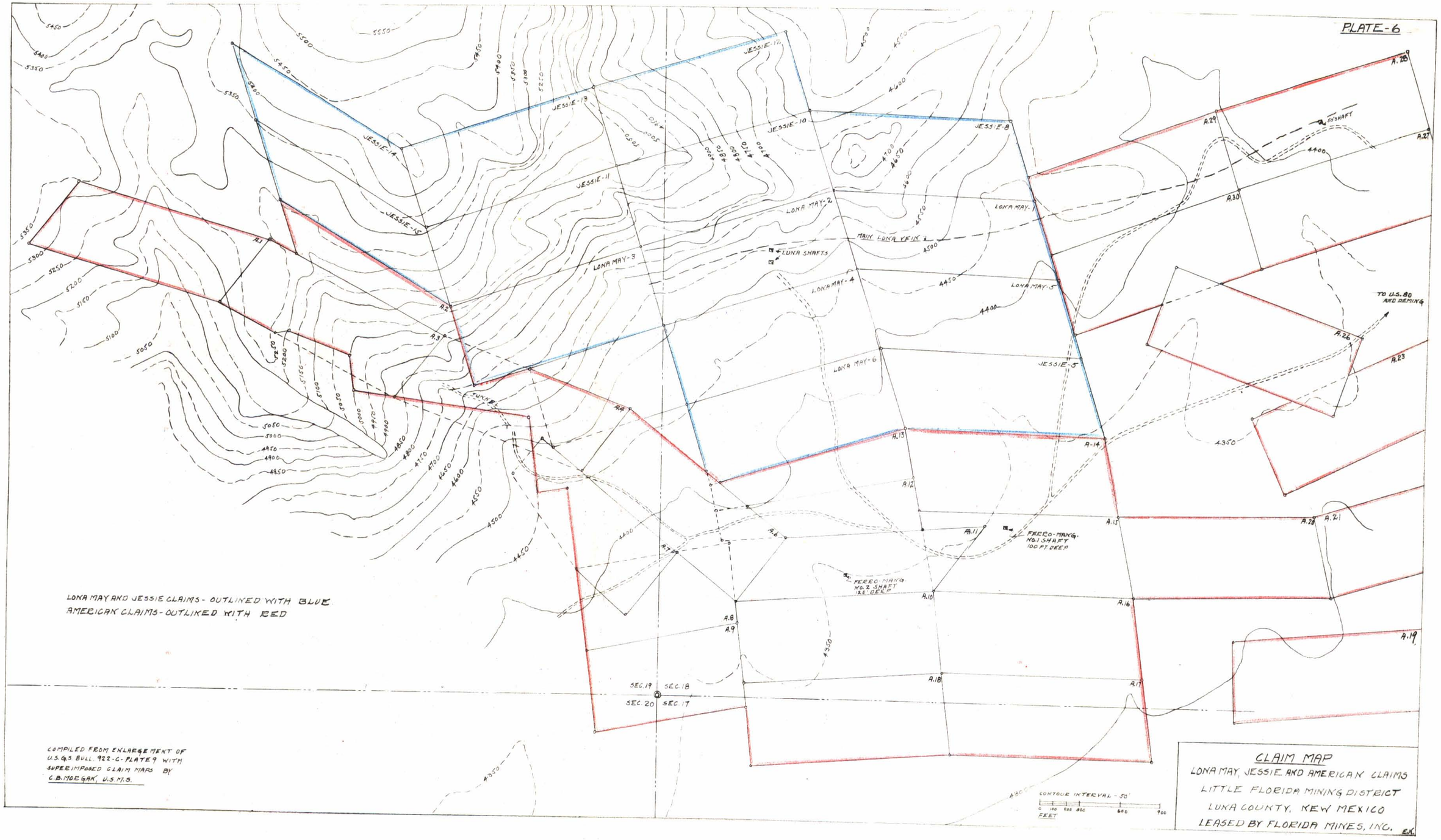
Cash		$ 86,500
Ore in Ground -		
Lona May & Jessie- 175,000 tons at $1.75 -	$280,000	
American group - 50,000 " " 1.50 -	75,000	
		355,000
Equipment - Total		175,000
Prepaid Organization Expense		1,500
Prepaid Expense - Edmund Newton		2,000
		$620,000

LIABILITIES

Government Loan	$250,000
Stock Issued - 12,000 shares at $10.	120,000
Capital Surplus	250,000
	$620,000

Chas M. Upham

PLATE-6



LONA MAY AND JESSIE CLAIMS - OUTLINED WITH BLUE
AMERICAN CLAIMS - OUTLINED WITH RED

COMPILED FROM ENLARGEMENT OF U.S.G.S. BULL. 922-G-PLATE 9 WITH SUPERIMPOSED CLAIM MAPS BY C.B. MOEGAK, U.S.M.S.

CLAIM MAP
LONA MAY, JESSIE AND AMERICAN CLAIMS
LITTLE FLORIDA MINING DISTRICT
LUNA COUNTY, NEW MEXICO
LEASED BY FLORIDA MINES, INC.
E.K.